



**XTGLOBAL INFOTECH LIMITED**  
**(Formerly Frontier Informatics Limited)**

**32<sup>nd</sup>**  
**ANNUAL**  
**REPORT**  
**2019 - 2020**



Reg. Off. : Plot No. 31 P & 32, 3<sup>rd</sup> Floor, Tower A,  
Ramky Selenium, Financial District, Nanakramguda,  
Hyderabad - 500032, Telangana, India.



Phone : 040-66353456  
Email : [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)  
Website : [www.fitindia.com](http://www.fitindia.com)

## Board of Directors

1. Mr. Ramarao Atchuta Mullapudi  
Managing Director and Chairman
2. Ms. Vuppuluri Sreedevi  
Whole-time Director
3. Mr. Sreenivasa Rao Potti  
Independent Director
4. Mr. Venkata Madhusudhana Rao Paladugu  
Independent Director
5. Mr.China Surya Narayana Murthy Anupindi  
Independent Director (Resigned on 23.07.2020)
6. Mr. Venkata Appala Narasimha Raju Kalidindi  
Independent Director (Appointed on 16.08.2020)
7. Mr. Jagannatha Prasad Malireddy  
Non-Executive Director (Appointed on 16.08.2020)

## Chief Financial Officer

Mr. Raghuram Kusuluri

## Company Secretary

Ms. Shikha Gangrade

## Auditors

Niranjan & Narayan,  
Chartered Accountants, Hyderabad.

## Secretarial Auditor

VCSR & Associates,  
Company Secretaries, Hyderabad.

## Bankers

**ICICI Bank**, Jubilee Hills branch, Hyderabad  
**Bank of India**, Hitech city branch, Hyderabad

## Registered Office

Plot No 31P & 32, Tower-A, 3rd 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: 1800 3454 001  
E-mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## Corporate Identification Number

L72200TG1986PLC006644

## Website

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

## MANAGING DIRECTOR'S MESSAGE

The Financial year 2019 - 2020 was meant to Adapt and Evolve as a Company. I am Proud of how we, as a Team Coped, Stayed Connected and Learned New Approaches along the way during the Pandemic Crisis.

Our Company has Proved that we are Resilient, and we are Confident that Our Performance will continue to Improve! We are on the Course to Reshape Our Future, which will be Built on the Strong Foundation of these 3 Pillars:

1. **Innovation:** We are constantly questioning ourselves as to how we can Solve our Customers' Challenges with our Advanced Solutions.
2. **Commitment:** Now is the Time to Stand by Our People and Clients. We are Committed to Developing Strategies and Solutions to Suit the Changing Needs of Our Employees and Clients. We have Detailed Business Continuity Plan (BCP) to Mitigate Risks.

Be it Digital Transformation, Switching to Work-from-Anywhere Model, Leveraging Outsourcing, or the Latest Software Development Tools & Technologies, we are Devoted to deal with Dynamic Business Needs and become more Competitive.

3. **Agility:** Being Flexible and Swiftly Embracing the New Technologies and Methodologies will continue to help us Cope Up with Uncertainty and Gain an Edge over the Competition.

We have also Augmented Our Capabilities with New Infrastructure and Additional Features in Our Products and Services. We continue to focus on Developing Internal Talent through Continuous Learning Programs, Skills Exchange, Open Forums for Learning, Online Courses, and other ways in order to make Digital Knowledge a Core Advantage.

I thank all Shareholders and the Board of Directors for their Encouragement and Support throughout this Journey, which I Believe will Lead Us to the Milestones Worth being Proud Of.



## YEAR AT GLANCE

The most significant change in IT technology in 2018 and 2019 has been increasing mainstream use of innovative and advanced technologies. AI, together with IoT and edge computing has manifested in the form of augmented intelligence, taking automation to the next level. AI-enhanced solutions such as RPA have made business processes faster and more accurate, adding more value for full-time resources in application development. Augmented analytics, edge computing, VR (Virtual Reality), AR (Augmented Reality), MR (Mixed Reality), Blockchain, Quantum Computing and many more that have driven companies to rethink on concerns relating to privacy, digital ethics, and security.

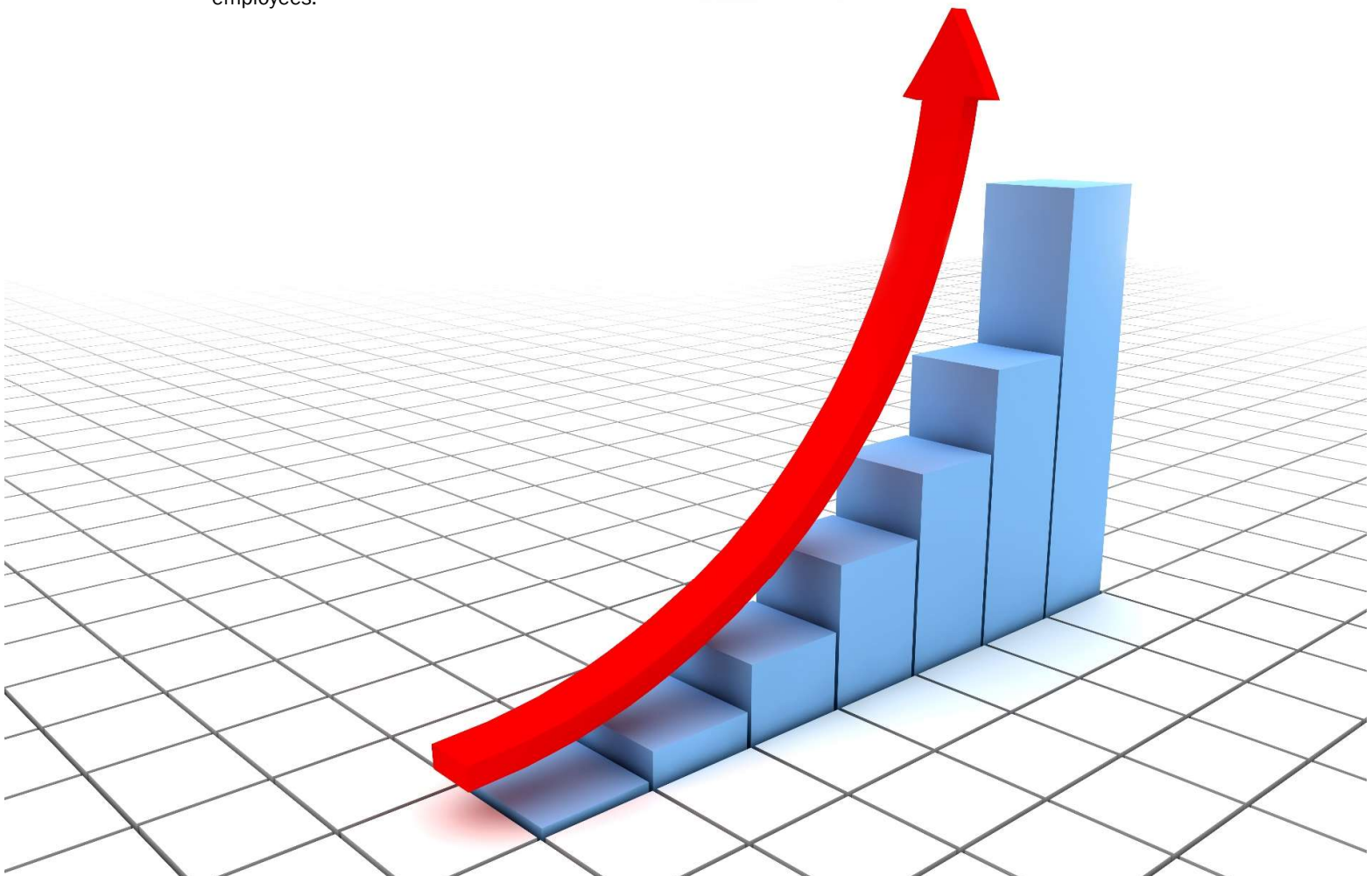
With increasing opportunities for managed services support, we hope to forge ahead in creating support solutions using cloud technologies and newer business models.

## BUSINESS ACHIEVEMENTS

XTGlobal Infotech's Revenue from Operations for Financial Year 2019-20 has increased to Rs. 523.39 Lakhs from Rs. 41.77 Lakhs during Financial Year 2018-19, which is a 12X increase (approximately). Profit attributable to shareholders of the company for Financial Year 2019-20 is Rs. 230.63 Lakhs which is approximately 80 times of Rs. 2.87 Lakhs during Financial Year 2018-19. The company is now 100% debt-free.

The company has made a major acquisition of Xenosoft group with about \$26.5 million in revenue in an all stock deal.

XTGlobal Infotech's acquisition of Xenosoft will help the group to generate an annual recurring revenue, has given a leverage in the AP Automation services market, enabled to add significant infrastructure and employees.



## COMPANY WITH A PURPOSE

XTGlobal’s focus is to increase the value of our clients’ offerings through transformational business models. Creation of highly secure, intelligent services and automation solutions that work across public, private, and multi-cloud environments to bring operational success is on top of our agenda.



## THE YEAR AHEAD

XTGlobal Infotech has been moving ahead with two objectives in mind: Growth and Execution. Our endeavor has been to make our portfolio stronger while giving our clients the ability to build on their own products and services. Technology has become the most critical component for all kinds of businesses and to help them navigate the complexity of technology, we should come up with innovative and configurable solutions. Delivering secure, resilient, intelligent applications at scale and at an affordable cost should be our value proposition.

For Financial year 2020-21, the main objective is to provide our customers with world-class infrastructure and talent with our partnership. This model enables our clients to access new opportunities in software development, application design, and automation while giving our resources the chance to work on diverse projects. We should continue to remain focused on our customers, resources, and our communities at large, building solutions that create even more opportunities.

## CORPORATE SOCIAL RESPONSIBILITY

At XTGlobal, we are committed to the sustainable development of the society and environment that encompasses us. It is in our DNA to be conscious about the impact of each corporate protocol on the environment, and each segment of our business strives to contribute towards a better tomorrow.

### RESPONSIBLE, TOWARDS OUR PLANET



#### CONSERVATION OF ENERGY

As an organization, our operations are not energy intensive. We lay great emphasis on the procurement and usage of energy efficient computers and equipment. The staff is advised to turn off the systems (*that are not in use*) before they leave the office. Natural light is preferred when available.



#### CONSERVATION OF RESOURCES

At XTGlobal, it is a constant endeavour to minimize food wastage and ensure optimal utilization of water. It is recommended to print only when necessary. Small initiatives like low-flow taps, efficient cleaning procedures, education, and reminders for the employees go a long way in preserving natural resources. We promote car-pooling to curtail fuel consumption and air pollution.



#### REUSE AND REDUCE

We adhere to environment-friendly practices in our everyday operations. Whether it is the office supplies or cafeteria operations, we ensure optimal utilization. Filtered water and reusable cutlery are provided to discourage the use of disposable bottles and cups that take several years to decompose.



#### RESPONSIBLE WASTE DISPOSAL

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

### RESPONSIBLE, TOWARDS OUR PEOPLE



#### LIFESTYLE

We are regularly updating our employee policies like leave policies, work-from-home guidelines, office timing, and more, to promote healthy work-life balance among our employees. Workshops on healthy eating habits, fitness, Zumba, etc. are carried out on a regular basis to keep the employees motivated about the same. We stay close to nature with the indoor plants in our office that provide improved air quality and relaxed aesthetics.



#### PROFESSIONAL ADVANCEMENT

XTGlobal respects and cares for its workforce. We provide the employees with ample opportunity to showcase their talent and hone their skills. We encourage transparency and our management makes a sincere attempt to listen to the employee suggestions, or feedback and takes action, where possible. We are honest about our expectations and constraints.

## MESSAGE FROM THE BOARD OF DIRECTORS



**P Sreenivasa Rao**  
Independent Director



**CA P V Madhusudhana Rao**  
Independent Director



**CA K V A Narasimha Raju**  
Independent Director



**V Sreedevi**  
Whole-time Director



**M Jagannatha Prasad**  
Non-Executive Director



Dear Shareholders,

Financial year 2019-2020 has been a challenging year with the global pandemic affecting most, if not all, businesses in some manner or the other. With most economies facing an impending slowdown, our focus should be on maximizing profitability and minimizing costs for our clients. XTGlobal strategic investments in the last couple of years have enabled us to meet fluctuations more effectively, derive sustainable income and contribute to long-term growth of the company. We believe that these investments will help to drive sales in new and existing markets and build better collaborations and partnerships.

The Board of Directors are deeply thankful to you, our shareholders, for continuing to place your trust in us during these uncertain times. With plans to expand our product/service portfolio, transform our business models, empower our resources, and develop new partnerships, we are confident of creating sustainable and consistent growth for XTGlobal Infotech. We hope that we continue to receive your kind support and encouragement in the future as well as we embark on a successful journey ahead.



## BUSINESS OF THE COMPANY

### WHO WE ARE

At XTGlobal, we bring growth and innovation to businesses in USA and India by offering top-notch, expert solutions in IT and IT-Enabled Services.

Enterprises, both big and small, are increasingly becoming technology driven. Those that embrace technology proactively get to stay ahead in the race and 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 32 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 Oracle and Microsoft technologies gives our clients the benefit of advancements in cloud-enabled capabilities at all levels, helping them derive value for their on-premise and private-cloud applications as well.

#### Circulus AP Automation

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 non-voice 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.

### WHAT WE OFFER

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.

#### Digital Transformation Solutions

With Oracle and Microsoft’s cloud-based technologies, 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 is no limits to creating a connected, intelligent enterprise in a most secure and cost-effective way.

ENTERPRISE APPLICATIONS	ANALYTICS	INTEGRATIONS
<ul style="list-style-type: none"> <li>▶ <b>Oracle Cloud</b> <ul style="list-style-type: none"> <li>• Financial Cloud</li> <li>• HCM Cloud</li> <li>• SCM Cloud</li> </ul> </li> <li>▶ <b>Oracle E-Business suite</b> <ul style="list-style-type: none"> <li>• Oracle Financials</li> <li>• Oracle SCM</li> <li>• Oracle HRMS</li> </ul> </li> <li>▶ <b>Microsoft Dynamics 365</b> <ul style="list-style-type: none"> <li>• CRM</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Oracle Analytics Cloud</b></li> <li>▶ <b>Big Data Analytics</b></li> <li>▶ <b>OBIEE/ BICS</b></li> <li>▶ <b>BI Applications</b></li> <li>▶ <b>OTBI, Smart View</b></li> <li>▶ <b>Financial Reporting Studio</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Oracle Integration Cloud</b></li> <li>▶ <b>Oracle SOA Suite</b></li> <li>▶ <b>Azure Integration Services (AIS)</b></li> <li>▶ <b>Dell Boomi</b></li> <li>▶ <b>MuleSoft</b></li> </ul>



IMPLEMENTATIONS	UPGRADES	ENTERPRISE CLOUD SERVICES
<ul style="list-style-type: none"> <li>▶ <b>Cloud ERP Implementation</b></li> <li>▶ <b>Cloud HCM Implementation</b></li> <li>▶ <b>Cloud SCM Implementation</b></li> <li>▶ <b>Legacy to Cloud ERP Migration</b></li> <li>▶ <b>Cloud Extensions for GAPS</b></li> <li>▶ <b>Hybrid Cloud Enablement</b></li> <li>▶ <b>EBS Implementation</b></li> <li>▶ <b>EBS Extensions &amp; Integrations</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Adoption of Incremental Cloud Releases</b></li> <li>▶ <b>EBS Upgrade</b></li> <li>▶ <b>EBS CEMLI Remediation</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Strategic Services</b> <ul style="list-style-type: none"> <li>• Health Check &amp; Assessments</li> <li>• Proof of Concept</li> <li>• Oracle Cloud Readiness</li> </ul> </li> </ul>

**CASE STUDY**

**ERP Cloud Implementation**

**CUSTOMER STORY :**

A major broadcasting company was looking for a tech partner to help in its ERP cloud implementation. The client wanted to upgrade their legacy Oracle EBS platform to Oracle Fusion Cloud environment.

**SOLUTION**

XTGlobal helped the client in its migration from legacy platform to a cloud platform by developing custom solutions for Functional GAPS in AR and AP. XTGlobal continued to support the client with Cloud and Managed Support Services even after the project.

**KEY HIGHLIGHTS:**

100%

Data Accuracy  
in Managed File  
Transfer

\$8000

Lowered  
Offshore Costs

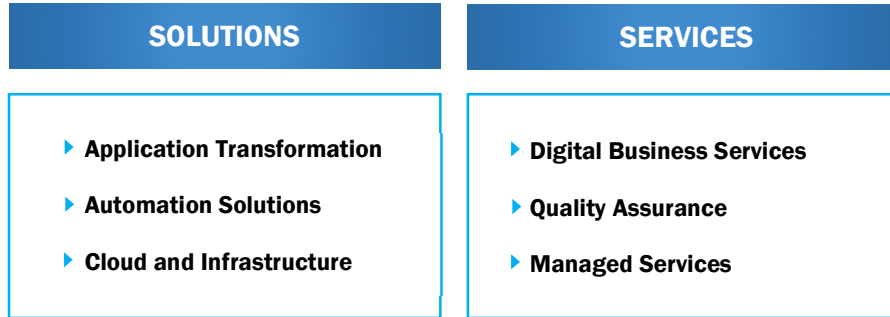
128,000

Data Records  
Migrated

**SOFTWARE SERVICES AND APPLICATION DEVELOPMENT**

As business move more and more into the cloud, the demand for application development and software services is likely to increase. There will however be changes in the ways in which these technologies will be adopted and the skills required. The main technologies and services that will be in high demand are Blockchain, Microservice Architecture, Cyber Security, Cloud and Edge Computing, powered by AI, IoT and Machine Learning.

XTGlobal’s expert advice, proven methods and approaches, experience with agile, advanced DevOps, microservices, and APIs will help to transform clients’ application portfolio faster and optimize the outcomes.



**CASE STUDY**

**Automation Testing for Optimized Defect**

**CUSTOMER STORY :**

A leading provider of vertically-integrated toll systems was facing challenges with its unit testing model. Code defects, high cost overruns, mismatch of resources, and high mid-flight attrition were affecting the company’s automated product suite.

**SOLUTION**

XTGlobal assembled a robust QA governance structure with senior resources to manage the client’s testing models.

**KEY HIGHLIGHTS:**

30%

Cost Reduction

50%

Increase in Productivity over Existing Testing Operations

>98%

Defect Removal Efficiency

## HOW WE OFFER

### XTGLOBAL VALUE MODELS

XTGlobal’s participation in this technology-driven change is by creating collaborative business models that give clients a strategic cost and infrastructure advantage. Our business is based on four value models: BPO and AP Automation Services, Managed Support Services, ODTP (On-Demand Talent Partnership), and BOLT (Built-Operate-Lease-Transfer).

#### Process Outsourcing and AP Automation Services

Our approach to process outsourcing can be summed up into a single word, flexibility. We offer these services under the Circulus brand name. With Circulus, the unique business requirements aren’t forced into a pre-configured cookie cutter solution. Rather, we partner with clients to develop tailored solutions no matter how complex.

Through workflow automation, back office & tech- enablement, Circulus provides the tools necessary to transform AP into a valuable and strategic function. The end result is highly structured analytics and reporting framework that aids in decision making and compliance.

**CIRCULUS**

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

CASE STUDY 1

**Immediate ROI with AP Automation**

CUSTOMER STORY :

The Accounts Payable department of an international organization globally recognized for its best-in-class water and maintenance solutions was manually processing invoices with numerous FTEs spread across various locations. The operations required streamlining.

SOLUTION

XTGlobal’s centralized, web-based portal which could work with multiple languages and currencies, not only addressed these challenges but enhanced the resource utilization drastically. Enhanced visibility, robust security, and timely closure exceeded the client expectations.

KEY HIGHLIGHTS:

52%

Decrease in FTE Requirement

55%

Reduction in Total Exceptions

**CASE STUDY 2**

**Process Improvement Through AP Automation**

**CUSTOMER STORY :**

The unstructured, fragmented, and manual processes were holding back the Accounting department of a US-based global leader in insurance brokerage, risk management, and consulting service. With many hundreds of locations worldwide, defining an efficient structure to process the large number of invoices had become the need of the hour. Unstructured handling of invoices during submission, coding, and approvals needed to be addressed.

**SOLUTION**

XTGlobal's centralized invoice submission platform enabled automated approval routing, capturing of ad-hoc expenditures, and assigning of the right coding. Making the processes more efficient, thereby avoiding coding mistakes.

**KEY HIGHLIGHTS:**



With Circulus [XTGlobal], we were able to receive a solution that provided us with 99.5% accuracy for our data extraction despite having close to 10,000 vendors invoices templates. Their fully customizable end-to-end solution provides not only the standard data extraction and approval workflow, but incorporates our custom online forms, business rules, and data feed as well.

**- VP of Financial Systems for a Fortune 1000 company**

**MANAGED SUPPORT SERVICES**

With growing use of advanced technologies such as AI, IoT, ML, and Big Data, enterprises are facing major challenges in building on their in-house capabilities to handle these complex systems. With a reliable managed support services provider, they can be assured of hands-off management of these critical resources and infrastructure.

Automation, IaaS (Infrastructure-as-a-Service), Cybersecurity, cloud computing, SaaS, and PaaS are some of the most popular support services that companies need as businesses are going for upgrades to their on-premise legacy systems. Managed services providers have evolved into technical consultants who can provide on-demand services with a combination of networking, data center services, mobility, and security services.

**XTGLOBAL'S MANAGED SUPPORT SERVICES**

- ▶ **Cloud LifeCycle Management**
- ▶ **Incident and Problem Management Support**
- ▶ **Application Managed Services**
- ▶ **Change and Release Management Support**
- ▶ **Database Support**
- ▶ **On-Demand Support**

**CASE STUDY**

**Managed Services**

**CUSTOMER STORY :**

A broadcast media company was looking for technical and functional support across a wide range of SaaS, PaaS and IaaS environments. It needed post-go-live support for a major technology initiative with wide-ranging goals operationally, strategically, and financially. The client was looking for a technological partner with strong cloud-based solutions and support, comprising of senior-level executives working in US time zones.

**SOLUTION**

XTGlobal came up with a dedicated resource structure with On-site PM, a CSM, a functional support specialist, and technical support specialists. Under the XTGlobal Cloud Lifecycle Management MSP Offering, it created a 3-tier governance model at strategic, operational and transactional levels.

**KEY HIGHLIGHTS:**

100%

Adherence to Time and Budget

200+

Tickets Resolved Since Completion

**ON-DEMAND TALENT PARTNERSHIP**

Being a top-tier IT consulting firm, XTGlobal Offshore On-Demand Talent Partnership can be a solution for firms struggling to attract local resources. Our 20 years of experience in IT industry has helped us to understand talent partnership patterns and strategies for absorbing disruptions and risk management. As a result, our ODTP value model with technology expertise, experienced resources, and well-equipped infrastructure for various technology areas helps IT leaders face and overcome the challenges of on-demand talent management.

**BUILT – OPERATE – TRANSFER**

BOLT (Built-Operate- -Transfer) gives our clients the option of owning and operating an offshore delivery center with minimal effort. XTGlobal is responsible for developing, setting up, and operating the delivery center of excellence on behalf of the client. This is a win-win for both XTGlobal and our clients because it gives clients cost benefits of up to 70% (when compared to owning and operating their own offshore/onshore facility) as well as access to the best infrastructure, workforce, and processes. XTGlobal gets the benefit of using its offshore offices to their fullest capacity and also attracts top talent for clients’ projects.

**CASE STUDY**

**Redefining Business Partnerships - Beyond Borders, Beyond Outsourcing**

**CUSTOMER STORY :**

A leading provider of integrated solutions to toll authorities in the USA was looking for a vendor to manage its development, post-development, and defect-resolution requirements of their automated product suite.

**SOLUTION**

XTGlobal created an offshore-onshore team to address the client’s resource-related challenges such as high offshore talent costs, high rates of attrition and skills mismatch.

**KEY HIGHLIGHTS:**

<div style="background-color: #003366; color: white; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <p style="margin: 0;">50%</p> </div> <p style="margin: 5px 0;">Reduction in Onsite Hiring Requirement</p>	<div style="background-color: #003366; color: white; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <p style="margin: 0;">60%</p> </div> <p style="margin: 5px 0;">Reduction in Total Cost of Ownership</p>	<div style="background-color: #003366; color: white; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <p style="margin: 0;">50%</p> </div> <p style="margin: 5px 0;">Reduction in Development Time</p>	<div style="background-color: #003366; color: white; border-radius: 50%; width: 60px; height: 60px; display: flex; align-items: center; justify-content: center; margin: 0 auto;"> <p style="margin: 0;">95%</p> </div> <p style="margin: 5px 0;">Employee Retention Rate at Offshore Center</p>
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# TALENT MANAGEMENT

The Fuel for Our Growth



At XTGlobal, we believe that our employees are the driving force behind our growth. We take pride in our talented, experienced, and enthusiastic team members and provide them with the right opportunities for personal and professional growth. Our policies and processes are created with the most valuable asset of our company—our people as the focal point. Our Human Resource practices and initiatives emphasize the continuous development of our workforce, which is critical to the long-term success of the company.






## OUR PEOPLE

Our **550+** employees include engineers, quality analysts, financial analysts, support specialists, product owners & customer support specialists—a highly accomplished team that helps customers succeed and remain competitive. As an organization, we bring to work our analytical mindset, a drive to innovate, customer focus, and a passion for continuous improvement.

As of **March 31, 2020** we had **550+** full-time employees in our group. None of our employees located across different locations are represented by unions. We consider our relationship with our employees to be good and have not experienced interruptions of operations due to labor disagreements. XTGlobal’s retention rate is commendable; the attrition percentage has always been below the industry benchmark, including during the current FY19-20.

## TALENT ACQUISITION

Our emphasis is on building an agile and inclusive organization that celebrates diversity. Fairness, and creating equal opportunities for everyone is fundamental to XTGlobal’s core values. Our leadership team strives to ensure we hire the right talent who would like to invest their knowledge, experience, skills & competencies at XTGlobal and build a promising career. Our official email id, [careersindia@xtglobal.com](mailto:careersindia@xtglobal.com), is dedicated to all career-related communication. Our other recruiting channels for sourcing efficient talent include:

-  Online Assessments
-  Off Campus Drives for Freshers
-  Job Portals
-  Employee Referrals
-  Talent Partnerships

“

We achieved an **60%** on-time fill rate for open positions with a **12.50%** YoY increase in regular hiring. We initiated a “Hire and Train” model for specific entry-level skills that allow trainees to undergo basic training while they are on probation.

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## TALENT DEVELOPMENT

We are committed to creating an organization and culture where our team members are empowered and engaged to be equal partners in our growth story. We equip people to evolve with technological advancements and business requirements.

<p><b>1. SKILL DEVELOPMENT</b></p> <p>XTGlobal is aggressively investing in our people to make sure that they develop a culture of design thinking, calculated risk-taking, and customer delight. Developing in-depth domain knowledge is essential to be in sync with fast-changing technologies and client expectations. Our teams are clocking a higher number of quality hours of self &amp; instructor-led training towards this effort.</p>	<p><b>Some of the industry and academia-led training include:</b></p> <ul style="list-style-type: none"> <li>▶ Internal Trainings</li> <li>▶ External Trainings</li> <li>▶ Virtual/Webinar Trainings</li> <li>▶ Online Learning(s)</li> <li>▶ Certifications</li> </ul>
<p><b>2. LEADERSHIP DEVELOPMENT</b></p> <p>The business environment today is quite complex, unpredictable, and volatile. One needs to hone leadership skills and acquire adaptive thinking abilities. XTGlobal is developing strong leadership in-house at various levels—execution, functional, and business leadership—through carefully designed programs that balance the needs of individuals and the business.</p>	<p><b>Some of the initiatives towards leadership development are via:</b></p> <ul style="list-style-type: none"> <li>▶ Leadership Trainings (Internal &amp; External)</li> <li>▶ Monthly Managers Meeting</li> <li>▶ Annual Strategy Meeting</li> <li>▶ Senior Leadership Meeting</li> <li>▶ People/Client Success Meeting</li> </ul>

## EMPLOYEE ENGAGEMENT

We strive to be the employer of choice by offering our workforce a platform to showcase their capabilities and harness their creativity. We provide an environment in which all our team members can thrive.

During FY19-20, employee engagement was carried out via various internal and external interventions involving employees and senior management. We have dedicated committees that promote collaboration in innovative ways. The three committees that plan and execute interesting activities throughout the year are:



Talent Committee



Sports Committee

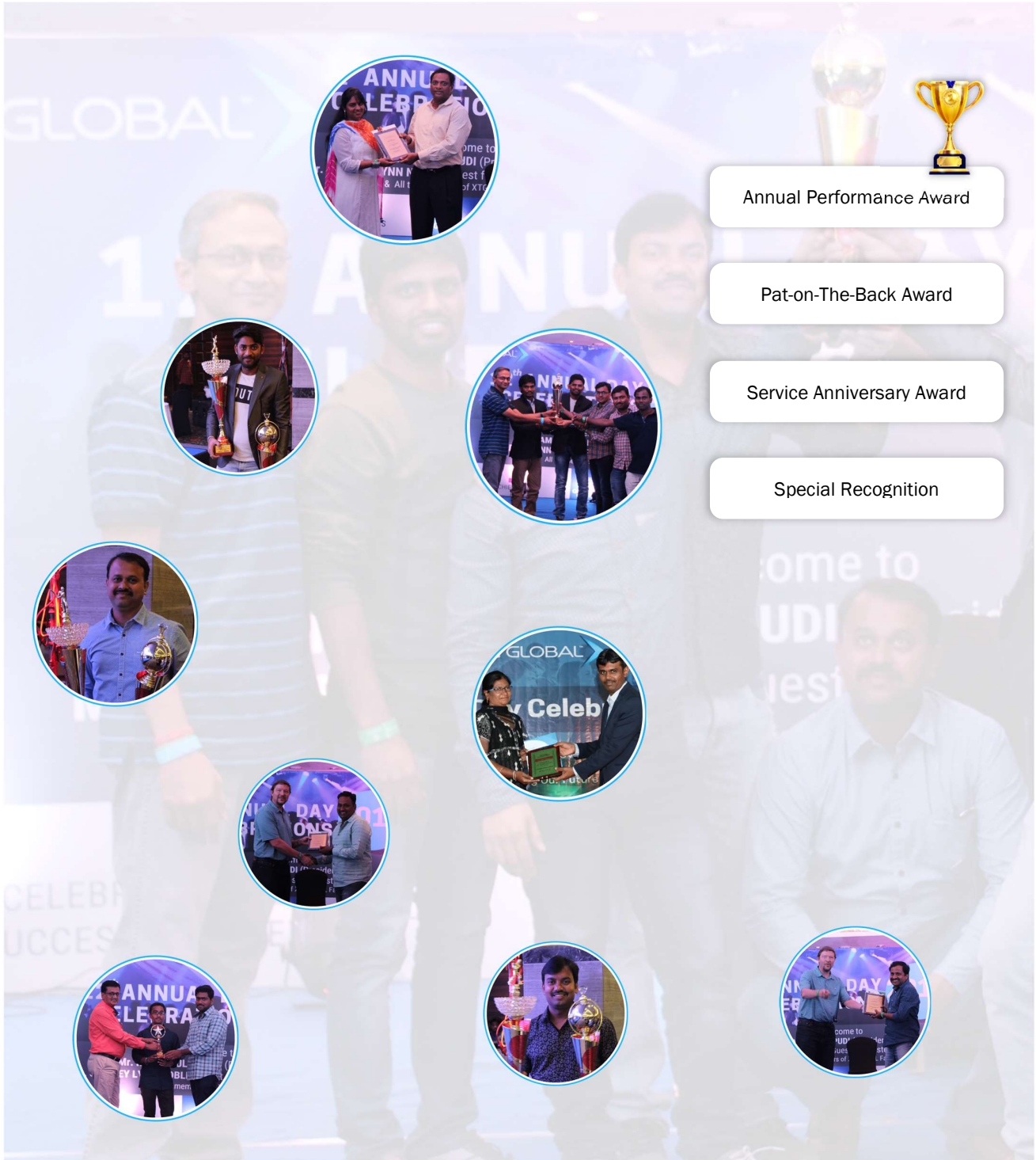


Cultural Committee



## REWARDS & RECOGNITIONS

AT XTGlobal, we have built a culture of recognition, and we celebrate good performance. We identify and recognize growing talent and employees who have been consistently performing throughout the year. XTGlobal presents the following awards to appreciate, thank and encourage dedicated performers:



**EMPLOYEE WELFARE**

**With the fundamentals of transparency and empathy,**

**1. We Hear**

We consistently carry out open conversations through various channels of communication. One of them is via the town hall meetings, which give a platform to the employees to ask and clarify their queries with the senior management. We have a dedicated channel to hear employee(s) voice – [help@xtglobal.com](mailto:help@xtglobal.com).

**2. We Care**

Our focus on developing scalable policies and people practices has resulted in the introduction of new benefits across our locations/offices. These benefits include:

▶ Increased Leaves (All Inclusive)	▶ Work From Home
▶ Trainings and Certifications	▶ Transportation

In addition to the above, several Perquisites/Benefits are also provided to the employees based on certain guidelines.

- ▶ Group Health Insurance and Personal Accident Insurance Schemes
- ▶ Leave Travel Concession / Allowance
- ▶ Provident Fund & Pension Fund
- ▶ Gratuity
- ▶ Telephone & Internet Reimbursement

**3. We Protect**

We ensure a safe, secure, and enabling environment, free from sexual harassment at the workplace. Our IC committee works for the prevention and redressal of complaints of sexual harassment and matters related to it. Employees can reach out to the committee through [Hyd-ICC@xtglobal.com](mailto:Hyd-ICC@xtglobal.com) for the Hyderabad location and [Vizag-ICC@xtglobal.com](mailto:Vizag-ICC@xtglobal.com) for Visakhapatnam. In FY19-20, XTGlobal framed and implemented the POSH policy in accordance with the provisions of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

Integrity is a core XTGlobal value. We have always believed that compliance and good governance play a crucial role in shaping an organization’s culture and defining its relationship with the employees, shareholders, clients, and investors.

## 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



**WES WILKINS**

Executive Vice President - Marketing



**GANGADHAR SHARYALA**

Vice President - Product Development



**DIANE GASPARRO**

Vice President - Sales



**RAVINDRA DUNNA**

General Manager - IT



**MURTHY ANUPINDI**

Director - 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



**GANESH SOMISETTI**

Deputy General Manager -  
Human Resource (India)



**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

## R&D, CURRENT TECHNOLOGY, TRENDS IN AUTOMATION

Uncertainty is the new challenge for all kinds of business, global as well as local. The ability to sustain capacity, collaboration and resiliency in driving growth depends on adoption of digital technologies, reskilling of workforce and accelerated innovation. Reinventing IT architectures to move from simply delivering solutions to creating value propositions calls for a committed effort towards research and development. Building of intelligent platforms to enable digitalization of businesses requires a multi-dimensional approach- one that adequately addresses security, privacy, customer engagement, visibility, and compliance.

Speed and agility are the key business drivers today but there should be no compromise on quality. As businesses build billions of new connections and develop applications using advanced technologies such as Artificial Intelligence, Machine Learning, and IoT, they also need to simultaneously invest in the infrastructure and resources to support these applications. Creation of customized workflows and intelligent automation processes can transform and consolidate interdependent silos into a highly efficient cognitive enterprise. Conversion of legacy systems into digitized business models helps to streamline processes, integrate data across teams and provide valuable insights to make rapid and accurate decisions.

XTGlobal is on the path to adopting new technologies to help our clients derive value from their IT investments. By aligning our solutions and services to the needs of our clients, we could create intelligent solutions with clear focus on process management, data security, cloud capabilities, and infrastructure development. Our focus is on helping organizations to create environments that allow for extreme flexibility, rapid scaling up, fast prototyping, and optimizing of operations for ensuring business continuity.



**XTGLOBAL INFRASTRUCTURAL FACILITIES**

XTGlobal's offices are located in two of the best and most developed cities in South India - Hyderabad and Visakhapatnam.

**HYDERABAD**

XTGlobal's office in Financial District, Hyderabad, is strategically located within several business parks, and IT/ITES special economic zones housing multiple multinational companies. Hyderabad has made a name for itself as an IT hub for over two decades and is a much sought-after destination for many IT professionals and students to start their career. The Financial District is a true-blue IT suburb, close to the city's residential sections and yet far enough to have its own technological identity.

XTGlobal operates a fully functional state-of-the-art software development center in the Financial District that houses over 200 employees. We operate 24X7, catering to clients from all over the world and all time zones.

**QUICK FACTS**

<b>SQUARE FEET</b>	25,557
<b>OFFICE FACILITIES</b>	Lobby, 70 Seat Cafeteria, Recreation room
<b>OTHER GLOBAL FIRMS AROUND US</b>	Franklin Templeton, Cognizant, Accenture, Wipro, Microsoft, Infosys, CA Technologies, Cyient
<b>CAPACITY</b>	200+

## VISAKHAPATNAM

XTGlobal's office in Visakhapatnam has been operational since 2012. Equipped with state-of-the-art systems and over 200 resources, we are currently operating in the Visakhapatnam Special Economic Zone (VSEZ) in Duvvada. A new world class office facility is getting ready at Plot No.19, Hill No 3, Madhurawada (IT /ITES SEZ) and will be fully operational from December 2020 . Surrounded by lush green hills and with a panoramic view of the Bay of Bengal, this part of Visakhapatnam is being developed as an IT hub to attract the best talent across the globe. Once operational, this facility will house a world-class Offshore delivery as well as a Software Development Center.

### QUICK FACTS

FACILITIES	VSEZ	IT SEZ
<b>AREA</b>	▶ 12,500 Sft.	<ul style="list-style-type: none"> <li>▶ Office Area : 160,000 Sft.</li> <li>▶ Parking : 100,000 Sft.</li> <li>▶ Cafeteria, Gym etc. : 40,000 Sft.</li> <li>▶ Total Area of the Building : 300,000 Sft.</li> </ul>
<b>OFFICE</b>	<ul style="list-style-type: none"> <li>▶ Lobby</li> <li>▶ Capacity - 200</li> <li>▶ 60 - Seat Cafeteria</li> <li>▶ Open space with greenery around the building</li> </ul>	<ul style="list-style-type: none"> <li>▶ Lobby</li> <li>▶ Capacity - 2000</li> <li>▶ 500 - Seat Cafeteria</li> <li>▶ Gym</li> <li>▶ Guest Rooms</li> <li>▶ Recreation Area</li> <li>▶ Sea view from all floors</li> </ul>



### CERTIFICATIONS & ACCREDITATIONS



### PARTNERSHIPS



## NOTICE

Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the members of M/s. **XTGlobal Infotech Limited** (Formerly Frontier Informatics Limited) will be held at 10:00 AM on Wednesday, the 30<sup>th</sup> day of September, 2020 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, 2020, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2020 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, 2020 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted."

#### 2. Appointment of Director

To appoint a Director in place of Ms. Vuppuluri Sreedevi (DIN: 02448540), who retires by rotation, and being eligible, offers herself for re-appointment.

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

**"RESOLVED THAT** Ms. Vuppuluri Sreedevi (DIN: 02448540) who retires by rotation in accordance with section 152 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 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, the Company hereby ratifies the appointment of M/s. Niranjan & Narayan, Chartered Accountants, Firm Regn. No: 005899S, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 33<sup>rd</sup> Annual General Meeting for the period of one year at such remuneration as may be mutually agreed between the Board of Directors of the Company, Audit Committee and the Auditors."



**SPECIAL BUSINESS:****4. Appointment of Mr. Madhusudhana Rao Paladugu (DIN:08644451) as an Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) 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) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Madhusudhana Rao Paladugu (DIN:08644451), Independent Non-Executive Director of the Company 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, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, whose term expires at the ensuing 33<sup>rd</sup> Annual General Meeting of the Company.”

**5. 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 an Ordinary Resolution.**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) 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) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Venkata Appala Narasimha Raju Kalidindi (DIN:08835460), Independent Non-Executive Director of the Company who was appointed as an Additional Director of the Company by the Board of Directors with effect from 16<sup>th</sup> August, 2020 and who holds office up to the date of this Annual General Meeting of the Company, 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, be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, whose term expires at the ensuing 33<sup>rd</sup> Annual General Meeting of the Company.”

**6. Appointment of Mr. Jagannatha Prasad Malireddy (DIN:08835457) as Non-Executive, Non-Independent Director of the Company**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) 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), Mr. Jagannatha Prasad Malireddy (DIN:08835457), Non-Executive Non-Independent Director of the Company, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 16<sup>th</sup> August, 2020 and who holds office up to the date of this Annual General Meeting of the Company, who is eligible for appointment, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation, whose term expires at the 35<sup>th</sup> Annual General Meeting of the Company.”

**7. To fix charges for Services of Document under Section 20 of the Companies Act, 2013**

**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 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the members be and is hereby accorded to collect from every member of the Company who makes a specific request to the company to send any documents to him through a particular mode, a fee in advance as may be determined by the Board of Directors or a Committee thereof or the Registrars and Share Transfer Agents of the Company to cover the expenses involved in delivering the said documents through the mode indicated by the member.”

**8. To approve XTGlobal Infotech Limited Employee Stock Benefit Scheme 2020**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded for approval of XTGlobal Infotech Limited Employees Stock Benefit Scheme - 2020 (**“Scheme”**) and the Board of Directors of the Company (*hereinafter referred to as the “Board of Directors” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board of Directors has constituted to exercise its powers, including the powers, conferred by this resolution*) be and is hereby authorised to create, grant, offer, issue and allot under the Scheme, in one or more tranches, Employee Stock Options (**“Options”**) and Restricted Stock Units (**“RSUs”**) not exceeding 50,00,000 (Fifty Lakhs) “Pool of the scheme” (*or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time*) to such Employee(s) who are in permanent employment 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) but excluding an Employee who is a 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 and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (**“Eligible Employees”**), exercisable into 50,00,000 (Fifty Lakhs) Equity Shares of face value Re. 1/- each (*or such other adjusted figure for any bonus, stock splits or consolidations or other reorganization of the capital structure of the Company as may be applicable from time to time*), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

**RESOLVED FURTHER THAT** the overall pool of the scheme comprises 30,00,000 (Thirty Lakhs) Options and 20,00,000 (Twenty Lakhs) RSUs respectively.

**RESOLVED FURTHER THAT** the Scheme shall be administered by the Nomination and Remuneration Committee of the Company who shall have all necessary powers as defined in the Scheme and is hereby designated as Compensation Committee in pursuance of the SEBI (SBEB) Regulations for the purpose of administration and superintendence of the Scheme.

**RESOLVED FURTHER THAT** the Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Board of Directors, subject to compliance of the applicable laws and regulations, be and is hereby authorized to modify, change, vary, alter, amend, suspend or terminate the Scheme and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the Scheme and do all other things incidental to and ancillary thereof.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary including but not limited to appoint Advisors, Merchant Bankers, Consultants or Representatives, being incidental for the effective implementation and administration of the Scheme and to make applications to the appropriate Authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

**9. To approve extending the benefits of XTGlobal Infotech Limited Employee Stock Benefit Scheme – 2020 to the Employees of Subsidiary Company (ies)**

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

**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any amendment thereto or re-enactment thereof), Regulation 6(3)(c) and other applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**“SEBI (SBEB) Regulations”**), the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI (LODR) Regulations”**), relevant provisions of Memorandum of Association and Articles of Association of the Company and subject to such other approval(s), permission(s) and sanction(s) as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approval(s), permission(s) and sanction(s), the consent of the Members of the Company be and is hereby accorded to extend the benefits of XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020 (**“Scheme”**) including the grant of Employee Stock Options (**“Options”**) and grant of Restricted Stock Units “RSUs” and issuance of Equity Shares thereunder, to such Employee(s) who are in permanent employment 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 Subsidiary Company(ies) but excluding an Employee who is a 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 and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (**“Eligible Employees”**), on such terms and conditions as may be fixed or determined by the Board of Directors in accordance with the Scheme.

**RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the then existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the Company shall conform to the applicable Accounting Policies, Guidelines or Accounting Standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, and things, as it may, in its absolute discretion deem necessary for the effective implementation and administration of the Scheme and to make applications to the appropriate authorities, for their requisite approvals and take all necessary actions and to settle all such questions, difficulties or doubts whatsoever that may arise while implementing this resolution.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby also authorised to nominate and appoint one or more persons for carrying out any or all of the activities that the Board of Directors is authorised to do for the purpose of giving effect to this resolution.”

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

**Sd/-**

Shikha Gangrade

Company Secretary & Compliance Officer

**Date:** 05<sup>th</sup> September, 2020

**Place:** Hyderabad

## NOTES

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its Circular dated 5th May, 2020 read with Circulars dated 8th 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 (“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.
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. 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.

8. 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.fitindia.com](http://www.fitindia.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.karvy.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).
9. 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.
10. **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).**

i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

a) Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.

b) 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 request 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 Notice and the e-voting instructions.

ii. "Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, are requested to visit the website of KFin Technologies Private Limited [https://ris.kfintech.com/email\\_registration/](https://ris.kfintech.com/email_registration/) for temporary registration of email id of shareholders for 32<sup>nd</sup> e-AGM and follow the process as mentioned on the landing page to receive the Annual Report, AGM Notice and Voting Instructions.

iii. 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.

**11. 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/> by clicking 'Video Conference and Streaming' and login by using

the remote e-voting credentials. The link for e-AGM will be available in 'shareholders'/members' login 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 remote E-voting instructions mentioned in this notice.

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 Devices 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 the AGM may contact KFin Technologies Private Limited at Tel: **+91 40 6716 2222** or Toll Free No.: **1800-345-4001**; or send an email request at the [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

#### 12. Submission of Questions / Queries prior to e-AGM:

a) 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) at least 48 hours before the date of the e-AGM 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.

b) Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com/> and click on the tab "Post Your Queries " to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be activated during the remote e-voting period and shall be closed 48 hours before the time fixed for the e-AGM.

#### 13. Speaker Registration before e-AGM:

In addition to above speaker registration may also be allowed during the remote e-voting period. Shareholder who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 12 above.

14. 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)

#### 15. Instructions for members for remote e-Voting:

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 and the provisions of Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin Technologies Private Limited ('remote e-voting'). Members attending the e-AGM who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

i. The remote e-voting facility will be available during the following period:

a. Day, date and time of commencement of remote e-voting: September 26, 2020 (9:00 A.M. IST) and ends on September 29, 2020 (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: September 29, 2020 at 5:00 P.M.

ii. Details of Website: <https://evoting.karvy.com>.

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Wednesday, September 23, 2020. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on September 23, 2020 in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. In case a person has become a Member of the Company after dispatch of the AGM Notice through email but on or before the cut-off date for e-voting i.e., Wednesday, September 23, 2020, or has registered his/her/its e-mail address after dispatch of the AGM Notice, he/she/it may obtain the User ID and Password in the manner as mentioned below:

a) If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:

MYEPWD<space>'e-Voting Event Number' +Folio number or DPID Client ID to +91-9212993399

Example for NSDL: MYEPWDIN12345612345678

Example for CDSL: MYEPWD1402345612345678

Example for Physical: MYEPWD XXXX1234567890

b) If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

c) Member may call KFin Technologies Private Limited's Toll free number 1-800- 3454-001. Member may send an e-mail request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

v. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin Technologies Private Limited upon expiry of aforesaid period.

vi. Details of persons to be contacted for issues relating to e-voting:

**Mr. B. Srinivas, Manager**

Unit: XTGlobal Infotech Limited

(Formerly Frontier Informatics Limited),KFin Technologies Private Limited,

Selenium Tower B, Plot 31-32, Gachibowli, Financial District,

Nanakramguda, Hyderabad – 500 032.

Contact No. 040 6716 2222, Toll Free No.: 18003454001. or write to email id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

vii. Details of Scrutinizer:

**Mr. Ch. Veeranjanyulu**, Partner of VCSR & Associates, practicing Company Secretaries has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

**16. The procedure and instructions for remote e-Voting facility are as follows:**

- a. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- b. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-voting Event Number) xxxx 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 your vote.
- c. After entering these details appropriately, click on "LOGIN".
- d. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (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.

- e. You need to login again with the new credentials.
- f. On successful login, the system will prompt you to select the EVEN for XTGlobal Infotech Limited.
- g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. September 23, 2020 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/ AGAINST" taken together should not exceed your total shareholding as on the cut-off date. Pursuant to Clause 16.5.3(e) of Secretarial Standard on General Meetings (SS-2) issued by the Council of the Institute of Company Secretaries of India and approved by the Central Government, in case a Member abstains from voting on a Resolution i.e., the Member neither assents nor dissents to the Resolution, then his/her/its vote will be treated as an invalid vote with respect to that Resolution.
- h. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- i. Voting has to be done for each item of the Notice separately.
- j. You may then cast your vote by selecting an appropriate option and click on "Submit".
- k. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, 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).
- l. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at [chveeru@gmail.com](mailto:chveeru@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and company's email id at [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO"

#### 17. Instructions for Members for Voting during the e-AGM:

- i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-voting since the Meeting is being held through VC/OAVM.
- ii. The e-voting window shall be activated upon instructions of the Chairman of the Meeting during the AGM.
- iii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The Members shall be guided on the process during the AGM.
- iv. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

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

- a. Members seeking any information/documents referred to in the Notice and the Explanatory statement with regard any other matter are available for inspection upto the date of AGM and members are also requested to write to the Company before the date of e-AGM through email to [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com) for seeking information, if any. The same will be replied by the Company suitably.
- b. 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.



- c. 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.
  - d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
  - e. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.fitlindia.com](http://www.fitlindia.com). The results shall also be immediately forwarded to the BSE Limited, Mumbai.
19. 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.

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

**Sd/-**

Shikha Gangrade  
Company Secretary and Compliance Officer

**Date:** 05<sup>th</sup> September, 2020

**Place:** Hyderabad

## 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 05<sup>th</sup> September, 2020

### ITEM No. 3

#### Brief Detail of Statutory Auditor seeking re-appointment at the 32<sup>nd</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. Niranjana & Narayan, Chartered Accountants
FRN:	005899S
Proposed fees payable	2,40,000/- (Rupees Two Lakhs Forty Thousand Only)
Terms of appointment	Appointed from the conclusion of 32 <sup>nd</sup> AGM till the conclusion of 33 <sup>rd</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	Not applicable as the outgoing auditor is proposed to be re-appointed as Statutory auditor of the company.
Basis of recommendation for appointment	The firm has vast experience in corporate Audits, Bank Audits, Internal & management audits, Information Systems Audits and also in the areas in Direct and Indirect Taxes, Finance, Due Diligence etc., regulatory compliance assurances.
Details in relation to and credentials of the statutory auditor(s)	M/s. Niranjana & Narayan, has an over all standing of more than 27 years and has diversified over the years, with headquarters in Hyderabad and branches in Bangalore, Nagpur & Assam.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 3 of the Notice.

The Board recommends the Resolution under Item No. 3 of the Notice for approval of the Members as an Ordinary Resolution.

### ITEM No. 4

Mr. Madhusudhana Rao Paladugu (DIN:08644451) has been a Non-Executive Director of the Company since 19th December, 2019 and is considered as an Independent Director under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015. As per the provisions of Section 149 of the Act, which has come into force with effect from 1<sup>st</sup> April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Madhusudhana Rao Paladugu has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Madhusudhana Rao Paladugu as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director for a period of One year whose term will expires at ensuing 33<sup>rd</sup> Annual General Meeting of the Company.

In the opinion of the Board, Mr. Madhusudhana Rao Paladugu fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, and in compliance with SEBI (LODR) Regulations, 2015 the appointment of Mr. Madhusudhana Rao Paladugu as an Independent Director is now being placed before the Members in general meeting for their approval.

Information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings is mentioned in the annexure which forms part of this notice.

Other than Mr. Madhusudhana Rao Paladugu, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned.

The Board recommends the ordinary Resolution set out at item number 4 of the Notice for approval by the Shareholders.

## **ITEM No. 5**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Venkata Appala Narasimha Raju Kalidindi (DIN:08835460) as an Additional Director with effect from 16<sup>th</sup> August, 2020. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the "Act") Mr. Venkata Appala Narasimha Raju Kalidindi holds office as Non-Executive Independent Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160(1) of the Act, from a member proposing the candidature of Mr. Venkata Appala Narasimha Raju Kalidindi, for the office of Director of the Company.

As per the provisions of Section 149 of the Act, which has come into force with effect from 1<sup>st</sup> April, 2014, an independent director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Venkata Appala Narasimha Raju Kalidindi has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Venkata Appala Narasimha Raju Kalidindi as Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as an Independent Director for a period of One year whose term will expires at ensuing 33<sup>rd</sup> Annual General Meeting of the Company.

In the opinion of the Board, Mr. Venkata Appala Narasimha Raju Kalidindi fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, and in compliance with SEBI (LODR) Regulations, 2015 the appointment of Mr. Venkata Appala Narasimha Raju Kalidindi as an Independent Director is now being placed before the Members in general meeting for their approval.

Information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards on General Meetings is mentioned in the annexure which forms part of this notice.

Other than Mr. Venkata Appala Narasimha Raju Kalidindi, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.

The Board recommends the ordinary Resolution set out at item number 5 of the Notice for approval by the Shareholders.

## **ITEM No. 6**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Jagannatha Prasad Malireddy (DIN:08835457) as an Additional Director with effect from 16<sup>th</sup> August, 2020. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the "Act") Mr. Jagannatha Prasad Malireddy holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under Section 160(1) of the Act, from a member proposing the candidature of Mr. Jagannatha Prasad Malireddy, for the office of Director of the Company.

The matter regarding appointment of Mr. Jagannatha Prasad Malireddy as Non-Executive, Non-Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as Non-Executive, Non-Independent Director for a period of Three years whose term will expires at ensuing 35<sup>th</sup> Annual General Meeting of the Company.

In the opinion of the Board, Mr. Jagannatha Prasad Malireddy fulfils the conditions specified in the Act and the Rules made thereunder for appointment as Director.

In compliance with the provisions of Companies Act read with Schedule IV of the Act, and in compliance with SEBI (LODR) Regulations, 2015 the appointment of Mr. Jagannatha Prasad Malireddy as Non-Executive, Non-Independent Director is now being placed before the Members in general meeting for their approval.

Information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards on General Meetings is mentioned in the annexure which forms part of this notice.

Other than Mr. Jagannatha Prasad Malireddy, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.

The Board recommends the ordinary Resolution set out at item number 6 of the Notice for approval by the Shareholders.

### Brief Profile of Directors seeking Appointment / Reappointment at the 32<sup>nd</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 the Director / Particulars	Ms. Vuppuluri Sreedevi	Mr. Madhusudhana Rao Paladugu	Mr. Venkata Appala Narasimha Raju Kalidindi	Mr. Jagannatha Prasad Malireddy
DIN	02448540	08644451	08835460	08835457
Date of Birth	27-03-1976	01-06-1968	21-06-1965	11-07-1954
Qualification	Commerce Graduate	Member of ICAI	Member of ICAI	Bachelor of Technology in Mechanical Engineering
Date of first Appointment	18-04-2018	19-12-2019	16-08-2020	16-08-2020
Nature of Appointment	Retires by rotation and offers herself for re-appointment	Re-appointment	Regularization	Regularization
Terms and Conditions of Re-appointment	Appointment as a WTD subject to retire by rotation	Appointment as an ID not liable to retire by rotation	Appointment as an ID not liable to retire by rotation	Appointment as a Director subject to retire by rotation
Expertise	Business Administration and Finance	Expert in Financial decisions & Corporate Taxation Planning	30 years of experience in the fields of accounting, auditing, and finance	Industrial Experience and Expert in Operations Management
Directorships as on 31 <sup>st</sup> March, 2020 in Other Listed Companies	Nil	Nil	Nil	Nil
Chairmanship/Membership of the Committees of other Companies	Nil	Nil	Nil	Nil
Shareholding in the Company	30,000 Equity shares	Nil	Nil	Nil
Disclosure of relationships between directors inter-se or with KMP:	She is not related to any Director/KMP of the Company	He is not related to any Director/KMP of the Company	He 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.

## ITEM No. 7

Section 20 of the Companies Act, 2013 prescribes various modes for service of documents by the Company on its members. The proviso to the said section states that a member may request the company for delivery of any documents through a particular mode, for which he/she shall pay such fees as may be determined by the company at its annual general meeting.

While the company does not normally charge any fee for serving any documents on its members, yet when a specific request is received from a member for delivery of a document in a particular mode where, the factors like the weight of the documents to be delivered, destination, mode of service etc., warrant charging a reasonable fee from the member concerned, to enable the company to collect the said fee in advance from the said member, the approval of the members as contemplated in the section 20 referred to above is sought through an ordinary resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives, is in any way concerned or interested, financially or otherwise, in the resolution.

The Board recommends the ordinary Resolution set out at item number 7 of the Notice for approval by the Shareholders.

## ITEM No. 8 & 9

Equity based remuneration includes alignment of personal goals of the Employees with Organizational objectives by participating in the ownership of the Company. The Board of Directors of your Company understands the need to enhance the Employee engagement, to reward the Employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to reward and retain the key Employees and to create a sense of ownership and participation amongst them, the Board of Directors in its meeting held on 05<sup>th</sup> September, 2020, approved XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020 (“Scheme”) to or for the benefit of such Employee(s) who are in permanent employment whether working in India or out of India, and to the Directors whether a Whole Time Director or not but excluding Independent Director and Non-executive director, of the Company and its Subsidiary Company(ies) but excluding an Employee who is a 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 and to such other persons as may from time to time be allowed to be eligible for the benefits of the Scheme under applicable laws and regulations prevailing from time to time (“Eligible Employees”).

In terms of Regulation 6 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI (SBEB) Regulations”) and Section 62 and other applicable provisions of the Companies Act, 2013, for issue of Equity Shares to the Employees of the Company, the approval of the existing Members by way of Special Resolution is required. The Special Resolution set out at Item No. 8 is seeking your approval for the formulation and implementation of the Scheme and issuance of Equity Shares thereunder.

Further, as per Regulation 6(3)(c) of SEBI (SBEB) Regulations, 2014, approval of the Members by way of separate Special Resolution is also required for extension of the benefits of the Scheme including grant of Options and RSUs therein, to the Employees of Subsidiary Company(ies). The Special Resolution set out at Item No. 9 is seeking your approval for the said purpose.

The salient features and other details of the Scheme as required pursuant to Regulation 6(2) of SEBI (SBEB) Regulations are as under:

### 1. Brief Description of the Scheme:

The Scheme shall be called as XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020.  
The Purpose of the Scheme includes the followings:

- a. To motivate the Employees to contribute to the growth and profitability of the Company.
- b. To retain the Employees and reduce the attrition rate of the Company.
- c. To achieve sustained growth and the creation of Shareholder value by aligning the interests of the Employees with the long-term interests of the Company.

- d. To create a sense of ownership and participation amongst the Employees to share the value they create for the Company in the years to come, and
- e. To provide additional deferred rewards to Employees.

## **2. Total number of Options and RSUs to be granted under the Scheme:**

The maximum number of Options and RSUs that may be granted pursuant to this Scheme shall not exceed 30,00,000 and 20,00,000 respectively (i.e collectively pool is 50,00,000) which shall be convertible into equal number of Equity Shares.

If any Option and/or RSU granted under the Scheme lapses or is forfeited or surrendered under any provision of the Scheme, such Option and/or RSU shall be available for further grant under the Scheme unless otherwise determined by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee).

Further, the maximum number of Options and/ or RSU that can be granted and the Shares arise upon exercise of these Options and/or RSU shall stand adjusted in case of corporate action (as defined in the Scheme).

## **3. Identification of classes of employees entitled to participate and be beneficiaries in Scheme:**

- a. A permanent Employee of the Company who has been working in India or outside India; or
- b. A Director of the Company, whether a Whole-time Director or not but excluding an Independent Director and Non-executive director; or
- c. An Employee as defined in clause (a) or (b) of a Subsidiaries, in India or outside India of the Company

But does not include:

- a. An Employee who is a Promoter or a person belonging to the Promoter Group; or
- b. 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 Shares of the Company.

## **4. Requirement of Vesting and period of Vesting:**

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, at the discretion of and in the manner prescribed by the Board of Directors.

The vesting schedule will be clearly defined in the grant letter of respective Employees. The Actual vesting may further be linked with the eligibility criteria, as determined by the Board of Directors in accordance with the Scheme, the same will be mentioned in the grant letter.

## **5. Maximum period within which the Options and RSU shall be vested:**

The Options and/or RSUs granted under the Scheme shall vest within a maximum period of Four (4) years from the grant date.

## **6. Exercise Price or Pricing Formula:**

### **For options:**

The exercise price shall be based on the Market Price of the Company.

*For the above purpose Market price means the latest available closing price on a recognized stock exchange on which the Shares of the Company are listed on the date immediately prior to the relevant date i.e. date of the meeting of the Nomination and Remuneration Committee on which the grant is made.*

*Explanation – If the Shares of the Company got listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.*

The Board of Directors has a power to provide suitable discount on such price as arrived above. However, in any case the exercise price shall not go below the par value of Share of the Company.

**For RSUs:**

The exercise price shall be the face value of the Equity Shares of the Company presently being Re. 1/.

**7. Exercise period and process of Exercise:**

The exercise period for both Options and RSUs shall be 4 years from the date of respective vesting.

The Options and/ or RSUs can be exercised through cash route by submitting the exercise application, as prescribed by the Board of Directors from time to time, along with exercise price, applicable taxes and other charges, if any. Upon valid exercise, Employee shall receive the Shares equivalent to the number of the Options and/ or RSUs exercised in accordance with the terms and conditions of the Scheme and as mentioned in grant letter.

The mode and manner of the exercise shall be communicated to the Employees individually.

**8. Appraisal process for determining the eligibility of the Employees to Scheme:**

The Board of Directors may be based on all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant / vesting of Options and / or RSUs under the Scheme and the terms and conditions thereof.

- Loyalty: It will be determined based on tenure of employment of an Employee / Grantee in the Company / Subsidiary Company.
- Performance of Employee / Grantee: Employee's / Grantee's performance during the financial year in the Company / Subsidiary Company based on decided parameters.
- Performance of Company: Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with Board of Directors from time to time.

**9. The Maximum number of Options and RSUs to be granted per Employee and in aggregate:**

Maximum number of Options and RSUs that can be granted to any eligible Employee during any one year shall not be equal to or exceed 1% (One Percentage) of the issued capital of the Company at the time of grant. The Board of Directors may decide to grant such number of Options and RSUs equal to or exceeding 1% of the issued capital to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

The maximum number of Options and RSUs that may be granted pursuant to this Scheme shall not exceed 30,00,000 and 20,00,000 respectively (i.e. collectively pool is 50,00,000) which shall be convertible into equal number of Equity Shares.

**10. The Maximum quantum of benefits to be provided per Employee under the scheme:**

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of exercise of Options and / or RSUs and the exercise price paid by the Employee.

**11. Whether the Scheme(s) is to be implemented and administered directly by the Company or through a Trust:**

The Scheme shall be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

The Scheme shall be administered by the Nomination and Remuneration Committee which shall delegate some or all of its power to any other Committee or Persons for proper administration of the Scheme.

**12. Whether the Scheme involves new issue of shares by the company or secondary acquisition by the Trust or both**

The Scheme involves new issue of Equity Shares by the Company.

**13. The amount of loan to be provided for implementation of the Scheme by the Company to the Trust, its tenure, utilization, repayment terms, etc.;**

Not applicable since the scheme is proposed to be implemented by direct route.

**14. The Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the Trust for the purposes of the Scheme.**

Not applicable since the scheme is proposed to be implemented by direct route.

**15. Disclosure and accounting policies:**

The Company shall comply with the disclosures requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB) Regulations or as may be prescribed by regulatory authorities from time to time.

**16. The method which the Company shall use to value its Options and RSUs.**

The Company shall comply with the requirements of IND-AS and shall use Fair Value method.

**17. Statement with regard to Disclosure in Director's Report**

As the company is adopting fair value method, presently there is no requirement for disclosure in director's report. However, if in future, the Company opts for expensing of share based employee benefits using the intrinsic value, then 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, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.

None of the Directors, Manager, Key Managerial Personnel of the Company, and any relatives of such Director, Manager, Key Managerial Personnel is in any way concerned or interested, financially or otherwise, in these resolutions except to the extent of Equity Shares held by them in the Company or the Options and/ or RSUs those may be granted under the said Scheme.

The Board of Directors of the Company recommends the Resolutions to be passed as Special Resolutions as set out at Item No. 8 and 9 for approval of the Members.

XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020 and other documents referred to in the aforesaid resolutions are available for inspection electronically.



## BOARD'S REPORT

Dear Members,

Your Directors hereby present the Thirty Second 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 2020.

The discussion on the financial condition and results of operations of your company should be read in conjunction with its audited financial statements and notes thereto for the year ended 31<sup>st</sup> March 2020 which are summarized below:

### FINANCIAL RESULTS

Particulars	Standalone		Consolidated
	Financial year 2019-20 (Rs. In Lakhs)	Financial year 2018-19 (Rs. In Lakhs)	Financial Year 2019-20 (Rs. In Lakhs)
Revenue from Operations	523.39	41.77	19529.18
Other Income	48.50	0.00	56.64
Earnings Before Interest, Tax and Depreciation	169.68	7.95	619.92
Finance Cost	2.25	4.50	113.02
Depreciation	8.19	0.16	114.75
Profit Before Tax (PBT)	159.24	3.29	392.15
Provision for: -			
Income Tax/Adjusted for earlier years (Net)	0	0	57.22
Deferred Tax (Assets)/Liabilities	(71.39)	0.42	(53.76)
Profit After Tax (PAT)	230.63	2.87	388.69

### COVID-19

During the month of March 2020, sudden outbreak 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, the 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 2019-20 was Rs. (71.27) Lakhs.

## SHARE CAPITAL

During the Financial Year 2019-20, your Company has allotted its Equity shares of Re.1/- each as follows

Date of allotment	No. of equity shares allotted	Type	Consideration
April 22, 2019	3,82,99,998	Preferential allotment	For cash
November 18, 2019	4,39,95,930	Preferential allotment	For other than cash (share-swap)
March 12, 2020	2,21,38,166	Preferential allotment	For other than cash (share-swap)
March 12, 2020	28,78,333	Preferential allotment	For cash

Consequently, the issued, subscribed and paid-up equity share capital has increased from 1,26,55,200 Equity Shares of Re. 1/- each to 11,99,67,627 Equity Shares of Re. 1/- each.

## COMPANY'S PERFORMANCE

On a consolidated basis, the revenue from operations of the group for Financial Year 2019-2020 was Rs.19529.18 Lakhs and profit attributable to shareholders of the company for that period is Rs. 367.30 Lakhs.

On standalone basis, the revenue from operations for Financial Year 2019-20 was Rs. 523.39 Lakhs which was 12.53 times (approx.) when compared to that of Financial Year 2018-19 which was Rs. 41.77 Lakhs. Profit attributable to shareholders of the company for Financial Year 2019-20 is Rs. 230.63 Lakhs which is 80.36 times (approx.) when compared to that of Financial Year 2018-19 which was Rs. 2.87 Lakhs.

During the year under review name of your Company has been changed from Frontier Informatics Limited to XTGlobal Infotech Limited.

There is no change in the nature of business of the Company.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review Mr. Mullapudi Atchuta Rama Rao was appointed as Managing Director and Chairman of the Company on 30<sup>th</sup> September, 2019 in the AGM, Mr. China Surya Narayana Murthy Anupindi and Mr. Sreenivasa Rao Potti were appointed on 05<sup>th</sup> September, 2019 as Independent Directors of the Company. Later, Mr. Venkata Madhusudhana Rao Paladugu was appointed on 19<sup>th</sup> December, 2019 as an Independent Director of the Company.

Further, Mr. Rajan Babu Mothe, Ms. Archana Singh, Mr. Vivekananda Sree Pakalapati and Ms. Kolla Sudha, Directors of the Company, have resigned w.e.f. close of working hours on 27<sup>th</sup> September, 2019, 27<sup>th</sup> September, 2019, 16<sup>th</sup> October, 2019 and 11<sup>th</sup> December, 2019 respectively, citing personal reasons. The Board has extended its gratitude to Mr. Rajan Babu Mothe, Ms. Archana Singh, Mr. Vivekananda Sree Pakalapati and Ms. Kolla Sudha for their association, dedication and commitment towards Company as Directors.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Mr. Raghuram Kusuluri was appointed as a Chief Financial Officer of the Company w.e.f 22<sup>nd</sup> April 2019 and Ms. Aditi Jha, Company Secretary and compliance officer up to 12<sup>th</sup> June, 2019 & Ms. Shikha Gangrade, Company Secretary and compliance officer from 27<sup>th</sup> September, 2019 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.

## CHANGE IN PROMOTERS OF THE COMPANY

Your 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 Tuesday 23rd June, 2020.

Based on the approval received from the Stock Exchange, the following Promoter(s) are hereby reclassified into Public Category:

1. Mr. Velchala Premchand Krishna Rao - Promoter
2. Mrs. V Radha Bai – Promoter Group

## DIRECTORS LIABLE TO RETIRE BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Ms. Vuppuluri Sreedevi, Whole-time Director and Mr. Ramarao Atchuta Mullapudi, Managing Director of the Company are liable to retire by rotation and Ms. Vuppuluri Sreedevi is retiring by rotation being eligible, offers herself for reappointment. The Board recommends for her 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 the provisions of the Companies Act, 2013 and 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, 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 nonexecutive 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.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

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, 2020:

Name of the Member	Category
Mr. Sreenivasa Rao Potti*	Independent Director
Mr. Venkata Madhusudhana Rao Paladugu*	Independent Director
Ms. Vuppuluri Sreedevi	Executive Director

\* Mr. Sreenivasa Rao Potti, Independent Director, appointed as a member and Chairman of Audit Committee w.e.f. 27<sup>th</sup> September, 2019 and Mr. Venkata Madhusudhana Rao Paladugu, Independent Director, appointed as a member of Audit Committee w.e.f. 19<sup>th</sup> December, 2019. 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 COMMITTEE

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, 2020:

Name of the Member	Category
Mr. Sreenivasa Rao Potti*	Independent Director
Mr. Venkata Madhusudhana Rao Paladugu*	Independent Director
Mr. China Surya Narayana Murthy Anupindi*	Independent Director

\*Mr. Sreenivasa Rao Potti, Independent director has been appointed as member and Chairman of the committee, Mr. China Surya Narayana Murthy Anupindi, Independent Director was appointed as member of Nomination & Remuneration Committee w.e.f. 27<sup>th</sup> September, 2019 and Mr. Venkata Madhusudhana Rao Paladugu, Independent Director, appointed as a member of Nomination & Remuneration Committee w.e.f. 19<sup>th</sup> December, 2019.

## NUMBER OF MEETINGS OF THE BOARD

The Board met 14 (Fourteen) times in the financial year 2019-20. 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

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. 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 and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company. 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, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee 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. Sreenivasa Rao P, Mr. C.S.N Murthy Anupindi and Mr. P V Madhusudhana Rao have 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, commission and reimbursement of expenses incurred by them for the purpose of 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 the Independent Directors with the Company are available on the Company's website at [www.fitlindia.com](http://www.fitlindia.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 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.

## 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, 2020, 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, 2020 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, Company has issued 3,82,99,998 Equity Shares through preferential basis on 22<sup>nd</sup> April, 2020 for cash consideration, and Company has utilised full amount raised through this Preferential issue in same objects for which approval of shareholders was taken.

Subsequently, your Company has issued Equity Shares on preferential basis which was initiated for acquisition of Xenosoft Technologies (India) Private Limited on swap of share basis in which no cash consideration was involved and swap of shares has been successfully completed in the Board Meeting held on 18<sup>th</sup> November, 2019.

The 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 funds stands unutilised till 31<sup>st</sup> March, 2020 and is in the bank account of the Company. Company will utilise the funds for the same objects which were stated in explanatory statement to the notice of Extraordinary General Meeting held on 15<sup>th</sup> February, 2020

The second part of preferential issue was initiated for acquisition of Xenosoft Technologies (India) Private Limited on swap of share basis in which no cash consideration was involved and swap of shares has been successfully completed in the Board Meeting held on 12<sup>th</sup> March, 2020.

As required under Regulation 32(3) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 statement of Deviation and Variation has been reviewed quarterly by the Audit committee and noted that

- a) there was no deviation in the utilization of proceeds of preferential issue of equity shares from the objects as stated in explanatory statement to the notice and
- b) there has been no variation in the use of proceeds from preferential issues of equity shares from the objects stated in explanatory statement to the notice of the General Meeting.

## 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 into 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 any of the Related Party which was not at arm's 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 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 First Annual General Meeting held on 30<sup>th</sup> September, 2019 had accorded their approval pursuant to the provisions of Sections 139 and other applicable provisions of 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 Second Annual General Meeting on such remuneration as may be determined by the Board of Directors.

Pursuant to Section 139 of the Companies Act, 2013 the statutory auditors M/s. Niranjana & Narayan, Chartered Accountants have confirmed they are eligible to continue as auditors.

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, Practising Company Secretaries to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed herewith as "Annexure-B". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

## 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. 523.39 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". The same is available at the website: [www.fitlindia.com](http://www.fitlindia.com).

As per Section 92(3) of the Companies Act, 2013, copy of annual return for year ending March 31, 2019 is made available on website of the company at <http://www.fitlindia.com/pdf/Form%20MGT%207%20Frontier.pdf>

## 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 safe guarding 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 in the design or operation was observed.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company does not have any loans or guarantees covered under Section 186 of the Companies Act, 2013.

During the year under review your Company has invested in Equity shares of Xenosoft Technologies (India) Private Limited, the particulars of such investment are given in the notes forming part of the Financial Statements.

## PARTICULARS OF JOINT VENTURE, SUBSIDIARY & ASSOCIATE COMPANY

The Company has only one wholly owned subsidiary i.e. Xenosoft Technologies (India) Private Limited as on March 31, 2020. 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 subsidiaries.

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 subsidiary 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.fitlindia.com](http://www.fitlindia.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.

## 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.

## 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 a 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.

## 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(s) of the company.

#No remuneration was paid to Executive Director(s) 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 Directors of the company. No remuneration was paid to executive directors during the financial year.
Chief Executive Officer	The company has not appointed Chief Executive Officer during the financial year
Chief Financial Officer	This year Company has appointed CFO, % increase could not be presented as the company has not appointed any Chief Financial Officer in the past years
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: 102.10%
- d. The number of permanent employees on the rolls of Company: 77 (As on 31<sup>st</sup> March, 2020)
- 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 11% for personnel other than managerial personnel.
- 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. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary.

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.

## OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE

The Institute of Company Secretaries of India has issued Secretarial Standards on Board Meeting (SS-1) and General Meeting (SS-2) which were made compulsory 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, 2019 to March, 2020.

## MAINTAINENCE 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').

## 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 thanks the shareholders for their continued confidence and faith in the Company.

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

**Date:** 05<sup>th</sup> September, 2020

**Place:** Hyderabad

**Sd/-**  
Sreenivasa Rao Potti  
Director  
DIN: 05119348

**Sd/-**  
Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

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

## Annexure – A to Board's Report

## FORM AOC-2

[Pursuant to clause (h) of subsection (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 subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third provision.**

**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 2020, which were not at arm's length basis.

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

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	Amount paid as advances, if any
Mr. Ramarao Atchuta Mullapudi	Promoter and managing director	Repayment of borrowings made by the Company		Interest-Free Loan	Rs. 39 Lakhs	Aug 28, 2019	N.A.
Ms. V Sreedevi	Wholtime director	Repayment of borrowings made by the Company		Interest-Free Loan	Rs. 0.50 Lakhs	Apr 22, 2019	N.A.
Logicplanet IT Services (India) Private Limited	Private Company in which Director is a Director	Repayment made to the Lender Company	-	Interest-Free Loan	Rs. 15 Lakhs	Sep 27, 2019	N.A.
XTGlobal Inc.	Step-down subsidiary	Sale of services	FY 2019-20 & FY 2020-21	Software services	Rs. 10 Crores & 25 Crores	Sep 05, 2019	N.A.
Circulus LLC	Step down subsidiary	Sale of services	FY 2019-20 & FY 2020-21	Software services	Rs. 5 Crores & Rs. 10 Crores	Sep 05, 2019	N. A.
Xenosoft Technologies (India) Private Limited	Subsidiary	Renting of office space	FY 2019-20 & FY 2020-21	Renting of office space at Hyderabad	Rs. 100 Lakhs	Sep 05, 2019	N.A.

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

**Date:** 05<sup>th</sup> September, 2020  
**Place:** Hyderabad

**Sd/-**  
Sreenivasa Rao Potti  
Director  
DIN: 05119348

**Sd/-**  
Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

Form No. MR-3 SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[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,  
XTGlobal Infotech Limited,  
Hyderabad.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) (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 the secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 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 31st March, 2020 according to the provisions of:

- i)** The Companies Act, 2013 (the Act) and the rules made thereunder with further amendments made from time to time;
- ii)** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there-under;
- 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 the 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
  - (c)** The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
  - (e)** The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (f)** The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company During the audit period);
  - (g)** The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period);
  - (h)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);
  - (i)** The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2009 (Not applicable to the Company during the audit period);
  - (j)** The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);
  - (k)** 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);
  - (l)** The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 (Not applicable to the Company during the audit period);
  - (m)** The Securities and Exchange Board of India (Depository Participant) Regulations, 2018

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India related to board and general meetings and applicable clauses of the Listing Agreements entered into by the Company with The BSE Limited (BSE), Mumbai;

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

We further report that:

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

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

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

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

We further report that during the audit period, the Company has changed its name clause in the Memorandum of Association of the Company from Frontier Informatics Limited to XTGlobal Infotech Limited. In addition to this, the Company has made Preferential Allotment of Equity Shares on 22nd April 2019, 18th November 2019 and 12th March 2020 in compliance with the applicable laws.

For VCSR & Associates  
Company secretaries

**Sd/-**

Ch. Veeranjanyulu  
Partner  
C P No: 6392

Place: Hyderabad  
Date: 04<sup>th</sup> September, 2020

**UDIN: F006121B000665043**

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

**‘ANNEXURE’**

To,  
The Members,  
XTGlobal Infotech Limited,  
Hyderabad.

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

For VCSR & Associates  
Company secretaries

**Sd/-**

Ch. Veeranjanyulu  
Partner  
C P No: 6392

Place: Hyderabad  
Date: 04<sup>th</sup> September, 2020

**UDIN: F006121B000665043**

**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, 3rd 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, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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.	<sup>(1)</sup> Sreenivasa Rao Potti	05119348	Independent Director
4.	<sup>(5)</sup> China Surya Narayana Murthy Anupindi	05149921	Independent Director
5.	<sup>(2)</sup> Venkata Madhusudhana Rao Paladugu	08644451	Independent Director
6.	<sup>(3)</sup> Jagannatha Prasad Malireddy	08835457	Non-executive, Non Independent Director
7.	<sup>(4)</sup> Venkata Appala Narasimha Raju Kalidindi	08835460	Independent Director
8	<sup>(6)</sup> Archana Singh	07328641	Independent Director
9	<sup>(7)</sup> Rajan Babu Mothe	07740978	Independent Director
10	<sup>(8)</sup> Vivekananda Sree Pakalapati	01727971	Executive Director
11	<sup>(9)</sup> Kolla Sudha	06603646	Independent Director

<sup>(1)</sup> Mr. Sreenivasa Rao Potti was appointed as an Independent Director on 05.09.2019

<sup>(2)</sup> Mr. Venkata Madhusudhana Rao Paladugu was appointed as an Independent Director on 19.12.2019.

<sup>(3)</sup> Mr. Jagannatha Prasad Malireddy was appointed as Director on 16.08.2020

<sup>(4)</sup> Mr. Venkata Appala Narasimha Raju Kalidindi was appointed as Director on 16.08.2020.

<sup>(5)</sup> Mr. China Surya Narayana Murthy Anupindi was appointed as an Independent Director on 05.09.2019 and resigned as Independent Director on 14.07.2020.

<sup>(6)</sup> Ms. Archana Singh has resigned as Director on 27.07.2019.

<sup>(7)</sup> Mr. Rajan Babu Mothe has resigned as Director on 27.07.2019.

<sup>(8)</sup> Mr. Vivekananda Sree Pakalapati has resigned as Director on 16.10.2019

<sup>(9)</sup> Ms. Kolla Sudha has resigned as director on 11.12.2019.

Ensuring the eligibility 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.

For VCSR & Associates  
Company secretaries

**Sd/-**

Ch. Veeranjanyulu  
Partner  
C P No: 6392

Place: Hyderabad  
Date: 04<sup>th</sup> September, 2020

UDIN: F006121B000665076



**FORM NO. MGT- 9**

## EXTRACT OF ANNUAL RETURN

as on financial year ended 31<sup>st</sup> March, 2020

[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	XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	Plot No. 31P & 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	U72200TG2006PTC 049779	Subsidiary	100%	2(87)
2.	XTGlobal Inc. 2701, Dallas Parkway, Suite 550, Plano, Texas 75093	N.A.	Subsidiary	100%	2(87)
3.	Circulus LLC 2701, Dallas Parkway, Suite 550, Plano, Texas 75093	N.A.	Subsidiary	100%	2(87)

**IV. SHAREHOLDING 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>									
(1) Indian									
a) Individual/HUF	160725	550	161275	1.27	1225678	251085	1476763	1.23	0.04
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	6000125	0	6000125	47.41	62515941	18625544	81141485	67.64	20.23
<b>Total shareholding of Promoter (A)</b>	<b>6160850</b>	<b>550</b>	<b>6161400</b>	<b>48.69</b>	<b>63741619</b>	<b>18876629</b>	<b>82618248</b>	<b>68.87</b>	<b>20.27</b>
<b>B. Public Shareholding</b>									
1. Institutions									
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>	<b>--</b>	<b>9300</b>	<b>9300</b>	<b>0.07</b>	<b>--</b>	<b>9300</b>	<b>9300</b>	<b>0.01</b>	<b>(0.06)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	343917	42550	386467	3.05	306992	42550	349542	0.29	(2.76)
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	4866184	488905	5355089	42.32	5300628	1361019	6661647	5.55	(36.77)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	452141	0	452141	3.57	3011339	1640926	4652265	3.88	0.31
c) Others HUFs(specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	140132	121450	261582	2.07	21593482	3574617	25168099	21.00	18.93
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	27326	0	27326	0.22	336077	169113	505190	0.42	0.20
Clearing Members	0	0	0	0	1091	0	1091	0.00	(0.01)
Trusts	1600	295	1895	0.01	1950	295	2245	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>5831300</b>	<b>653200</b>	<b>6484500</b>	<b>51.24</b>	<b>30551559</b>	<b>6788520</b>	<b>37340079</b>	<b>31.13</b>	<b>(20.11)</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5831300	662500	6493800	51.31	30551559	6797820	37349379	31.13	(20.18)
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>11992150</b>	<b>663050</b>	<b>12655200</b>	<b>100</b>	<b>94293178</b>	<b>25674449</b>	<b>119967627</b>	<b>100</b>	<b>0</b>

### 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 Pledge d/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	
1	V K Premchand*	160725	1.27	--	727787	0.61	--	(0.66)
2	V. Radha Bai*	550	0.00	--	550	0.00	--	--
3	Ramarao Atchuta Mullapudi	6000125	47.41	--	76745156	63.97	--	16.56
4	Harika Vardhani Mullapudi	--	--	--	4396329	3.66	--	3.66
5	Subba Rao Vuppuluri	--	--	--	205818	0.17	--	0.17
6	Jayalakshmi Vuppuluri	--	--	--	205818	0.17	--	0.17

7	Sri Rama Rudra Prasad Vuppuluri	--	--	--	336790	0.28	--	0.28
	<b>TOTAL</b>	<b>6161400</b>	<b>48.68</b>	<b>--</b>	<b>82618248</b>	<b>68.87</b>	<b>--</b>	<b>20.19</b>

\* Mr. V K Premchand – Promoter and Mrs. V Radha Bai were reclassified 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
1	V K Premchand*				
	Opening Balance	160725	1.27%	160725	1.27%
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	- Acquired through Preferential Allotment (22-04-2019)	600000	0.22%	760725	1.49%
	- Shares Sold (23-03-2020)	15000	-0.87%	745725	0.62%
	- Shares Sold (24-03-2020)	14000	-0.01%	731725	0.61%
	- Shares Sold( -03-2020)	3938	0.00%	727787	0.61%
	Closing Balance	727787	0.61%	727787	0.61%
2	V. Radha Bai*				
	Opening Balance	550	0.00%	550	0.00%
	Date wise Increase / Decrease in Promoter's Shareholding during the year	-	-	-	-
	Closing Balance	550	0.00%	550	0.00%
3	Ramarao Atchuta Mullapudi				
	Opening Balance	6000125	47.41%	6000125	47.41%
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	- Acquired through Preferential Allotment (22-04-2019)	19500000	2.63%	25500125	50.04%
	- Acquired through Open Offer	600	0.00%	25500725	50.05%
	- Acquired through Preferential Allotment (18-11-2019)	34090545	12.71%	59591270	62.76%
	- Acquired through Preferential Allotment (12-03-2020)	17153886	1.21%	76745156	63.97%
	Closing Balance	76745156	63.97%	76745156	63.97%
4	Harika Vardhani Mullapudi				
	Opening Balance	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	- Acquired through Preferential Allotment (18-11-2019)	2924671	3.08%	2924671	3.08%

	- Acquired through Preferential Allotment (12-03-2020)	1471658	0.58%	4396329	3.66%
	Closing Balance	4396329	3.66%	4396329	3.66%
5	Subba Rao Vuppuluri				
	Opening Balance	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	- Acquired through Preferential Allotment (18-11-2019)	136920	0.14%	136920	0.14%
	- Acquired through Preferential Allotment (12-03-2020)	68898	0.03%	205818	0.17%
	Closing Balance	205818	0.17%	205818	0.17%
6	Jayalakshmi Vuppuluri				
	Opening Balance	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	- Acquired through Preferential Allotment (18-11-2019)	136920	0.14%	136920	0.14%
	- Acquired through Preferential Allotment (12-03-2020)	68898	0.03%	205818	0.17%
	Closing Balance	205818	0.17%	205818	0.17%
7	Sri Rama Rudra Prasad Vuppuluri				
	Opening Balance	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	- Acquired through Preferential Allotment (18-11-2019)	224051	0.24%	224051	0.24%
	- Acquired through Preferential Allotment (12-03-2020)	112739	0.04%	336790	0.28%
	Closing Balance	336790	0.28%	336790	0.28%

\* 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.

**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	0	0.00	4823338	4.02
02.	Gangadhar Sharyala	0	0.00	4455929	3.71
03.	Sai Kumar Pallikonda Mohan	0	0.00	2500000	2.08
04.	Vaddlamudi Mohan Ratna Babu	0	0.00	2040000	1.70
05.	Kodali Radha Krishna	0	0.00	2000000	1.67
06.	Ravi Gampala	0	0.00	2000000	1.67
07.	Sujata Pamerla	0	0.00	2000000	1.67
08.	Mustikovila Hari Hara Nath	0	0.00	2000000	1.67
09.	Ravindranath Tagore Velicheti	0	0.00	1999999	1.67
10.	Himabindu Bellampally	0	0.00	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
1	Mullapudi Atchuta Rama Rao				
	Opening Balance	6000125	47.41	6000125	47.41
	Date wise Acquisition/ Disposal during the year				
	- Acquired through Preferential Allotment (22-04-2019)	19500000	2.63	25500125	50.04
	- Acquired through Open Offer	600	0.00	25500725	50.04
	- Acquired through Preferential Allotment (18-11-2019)	34090545	12.71	59591270	62.75
	- Acquired through Preferential Allotment (12-03-2020)	17153886	1.21	76745156	63.97
	Closing Balance	76745156	63.97	76745156	63.97
2	Vuppuluri Sreedevi				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year				
	- Acquired through Preferential Allotment (22-04-2019)	30000	0.06	30000	0.06

	Closing Balance	30000	0.025	30000	0.025
3	Sreenivasa Rao Potti				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance	0	0	0	0
4	China Surya Narayana Murthy Anupindi				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance	0	0	0	0
5	Venkata Madhusudhana Rao Paladugu				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance	0	0	0	0
6	Raghuram Kusuluri				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year - Acquired through Preferential Allotment (22-04-2019)	50000	0.06	50000	0.06
	Closing Balance	50000	0.04	50000	0.04
7	Shikha Gangrade				
	Opening Balance	0	0	0	0
	Acquisition/Disposal during the year	-	-	-	-
	Closing Balance	0	0	0	0

**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	0.00	243.32	0.00	243.32
ii) Interest due but not paid	0.00	8.10	0.00	8.10
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<b>Total (i+ii+iii)</b>	0.00	251.42	0.00	251.42
Change in Indebtedness during the financial year	0.00	0.00	0.00	0.00
* Addition	0.00	0.00	0.00	0.00
* Reduction	0.00	251.42	0.00	251.42
Net Change	0.00	0.00	0.00	0.00

<b>Indebtedness at the end of the financial year</b>	0.00	0.00	0.00	0.00
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
<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) Rs.in Lakhs	Mullapudi Atchuta Rama Rao (MD) Rs.in Lakhs
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	-	-
	Total (A)	-	-
	Ceiling as per the Act (5% of the Net Profit)	7.96	7.96

### 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	Total Amount
1	Independent Directors				
	Fee for attending board committee meetings	0.90 Lakhs	1.00 Lakhs	0.30 Lakhs	2.2 Lakhs
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	0.90 Lakhs	1.00 Lakhs	0.30 Lakhs	2.2 Lakhs
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.90 Lakhs	1.00 Lakhs	0.30 Lakhs	2.2 Lakhs
	Total Managerial Remuneration (A+B)	0.90 Lakhs	1.00 Lakhs	0.30 Lakhs	2.2 Lakhs
	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 (Rs. In Lakhs)		
		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. 17.16 Lakhs	Rs. 3.23 Lakhs	Rs. 20.39 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. 17.16 Lakhs	Rs. 3.23 Lakhs	Rs. 20.39 Lakhs
	Ceiling as per the Act	-	-	-

**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			<b>N</b>		
Punishment			<b>A</b>		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## 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 Centres for overseas partners or Joint Ventures. We have a global presence, deep domain expertise. The product sales of Indian companies in the international markets have been minuscule, while IT enabled services business has seen a strident growth during the last 6 to 7 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

- a. Competition from countries like China and European Countries in the medium to long term.
- b. Large international companies establishing their own subsidiaries instead of depending on Indian Companies.
- c. Countries like USA bringing in legislation regarding VISA and work permits discourage hiring of resources from other countries.

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 the domestic market, USA and the 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 forms of funding.

## E. Risk and Concerns

The changing situation in the USA and the Europe may lead to more restrictions on off-shore 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

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, Frontier has made an impressive turnaround in the year ended March, 2020, making a profit of Rs. 230.63 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 is as under

S. No.	Financial Year	Profit/Loss (Rs. In Lakhs)
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

#### 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 achieving this goal, namely, creating a good working environment and imparting continuous training in the latest technologies. Continuous up-gradation of skills plays a key role in employee 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 2019-20	FY 2018-19
1	Debtors turnover ratio	6.38	1.91
2	Inventory Turnover ratio	Not Applicable	
3	Interest coverage ratio	71.77	1.73
4	Current ratio	12.25	0.28
5	Debt equity ratio	0	0
6	Operating margin (%)	30.85	18.65
7	Net Profit margin (%)	44.06	6.87
8	Return on Net worth	0.04	0.02

#### \*on standalone basis

Increase in all key financial ratios for financial year 2019-20 when compared to that of financial year 2018-19 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 WHOLE-TIME 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 reports 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 a significant role in the company's internal control system over financial reporting. However, there was no such instance.

**Sd/-**

Vuppuluri Sreedevi  
Whole-time Director  
DIN: 02448540

September 05, 2020  
Hyderabad

**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.

**2. BOARD OF DIRECTORS**

The Board of Directors of the Company has a combination of Executive and Non-Executive Directors. The Company has an Executive Chairman. As on 31st March, 2020, the board consists of 5 (Five) Directors, out of which 2 (Two) are Executive Directors and 3 (Three) are Independent 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.

Composition and Category of Directors along with changes during the year:

S. No.	Category	Name of Director	Changes during financial	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. Sreenivasa Rao Potti Mr. China S N Murthy Anupindi Mr. Venkata Madhusudhana Rao Paladugu  Mr. Rajan Babu Mothe Ms. Archana Singh Ms. Kolla Sudha	Appointed on 05.09.2019 Appointed on 05.09.2019 Appointed on 19.12.2019  Resigned on 27.09.2019 Resigned on 27.09.2019 Resigned on 11.12.2019	Resignation Due to some Personal Reasons

The Board of Directors met 14 (Fourteen) times during the Financial Year 2019-20 on 22<sup>nd</sup> April 2019, 05<sup>th</sup> May 2019, 27<sup>th</sup> May 2019, 18<sup>th</sup> July 2019, 28<sup>th</sup> August 2019, 05<sup>th</sup> September 2019, 27<sup>th</sup> September 2019, 23<sup>rd</sup> October 2019, 18<sup>th</sup> November 2019, 19<sup>th</sup> December 2019, 10<sup>th</sup> January 2020, 18<sup>th</sup> January 2020, 31<sup>st</sup> January 2020 and 12<sup>th</sup> March, 2020.

The gap between two meetings did not exceed one hundred and twenty days. 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.

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2019-20 and the last Annual General Meeting (AGM) held on 30<sup>th</sup> September, 2019, also Extraordinary General Meeting held on 15<sup>th</sup> February, 2020 as also the number of Directorships and Committee positions held by them in other public limited companies as on 31<sup>st</sup> March, 2020 are given below:

Directorship/ committee Membership as on 31<sup>st</sup> March, 2020:

Name and Category of Directors	No. of Board Meetings attended during 2019-20	Whether attended last AGM	No. of Directorships in other Public Companies	No. of Committee positions held in other Public Companies#		List of Directorship held in other Listed Company and Category of Directorship
				as Chairman	as Member	
Mr. Ramarao Atchuta Mullapudi, Managing Director	5	Yes	-	-	-	-
Ms. Vuppuluri Sreedevi, WTD	14	Yes	-	-	-	-
Mr. Sreenivasa Rao Potti, Independent Director	8	Yes	-	-	-	-
Mr. China S N Murthy Anupindi, Independent Director	8	Yes	-	-	-	-
Mr. Venkata Madhusudhana Rao Paladugu, Independent Director	4	No	-	-	-	-
Mr. Rajan Babu Mothe Independent Director*	6	No	-	-	-	-
Mrs. Archana Singh Independent Director*	6	No	-	-	-	-
Mrs. Kolla Sudha Independent Director*	7	No	-	-	-	-
Mr. Vivekananda Sree Pakalapati	1	No	-	-	-	-

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

- \* 1. Mr. Sreenivasa Rao Potti was appointed as an Independent Director on 05.09.2019  
 2. Mr. Venkata Madhusudhana Rao Paladugu was appointed as an Independent Director on 19.12.2019.  
 3. Mr. China Surya Narayana Murthy Anupindi was appointed as an Independent Director on 05.09.2019 and resigned on 14.07.2020.  
 4. Ms. Archana Singh has resigned as Director on 27.07.2019  
 5. Mr. Rajan Babu Mothe has resigned as Director on 27.07.2019  
 6. Mr. Vivekananda Sree Pakalapati has resigned as Director on 16.10.2019  
 7. Ms. Kolla Sudha has resigned as director on 11.12.2019

**Disclosure of relationships between directors inter-se:** None of the director is related with any other director/KMP

**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 longterm 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
Ramarao Atchuta Mullapudi, Managing Director	✓	✓	✓	✓	✓
Ms. Vuppuluri Sreedevi, WTD	✓	✓	✓	✓	✓
Mr. Sreenivasa Rao Potti, Independent Director	✓	✓	✓	✓	✓
Mr. China S N Murthy Anupindi, Independent Director	✓	-	✓	✓	✓
Mr. Venkata Madhusudhana Rao Paladugu, Independent Director	-	✓	✓	✓	✓

## 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.



### 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.

During the year under review, the Audit Committee met 6 (Six) times on 27<sup>th</sup> May 2019, 18<sup>th</sup> July, 2019, 31<sup>st</sup> August, 2019, 23<sup>rd</sup> October, 2019, 18<sup>th</sup> January, 2020 and 31<sup>st</sup> January, 2020. The gap between two meetings did not exceed one hundred and twenty days.

Audit Committee as on 31<sup>st</sup> March, 2020

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Sreenivasa Rao Potti	Independent Director	3	3
Venkata Madhusudhana Rao Paladugu	Independent Director	2	2
Vuppuluri Sreedevi	Executive Director	6	6

The role of the audit committee, in brief, is to review financial statements, internal controls, accounting policies and internal audit. 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 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.

### 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.

The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an independent director. The Committee met 5 (Five) times during the year under review on 18<sup>th</sup> April, 2019, 05<sup>th</sup> September, 2019, 27<sup>th</sup> September, 2019, 19<sup>th</sup> December, 2019 and 18<sup>th</sup> January, 2020. The attendance record of the members at the meeting is as under:

Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2020

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Sreenivasa Rao Potti	Independent Director	3	3
China Surya Narayana Murthy Anupindi	Independent Director	3	3
Venkata Madhusudhana Rao Paladugu	Independent Director	1	1

**BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

1. To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - a. to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - b. 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. To carry out evaluation of every Director's performance.

**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 was circulated to the Directors for:

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

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

4. 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.
5. To formulate the criteria for evaluation of Independent Directors and the Board.
6. To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.

**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.

**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.

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.

Notice period, severance fee and stock options to the above personnel is Nil.

Details of Shares of the Company held by the Directors as on March 31, 2020 are as below:

Name	Designation	No. of Shares
Ramarao Atchuta Mullapudi	Managing Director	7,67,45,156
Vuppuluri Sreedevi	Wholetime Director	30,000

## 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. The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director. The Committee met 2 (Two) times during the year under review on 25<sup>th</sup> September 2019 and 18<sup>th</sup> November, 2019.

The meetings of the Committee are held at frequent intervals to approve transfers, transmissions, issue of duplicate shares and resolving investors' grievances, etc. 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. Stakeholders Relationship Committee as on 31<sup>st</sup> March, 2020

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Sreenivasa Rao Potti	Independent Director	1	1
Venkata Madhusudhana Rao Paladugu	Independent Director	0	0
Vuppuluri Sreedevi	Executive Director	2	2

### DETAILS OF COMPLAINTS/REQUESTS RECEIVED FOR INVESTORS, RESOLVED AND PENDING DURING THE YEAR

#### 2019-20:

Particulars	Year ended 31.03.2020
Pending at the beginning of the year	NIL
Received during the year	4
Disposed of during the year	4
Remaining unresolved at the end of the year	NIL

## 6. 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. Sreenivasa Rao P, Mr. C.S.N Murthy Anupindi and Mr. P V Madhusudhana Rao have 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, commission and reimbursement of expenses incurred by them for the purpose of 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 the Independent Directors with the Company are available on the Company's website at [www.fitlindia.com](http://www.fitlindia.com).

## 7. GENERAL BODY MEETINGS

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

Year	Type	Date of AGM	Time	Held at	No of Special Resolutions passed in AGM
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-
2017	AGM	29 <sup>th</sup> December, 2017	09.30 AM		Yes -3-

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.

## 8. 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.

## 9. DISCLOSURES

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.

### 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 did 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; no penalties, strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities related to the above.

### C. Communication to Shareholders

The quarterly and Annual Results are being normally published in the Financial Express and Nava Telangana. 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, Managing 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.20 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 the number of complaints filed and disposed of during the year and pending as on March 31, 2020 is given in the Directors' report.

**G. 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, under the said Code.

**H.** 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.

**I. 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.

**J. 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.fitlindia.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.

## 10. GENERAL SHAREHOLDERS INFORMATION

### The following information would be useful to Shareholders:

- a) The 32<sup>nd</sup> Annual General Meeting of the Company will be held at 10.00 AM on Wednesday, the 30<sup>th</sup> day of September, 2020 through Audio Visual Mode.
- b) The Financial Year of the Company was from 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020.
- c) Date of Book Closure: from Tuesday the 24<sup>th</sup> Day of September, 2020 to Saturday the 28<sup>th</sup> day of September, 2020 (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) 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.
- h) Dematerialization of Shares: The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into 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 2020, 9,42,93,178 shares are under dematerialization, representing 78.60% of the paid-up capital.
- i) Distribution of shareholding as on 31<sup>st</sup> March, 2020:

Holding of number of Shares or Debentures	No. of Share holders	Share/Debenture (Holders)		Shares/Debentures (Amount)	
		Number	%	Rs.	%
1 – 5000	10,636	3,427,231	2.86	3,427,231	2.86
5001 – 10000	73	512,838	0.42	512,838	0.43
10001 – 20000	51	775,337	0.65	775,337	0.64
20001 – 30000	23	566,461	0.47	566,461	0.47
30001 – 40000	5	186,926	0.16	186,926	0.15
40001 – 50000	8	391,592	0.33	391,592	0.32
50001 – 100000	19	1,420,212	1.18	1,420,212	1.18
100001 – Above	42	112,687,030	93.93	112,687,030	93.93
<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, 2019	3.47	3.30	October, 2019	6.56	4.45
May, 2019	3.14	3.14	November, 2019	9.63	6.69
June, 2019	2.99	2.99	December, 2019	12.44	9.13
July, 2019	3.13	2.85	January, 2020	14.07	12.25
August, 2019	2.84	2.60	February, 2020	15.20	11.81
September, 2019	4.24	2.35	March, 2020	11.81	8.82

**b) Shareholding Pattern as on 31<sup>st</sup> March 2020**

S. No.	Category	No. of shares	% of shareholding
1	Promoters	82618248	68.87
2	Mutual funds and UTI	5900	0.00
3	Banks, Financial Institutions, 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, 3rd 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.

**e) 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.

**f) 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.

**g) 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 Secretaries' 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 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020.

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.

### **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.

### **Restrictions on Use**

The certificate is addressed and provided to the Members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For VCSR & Associates  
Company secretaries

**Sd/-**

Ch. Veeranjanyulu  
Partner  
C P No: 6392  
UDIN: F006121B000665087

Place: Hyderabad,  
Date: 04<sup>th</sup> September, 2020



## INDEPENDENT AUDITOR'S REPORT

**To the members of  
XTGlobal Infotech Limited  
(Formerly Frontier Informatics Limited)**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key Audit Matter	Auditor's response
<p><b>Adoption of Ind AS 115 Revenue from Contracts with Customers</b></p> <p>The application of the revenue accounting standard involves certain key Judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p>	<p>The company is engaged in business of software development and consultancy services in &amp; outside India. We have assessed the process employed by the company to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>- Selected a sample of continuing and other contracts, and tested the operating effectiveness of the internal control, relating</li> </ul>

	<p>to identification of the distinct performance obligations and determination of transaction price.</p> <ul style="list-style-type: none"> <li>- Selected a sample of continuing and other contracts and performed the following procedures:</li> <li>- We have verified the Statement of work, master service agreements entered by the company with its clients and approval by its clients for work performed by the company.</li> <li>- We also verified transaction price charged by the company based on the terms of the contracts.</li> <li>- We also verified recognition of revenue on timely basis and historic trend of collections from the customers</li> </ul>
<p><b>Receivables and allowances for credit losses</b></p> <p>Receivables constitute about 13 % of the total assets (excl investments) as at the balance sheet date. The Company measures expected credit loss on trade receivables based on a provision matrix which is based on significant management judgement and estimates i.e.:</p> <ul style="list-style-type: none"> <li>- Payment trend of the Company's customers;</li> <li>- age analysis of the receivables;</li> <li>- relevant current customer specific conditions; and</li> <li>- other relevant factors at the reporting date such as subsequent settlement and future collectability.</li> </ul> <p>Due to the varying characteristics and payment terms, some customers have a higher than average days sales outstanding, which increases the credit risk for these customers. Further, the outstanding of customers could be impacted by the economic conditions consequent to Covid-19.</p> <p>We have considered assessment of <b>expected credit loss</b> for receivables as a key audit matter because of the significance of balance of trade receivables to the balance sheet and the significant management judgement involved in its estimation particularly in the context of Covid – 19.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process (including customer credit approvals) and estimation of expected credit losses.</li> <li>2. Tested the controls relating to classification of the receivable balances included in the receivables ageing report. For a sample selected, tested classification in the ageing report to source documents such as invoice issued, contract with the customer.</li> <li>3. For samples selected, circularized independent confirmations and where confirmations were not received, performed alternate testing procedures. This includes testing, on a sample basis, subsequent collections for the outstanding receivables.</li> <li>4. Assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard.</li> <li>5. Assessed the adequacy of disclosures relating to trade receivables and related credit risk.</li> <li>6. . Assessed the appropriateness of accounting policy for expected credit loss as per the relevant accounting standard.</li> </ol>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Notes to the standalone Ind AS financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

For Niranjana & Narayana  
Chartered Accountants  
FRN: 005899S

M. Niranjana  
Partner  
Membership No: 029552  
UDIN: 20029552AAAADQ8660

**Annexure 2 referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date on the standalone Ind AS financial statements of XTGlobal Infotech Limited**

**In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state the following:**

We have audited the internal financial controls over financial reporting of XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

- i) **(a)** The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
**(b)** All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
**(c)** According to the information and explanations given by the management, the company does not own any immovable property. Thus paragraph 3(i)(c) of the Order is not applicable to the Company.
- ii) The Company is rendering software development and consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 186 of the Act, with respect to investments made by the Company. The Company has not granted loans nor provided any guarantee/ security during the year to the parties covered under Sections 185 and 186 of the Act. Accordingly, compliance under Section 185 and 186 of the Act in respect of granting of loans and providing securities is not applicable to the Company.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- vi) In our opinion and according to the explanation given to us the maintenance of Cost records under section 148 (1) of the Companies Act, 2013, as prescribed by the Central Government are not applicable to the Company. Thus paragraph 3(vi) of the Order is not applicable to the company.
- vii) **(a)** Undisputed statutory dues including provident fund, employees’ state insurance, income-tax, goods and service tax and other statutory dues have generally been regularly deposited with the appropriate authorities.  
**(b)** According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year ended March 31, 2020, for a period of more than six months from the date they became payable.  
**(c)** According to the records of the Company, dues of income-tax which have not been deposited on account of dispute as at March 31, 2020 are as follows:

Nature of statute	Nature of dues	Period to which amount relates	Amount due (in Rs. Lakhs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2000-01	12.74	DCIT 1(2)
Income Tax Act, 1961	Income Tax	2001-02	19.42	DCIT 1(2)
Income Tax Act, 1961	Interest, Dividend tax	1999-00	10.91	DCIT 1(2)

- viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the company.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year under review. Thus, paragraph 3(xi) of the Order is not applicable to the Company.
- xii) In our opinion, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable for the company.
- xiii) In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial statements of the company as required by applicable Accounting Standards
- xiv) The company has made 2 preferential allotments during the year for cash consideration and 2 preferential allotments for consideration other than cash. The amounts raised has been utilized towards the purpose for which it is raised other than funds remaining unutilized with the Company as on March 31, 2020.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has entered into non-cash transactions with its directors or persons connected with them and the provisions of section 192 of the Companies Act, 2013 have been complied with.
- xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934. Thus, paragraph 3(xv) of the Order is not applicable to the company.

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M. Niranjana  
Partner  
Membership No: 029552  
UDIN: 20029552AAAADQ8660

## **Annexure 2 referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date on the standalone Ind AS financial statements of XTGlobal Infotech Limited**

### **Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

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

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



**Opinion**

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

For Niranjan & Narayan  
Chartered Accountants  
FRN: 005899S

M. Niranjan  
Partner  
Membership No: 029552  
UDIN: 20029552AAAADQ8660

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)  
STANDALONE BALANCE SHEET**

**All amounts in Rs.**

Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	34,84,894	8,66,935
Intangible assets	4	0	8,37,165
Financial assets			
Investments	5	48,72,77,292	0
Deferred tax assets (Net)	6	70,97,168	0
<b>Total non-current assets</b>		<b>49,78,59,354</b>	<b>17,04,100</b>
<b>Current assets</b>			
Financial assets			
Trade receivables	7	1,20,35,761	43,68,176
Cash and cash equivalents	8	6,10,61,753	3,00,108
Other current assets	9	93,16,543	29,19,538
<b>Total current assets</b>		<b>8,24,14,058</b>	<b>75,87,822</b>
<b>TOTAL ASSETS</b>		<b>58,02,73,411</b>	<b>92,91,922</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	10	11,99,67,627	1,26,55,200
Other Equity	11	45,30,93,569	-3,01,90,338
<b>Total Equity</b>		<b>57,30,61,196</b>	<b>-1,75,35,138</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employee benefit obligations	12	4,84,086	0
Deferred tax liabilities (Net)	6	0	41,790
<b>Total non-current liabilities</b>		<b>4,84,086</b>	<b>41,790</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	13	0	2,43,32,181
Trade payables	14	15,65,292	13,46,945
Employee benefit obligations	12	928	0
Current tax liabilities		6,83,955	0
Other current liabilities	15	44,77,954	11,06,144
<b>Total current liabilities</b>		<b>67,28,129</b>	<b>2,67,85,270</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,02,73,411</b>	<b>92,91,922</b>

Notes forming part of the standalone financial statements As per our report of even date attached For Niranjn & Narayan Chartered Accountants FRN: 005899S

M. Niranjn  
Partner  
Membership No: 029552

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

**For and on behalf of the Board**

M Atchuta Ramarao  
Managing Director

K Raghuram  
CFO

V Sreedevi  
Whole-time Director

G Shikha  
Company Secretary

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)**  
**STANDALONE STATEMENT OF PROFIT AND LOSS**

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	16	5,23,39,403	41,76,676
Other income	17	48,49,742	0
<b>Total income</b>		<b>5,71,89,145</b>	<b>41,76,676</b>
<b>Expenses</b>			
Employee benefits expense	18	3,08,92,132	16,30,394
Finance costs	19	2,25,000	4,50,000
Depreciation and amortization expense	4	8,18,865	15,819
Other expenses	20	93,29,011	17,51,572
<b>Total expenses</b>		<b>4,12,65,008</b>	<b>38,47,785</b>
Profit before exceptional items and tax		<b>1,59,24,138</b>	<b>3,28,891</b>
Exceptional items		0	0
Profit before tax		<b>1,59,24,138</b>	<b>3,28,891</b>
Tax expense	21		
Current tax (Net)		0	0
Deferred tax		-71,38,958	41,790
Profit for the period		<b>2,30,63,096</b>	<b>2,87,101</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss		0	0
Items that will be reclassified to profit or loss		0	0
Total comprehensive income for the period		<b>2,30,63,096</b>	<b>2,87,101</b>
Total comprehensive income for the period attributable to:			
Shareholders of the company		<b>2,30,63,096</b>	<b>2,87,101</b>
Non-controlling interests		0	0
Earnings per Equity share (in Rs.)			
Basic		0.35	0.02
Diluted		0.35	0.02

Notes forming part of the standalone financial statements  
As per our report of even date attached

**For and on behalf of the Board**

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

M. Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)**  
**STATEMENT OF CHANGES IN EQUITY**

**A. EQUITY SHARE CAPITAL**

Balance as at April 1, 2018	Changes in equity share capital during the year	Balance as at March 31, 2019
1,26,55,200	0	1,26,55,200

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
1,26,55,200	10,73,12,427	11,99,67,627

**B. OTHER EQUITY**

Particulars	Reserves & Surplus	Items of other comprehensive income	Total other Equity
	Retained earnings		
Balance as at April 1, 2018	-3,04,77,439	0	-3,04,77,439
Profit for the year 2018-19	2,87,101	0	2,87,101
Balance as at March 31, 2019	-3,01,90,338	0	-3,01,90,338
Profit for the year 2019-20	2,30,63,096	0	2,30,63,096
Balance as at March 31, 2020	-71,27,242	0	-71,27,242

Notes forming part of the standalone financial statements  
As per our report of even date attached

**For and on behalf of the Board**

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

M. Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)**  
**STATEMENT OF CASH FLOWS**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,30,63,096	3,28,891
<b>Adjustments to reconcile profit and loss to net cash provided by operating activities</b>		
Provision for deferred tax	-71,38,958	0
Depreciation and amortization expense	8,18,865	15,819
Finance cost	2,25,000	0
Interest income	11,08,031	0
<b>Operating profit before working capital changes</b>	<b>1,58,59,972</b>	<b>3,44,710</b>
<b>Net change in</b>		
Trade receivables	-76,67,585	-43,68,176
Other current assets	-63,97,005	-2,33,966
Trade payables	2,18,347	13,04,159
Provisions	11,68,969	0
Other Current Liabilities	33,71,810	5,55,559
<b>Cash generated from operating activities</b>	<b>65,54,508</b>	<b>-23,97,714</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-34,36,824	-8,82,754
Disposal of Fixed Assets	8,37,165	2,13,668
Purchase of Investments	-48,72,77,292	0
Interest income	11,08,031	0
<b>Cash generated from investing activities</b>	<b>-48,87,68,920</b>	<b>-6,69,086</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of Equity share capital	56,75,33,238	0
Repayment of short term borrowings	-2,43,32,181	-20,77,000
Finance Cost	-2,25,000	0
<b>Cash generated from financing activities</b>	<b>54,29,76,057</b>	<b>-20,77,000</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>6,07,61,645</b>	<b>-51,43,800</b>
Opening Balance of Cash & cash Equivalents	3,00,108	54,43,908
<b>Closing Balance of Cash &amp; cash Equivalents</b>	<b>6,10,61,753</b>	<b>3,00,108</b>

Notes forming part of the standalone  
financial statements  
As per our report of even date attached

**For and on behalf of the Board**

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

M. Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

**Notes forming part of the Standalone financial statements for the year ended March 31, 2020****1. The Company overview**

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.

**2. Basis of preparation of financial statements****(i) Statement of compliance and basis of preparation**

The Standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements. 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.

**(ii) Basis of measurement**

These financial statements have been prepared on historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:-

**(a)** Derivative financial instruments;

**(b)** The defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.

**(iii) Use of estimates and judgement**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Accounting estimates could change from period to period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

**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 labor 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 carryforwards 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**

The cost of the defined benefit plans 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.

**3. Significant accounting policies****a) Revenue recognition**

The Company derives revenue primarily from software development and IT consulting 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.

**b) Other income**

Other income comprises interest income on deposits and exchange gains / (losses), net, on forward contracts. Interest income is recognised using the effective interest method.

**c) Foreign currency**

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

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. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. 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. Gains/ (losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense.

**d) Leases**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

**e) Employee benefits**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered. Payments to the defined contribution schemes are charged as an expense as they fall due.

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized in the Statement of Profit and Loss.

Employee benefits include contribution to provident fund and employee state insurance scheme.

**1. Provident Fund**

Employees receive benefits from a provident fund, which is a defined contribution plan. The employer and employees each make periodic contributions to the plan. Contribution is made to the government administered pension fund. Company has no further obligation beyond making its contribution.

**2. Employee state insurance scheme**

The Company makes contributions to Employee's State Insurance Fund and has no further obligation beyond making this contribution.

**f) Earnings per share**

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, unless they are anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.



**g) Taxes on income**

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**

The current income tax expense includes income taxes payable by the. 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 substantively 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.

The company has brought forward tax losses, against which deferred tax asset was not recognized till year 2019, following principle of conservatism which was appropriately disclosed in those years. During the current financial year, the company has achieved moderate turnover and is also assured of future sizable operations. In the back ground the management evaluated tax losses eligible for carry forward as at 31-03-2020 and arrived at deferred tax asset of Rs 2.97 Crores, recognition of which will result in provisioning of additional income to the same effect. The management, having considered various accounting principles, including matching concept and also considering the additional uncertainty arising from Covid 19, decided to recognize only 1/4th of the said sum, viz Rs 74.31 Lakhs during the current year and to defer recognition of the balance amount to future years.

**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.

**h) Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price plus non-refundable taxes and expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

The Company depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually. The estimated useful lives of assets are as follows:

Asset classification	Useful life
Computer equipment	3 years
Network devices	6 years
Office equipment	5 years

The Company believes that the useful lives as given above best represent the useful lives of these assets which is same as the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised 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. Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

### **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.

### **i) 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 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 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

### 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.

#### j) Operating cycle

Based on the nature of products/activities of the company and the normal time between acquisition of assets and their realisation in cash and cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### k) 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.

#### l) Finance cost

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

### 3.1 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
Circulus LLC	Indirect subsidiary
Mullapudi Ventures LLC	Entity controlled by Mr. M A Ramarao, Managing Director
Logicplanet IT Services (India) Private Limited	Entity controlled by Mr. P S Vivekananda, Director
<b>Key-management personnel (KMP)</b>	
Mr. Ramarao Atchuta Mullapudi	Chairman and Managing Director
Ms. Sreedevi Vuppuluri	Whole-time Director
Mr. Sreenivasa Rao Potti	Independent Director
Mr. China Surya Narayana Murthy Anupindi	Independent Director
Mr. Venkata Madhusudhana Rao Paladugu <sup>(2)</sup>	Independent Director
Ms. Kolla Sudha <sup>(3)</sup>	Independent Director
Mr. Vivekananda Sree Pakalapati <sup>(4)</sup>	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

1. Xenosoft Technologies (India) Private Limited has become an associate company with effect from November 18, 2019 and the same later became a wholly owned subsidiary of the Company with effect from March 12, 2020.
2. Mr. Venkata Madhusudhana Rao Paladugu was appointed as an Independent Director of the Company with effect from December 19, 2019 for a period of one year.
3. Ms. Kolla Sudha retired as Independent Director with effect from December 11, 2019.
4. Mr. Vivekananda Sree Pakalapati retired as Director with effect from October 16, 2019.

#### Transactions with related parties during the year ended March 31, 2020

Rs. In Lakhs

Nature of transaction	Key-management personnel	Entities controlled/ jointly controlled by KMP	Balance as on March 31, 2020
Sale of services			
- XTGlobal Inc.	-	210.57	61.63
Rental of office space from			
- Xenosoft Technologies (India) Private Limited	-	4.60	1.99
Repayment of loan to			
- Logicplanet IT Services (India) Private Limited	-	15.00	-
- Mr. Ramarao Atchuta Mullapudi			
- Ms. Sreedevi Vuppuluri	39.00	-	-
	0.50	-	-
Loan from			
- Mr. Ramarao Atchuta Mullapudi	6.00	-	-
- Ms. Sreedevi Vuppuluri	0.50	-	-
*Remuneration to			
- Mr. Raghuram Kusuluri	17.16	-	-
- Ms. Shikha Gangrade	3.23	-	-
Sitting fee to			
- Mr. Sreenivasa Rao Potti	0.90	-	-
- Mr. China Surya Narayana Murthy Anupindi	1.00	-	-
- Mr. Venkata Madhusudhana Rao Paladugu			
	0.30	-	-

\* The above figures do not include provision for gratuity and premium paid to group health insurance as separate actuarial valuation / premium is not available. These are short-term employee benefits.

### 3.2 Disclosures as required under IND AS 19 "Employee benefits" are as follows:

#### A. Change in Defined Benefit Obligation

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2020
<b>Defined benefit obligation at the beginning</b>	0	0
Current service cost	0	458787
Past service cost	0	26227
Interest expense	0	0
<b>Defined benefit obligation at the end</b>	0	485014

#### B. Change in fair value of plan assets

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2020
<b>Fair value of plan assets at the beginning</b>	0	0
Interest income	0	0
Employer contributions	0	0
Benefits paid	0	0
<b>Fair value of plan assets at the end</b>	0	0

**C. Amounts to be recognized in financial statements**

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2020
Defined Benefit Obligation	0	485014
Fair Value of Plan Assets	0	0
Funded Status	0	0
Effect of Asset Ceiling / Onerous Liability	0	0
Net Defined Benefit Liability / (Asset)	0	485014
Of which, Short term Liability	0	928

**D. Components of defined benefit cost**

Particulars	Year ended Mar 31, 2019	Year ended Mar 31, 2020
Current Service Cost	0	458787
Past Service Cost	0	26227
(Gain) / Loss on Settlements	0	0
Reimbursement Service Cost	0	0
Total Service Cost	0	485014

**E. Actuarial assumptions**

- Discount rate – 6.80%
- Salary escalation – 6.00%
- Mortality rate – IALM 2012-14 ult mortality table

**3.3 Contingent liabilities**

A. The Company has disputes with Income Tax authorities relating to tax treatment of certain items. The Company has contingent liability in respect of demands from Income Tax authorities relating to Assessment Years 2001-02 and 2002-03 amounting to Rs. 32.16 Lakhs. Interest payable on Dividend Distribution Tax amounting to Rs. 10.91 Lakhs is not provided for which the company has sought waiver of interest. As per the opinion of the company, the possibility of crystallization of liability is unlikely.

B. The company has dispute with CSIR relating to interest on loan provided to it earlier. The issue is contested by CSIR against the award granted by Ld. Arbitrator earlier in favour of the company and the demand amounts to Rs. 1.13 Crores. As per the opinion of the company, the possibility of crystallization of liability is unlikely.

**3.4 Segment information**

As the company was engaged only in software development services during the year, business segment reporting is not applicable. Geographic revenue is allocated based on the location of the customer.

Geographic segment	FY 2018-19	FY 2019-20
Domestic	12.25	0.00
Export	29.52	523.39

**3.5** 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. PROPERTY, PLANT AND EQUIPMENT

Particulars	Property, plant and equipment			Intangible assets	Total
	Office Equipment	Furniture & Fittings	Computers	Software products	
Gross block as on April 01, 2018	260234	144369	135966	6132818	6673387
Additions	0	0	882754	0	882754
Disposals	(260234)	(144369)	(135966)	0	(540569)
Balance as on March 31, 2019	0	0	882754	0	7015572
Additions	51025	375458	3010340	0	3436824
Disposals	0	0	0	(6132818)	(6132818)
Balance as on March 31, 2020	51025	375458	3893094	0	4319578
Accumulated Depreciation & amortization					
Balance as on April 01, 2018	146409	50127	130365	5295653	5622554
Depreciation for the year	0	0	15819	0	15819
Disposals	(146409)	(50127)	(130365)	0	(326901)
Balance as on March 31, 2019	0	0	15819	5295653	5311472
Depreciation for the year	4154	28228	786483	0	818865
Disposals	0	0	0	(5295653)	(5295653)
Balance as on March 31, 2020	4154	28228	802302	0	834684
Net block					
As on April 01, 2018	113825	94242	5601	837165	1050833
As on March 31, 2019	0	0	866935	837165	1704100
As on March 31, 2020	46871	347230	3090792	0	3484894

#### 5. INVESTMENTS

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Investments in Fully paid Equity Instruments of 100% wholly owned subsidiary - Xenosoft Technologies (India) Private Limited at cost (61,85,500 Equity shares of Rs. 10/- each)	487277292	0
<b>Aggregate amount of unquoted investments</b>	<b>487277292</b>	<b>0</b>

#### 6. DEFERRED TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax asset/(liability) in relation to		
Unabsorbed depreciation (Refer Note 2)	7430636	0
Property, plant and equipment	(333468)	(41790)

Deferred tax asset/(liability) (Net)	7097168	(41790)
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## 7. TRADE RECEIVABLES

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	12035761	4368176
Out of which, debts due by related parties (Refer Note 3.1)	6162605	0
Total trade receivables	12035761	4368176

## 8. CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- In current accounts	21046107	295606
- As Bank deposits with maturity less than 12 months	40000000	0
Cash on hand	15646	4502
Total cash and cash equivalents	61061753	300108

## 9. OTHER CURRENT ASSETS

Particulars	As at March 31, 2020	As at March 31, 2019
Prepayments	2883945	68238
Advances for service providers	261625	50000
Balances with government authorities	5487018	2801300
MAT credit entitlement	683955	0
Total other current assets	9136543	2919538

## 10. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital Equity shares of Re.1/- each	180000000	180000000	180000000	180000000
Issued, subscribed and fully paid-up Equity shares of Re.1/- each	119967627	119967627	12655200	12655200
<b>Reconciliation of shares outstanding at the beginning and at the end of the period</b>				
Shares outstanding at the beginning of the period	12655200	12655200	12655200	12655200
Shares issued during the period	107312427	107312427	0	0
Shares outstanding at the end of the period	119967627	119967627	12655200	12655200
<b>Terms/ rights attached to Equity shares</b>				
The Company has only one class of equity shares having a par value of Re.1/- per share. Each holder of equity share is entitled to one vote per share.				
<b>Details of shareholders holding more than 5% shares in the company</b>				
Particulars	No. of shares	% of holding	No. of shares	% of holding
Ramarao Atchuta Mullapudi	76745156	63.97%	6000125	47.41%
<b>Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash</b>				
During FY 2019-20 - 43995930 equity shares of Re.1/- each and 22138166 equity shares of Re. 1/- each were allotted as fully paid on November 18, 2019 and March 12, 2020 respectively for consideration other than cash on share swap basis.				

**11. OTHER EQUITY**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Reserved &amp; Surplus</b>		
<b>Retained earnings</b>		
Opening balance	-30190338	-30477439
Add: Net profit for the period	23063096	287101
Closing balance	-7127242	-30190338
<b>Securities premium account</b>		
Opening balance	0	0
Add: Additions during the period	460220811	0
Closing balance	460220811	0
<b>Total other equity</b>	<b>453093569</b>	<b>-30190338</b>

**12. EMPLOYEE BENEFIT OBLIGATIONS**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Gratuity liability	484086	0
<b>Total non-current employee benefit obligations</b>	<b>484086</b>	<b>0</b>
<b>Current</b>		
Gratuity liability	928	0
<b>Total current employee benefit obligations</b>	<b>928</b>	<b>0</b>

**13. BORROWINGS**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Current</b>		
Unsecured loans from		
- Financial institutions	0	3000000
- Related parties	0	4990000
- Others	0	16342181
<b>Total current borrowings</b>	<b>0</b>	<b>24332181</b>

**14. TRADE PAYABLES**

Particulars	As at March 31, 2020	As at March 31, 2019
Dues to		
- Micro and small enterprises	0	0
- Others	1565292	1346945
<b>Total current trade payables</b>	<b>1565292</b>	<b>1346945</b>

**15. OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory payables	959592	118028
Interest payable	0	808482
Expenses payables	3518362	114979
Other liabilities	0	64655
<b>Total other current liabilities</b>	<b>4477954</b>	<b>1106144</b>



**16. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contracts with customers		
Sale of services		
- Domestic	0	1224500
- Export	52339403	2952176
<b>Total revenue from operations</b>	<b>52339403</b>	<b>4176676</b>

**17. OTHER INCOME**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income	1108031	0
Foreign Exchange gain	997740	0
Other income (write backs)	2743971	0
<b>Total other income</b>	<b>4849742</b>	<b>0</b>

**18. EMPLOYEE BENEFIT EXPENSE**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages	29017940	1526969
Contribution to provident and other funds	1015369	102968
Gratuity liability – service cost	485014	0
Staff welfare expense	373809	457
<b>Total employee benefit expense</b>	<b>30892132</b>	<b>1630944</b>

**19. FINANCE COSTS**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest	225000	450000
<b>Total finance costs</b>	<b>225000</b>	<b>450000</b>

**20. OTHER EXPENSES**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rent charges	460000	0
Travelling & Conveyance	23662	2000
Business promotion expense	797447	116526
Printing & stationery	253008	174694
Bank charges	77652	2363
Director sitting fee	220000	0
Software packages for own use	522489	0
Loss on impairment	837165	0
General expenses	1003864	5640
BSE/ Depository charges	1039352	585359
AGM expenses	669100	39058
Legal and professional charges	2274299	297140
Telephone and communication expenses	343286	36467
Postage and courier	87435	159426
Rates and taxes	184243	61697
Consumables	336009	32534

Loss on sale of assets	0	198668
Payments to auditor as		
- Auditor	150000	40000
- For taxation matters	50000	0
- Other services	0	0
<b>Total other expenses</b>	<b>9329011</b>	<b>1751572</b>

## 21. TAX EXPENSE

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	683955	0
Less: MAT credit entitlement	-683955	0
Net current tax	0	0
Deferred tax	-7138958	41790
<b>Total tax expense</b>	<b>-7138958</b>	<b>41790</b>

Notes forming part of the standalone financial statements  
As per our report of even date attached  
For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M. Niranjana  
Partner  
Membership No: 029552

**For and on behalf of the Board**

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

## INDEPENDENT AUDITOR'S REPORT

**To the members of  
XTGlobal Infotech Limited  
(Formerly Frontier Informatics Limited)**

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as 'the Group') which comprise the Consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as 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 Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key Audit Matter	Auditor's response
<p><b>Adoption of Ind AS 115 Revenue from Contracts with Customers</b></p> <p>The application of the revenue accounting standard involves certain key Judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period.</p>	<p>The group is engaged in business of software development and consultancy services in &amp; outside India. We have assessed the process employed by the group to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>- Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> </ul>

	<ul style="list-style-type: none"> <li>- Selected a sample of continuing and other contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li> <li>- Selected a sample of continuing and other contracts and performed the following procedures:</li> <li>- We have verified the Statement of work, master service agreements entered by the group with its clients and approval by its clients for work performed by the group.</li> <li>- We also verified transaction price charged by the group based on the terms of the contracts.</li> <li>- We also verified recognition of revenue on timely basis and historic trend of collections from the customers</li> </ul>
<p>Receivables and allowances for <b>credit losses</b></p> <p>Receivables constitute about 24 % of the total assets as at the balance sheet date. The Group measures expected credit loss on trade receivables based on a provision matrix which is based on significant management judgement and estimates i.e.:</p> <ul style="list-style-type: none"> <li>- Payment trend of the Group's customers;</li> <li>- age analysis of the receivables;</li> <li>- relevant current customer specific conditions; and</li> <li>- other relevant factors at the reporting date such as subsequent settlement and future collectability.</li> </ul> <p>Due to the varying characteristics and payment terms, some customers have a higher than average days sales outstanding, which increases the credit risk for these customers. Further, the outstanding of customers could be impacted by the economic conditions consequent to Covid-19.</p> <p>We have considered assessment of <b>expected credit loss</b> for receivables as a key audit matter because of the significance of balance of trade receivables to the balance sheet and the significant management judgement involved in its estimation particularly in the context of Covid – 19.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. Obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process (including customer credit approvals) and estimation of expected credit losses.</li> <li>2. Tested the controls relating to classification of the receivable balances included in the receivables ageing report. For a sample selected, tested classification in the ageing report to source documents such as invoice issued, contract with the customer.</li> <li>3. For samples selected, circularized independent confirmations and where confirmations were not received, performed alternate testing procedures. This includes testing, on a sample basis, subsequent collections for the outstanding receivables.</li> <li>4. Assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard.</li> <li>5. Assessed the adequacy of disclosures relating to trade receivables and related credit risk.</li> <li>6. . Assessed the appropriateness of accounting policy for expected credit loss as per the relevant accounting standard.</li> </ol>

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon. Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements 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 statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law for preparation of aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for preparation of aforesaid consolidated financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors and the reports of the statutory auditors of its subsidiary incorporated in India, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these consolidated Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Parent to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group;
- (ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad  
UDIN: 20029552AAAADR2412

M. Niranjana  
Partner  
Membership No: 029552  
[www.fitindia.com](http://www.fitindia.com)

**Annexure 1 referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirements” of our report of even date on the consolidated Ind AS financial statements of XTGlobal Infotech Limited**

**Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) (“the Parent”) and its subsidiary as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Parent and its subsidiary has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

For Niranjan & Narayan  
Chartered Accountants  
FRN: 005899S

M. Niranjan  
Partner  
Membership No: 029552  
UDIN: 20029552AAAADR2412



**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)**  
**CONSOLIDATED BALANCE SHEET**

Particulars	Note	As at March 31, 2020
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4	25,57,33,586
Capital work-in-progress		39,04,23,052
Goodwill on consolidation		14,93,14,566
Other non-current assets	5	3,17,02,453
<b>Total non-current assets</b>		<b>82,71,73,657</b>
<b>Current assets</b>		
Financial assets		
Trade receivables	6	41,43,25,696
Cash and cash equivalents	7	19,10,58,142
Other current assets	5	26,40,25,418
<b>Total current assets</b>		<b>86,94,09,256</b>
<b>TOTAL ASSETS</b>		<b>1,69,65,82,913</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	80	11,99,67,627
Other Equity	9	45,30,93,569
<b>Total Equity</b>		<b>57,30,61,196</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	10	35,73,42,273
Employee benefit obligations	11	89,09,498
Deferred tax liabilities (Net)	12	47,76,434
Other non-current liabilities	13	66,82,103
<b>Total non-current liabilities</b>		<b>37,77,10,308</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	10	12,97,67,985
Trade payables	14	7,37,88,812
Employee benefit obligations	11	3,10,126
Current tax liabilities		69,85,673
Other current liabilities	13	53,49,58,813
<b>Total current liabilities</b>		<b>74,58,11,409</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,69,65,82,913</b>

Notes forming part of the standalone financial statements  
As per our report of even date attached

**For and on behalf of the Board**

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

M. Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

Particulars	Note	Year ended March 31, 2020
Revenue from operations	15	1,95,29,18,388
Other income	16	56,63,741
<b>Total income</b>		<b>1,95,85,82,129</b>
<b>Expenses</b>		
Employee benefits expense	17	1,71,42,33,618
Finance costs	18	1,13,02,368
Depreciation and amortization expense	4	1,14,75,033
Other expenses	19	18,23,56,203
<b>Total expenses</b>		<b>1,91,93,67,221</b>
Profit before exceptional items and tax		3,92,14,907
Exceptional items		0
Profit before tax		3,92,14,907
Tax expense	20	
Current tax (Net)		57,21,975
Deferred tax		-53,76,145
Profit for the period		<b>3,88,69,077</b>
Other comprehensive income		
Items that will not be reclassified to profit or loss		-21,38,708
Items that will be reclassified to profit or loss		0
Total comprehensive income for the period		<b>3,67,30,369</b>
Total comprehensive income for the period attributable to:		
Shareholders of the company		
Non-controlling interests		<b>3,67,30,369</b>
		<b>0</b>
Earnings per Equity share (in Rs.)		
Basic		0.55
Diluted		0.55

Notes forming part of the standalone financial statements  
As per our report of even date attached

**For and on behalf of the Board**

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

M. Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)****STATEMENT OF CHANGES IN EQUITY****A. EQUITY SHARE CAPITAL**

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
1,26,55,200	10,73,12,427	11,99,67,627

**B. OTHER EQUITY**

Particulars	Reserves & Surplus		Items of other comprehensive income	Total other Equity
	Securities premium account	Retained earnings		
Balance as at April 01, 2019	0	-3,01,90,338	0	-3,01,90,338
Addition during the year 2019-20	46,02,20,811	2,30,63,096	0	48,32,83,907
Balance as at March 31, 2020	46,02,20,811	-71,27,242	0	45,30,93,569

Notes forming part of the standalone financial statements

As per our report of even date attached

**For and on behalf of the Board**

For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

M. Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Date: 30<sup>th</sup> April, 2020

Place: Hyderabad

**XTGLOBAL INFOTECH LIMITED (Formerly Frontier Informatics Limited)**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

Particulars	Year ended March 31, 2020
Profit before tax	3,92,14,907
<b>Adjustments to reconcile profit and loss to net cash provided by operating activities</b>	
Provision for deferred tax	-71,38,958
Depreciation and amortization expense	1,14,75,033
Finance cost	1,13,02,368
Interest income	-15,90,381
Other adjustments	2,34,78,104
<b>Operating profit before working capital changes</b>	<b>7,67,41,173</b>
<b>Net change in</b>	
Trade receivables	-8,55,60,974
Other current assets	-11,82,19,515
Other non current assets	-85,48,901
Non-current liabilities	66,82,103
Trade payables	-
	32,08,50,594
Provisions	31,68,408
Other Current Liabilities	61,39,62,137
<b>Cash generated from operating activities</b>	<b>16,73,73,837</b>
Purchase of fixed assets	-17,19,81,005
Disposal of Fixed Assets	8,37,165
Purchase of Investments	-48,72,77,292
Interest income	15,90,381
<b>Cash generated from investing activities</b>	<b>-65,68,30,851</b>
Issue of Equity share capital	56,75,33,238
Repayment of borrowings	-9,11,61,738
Borrowings taken	8,20,04,255
Finance Cost	-
	1,13,02,368
<b>Cash generated from financing activities</b>	<b>54,70,73,387</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,76,16,373</b>
Opening Balance of Cash & cash Equivalents	133,441,770
<b>Closing Balance of Cash &amp; cash Equivalents</b>	<b>19,10,58,142</b>

Notes forming part of the standalone financial statements  
As per our report of even date attached  
For Niranjana & Narayan  
Chartered Accountants  
FRN: 005899S

M. Niranjana  
Partner  
Membership No: 029552

Date: 30<sup>th</sup> April, 2020  
Place: Hyderabad

For and on behalf of the Board

M Atchuta Ramarao  
Managing Director

K Raghuram  
CFO

V Sreedevi  
Whole-time Director

G Shikha  
Company Secretary

**Notes forming part of the Consolidated financial statements for the year ended March 31, 2020****All amounts are in INR unless specifically stated****1. Corporate 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 together with its subsidiaries are herewith referred to as a "group". Company along with its subsidiary in India are referred to as "Indian companies".

**2. Basis of preparation of financial statements****(iv) Statement of compliance and basis of preparation**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been applied consistently to all periods presented in these financial statements. 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.

**(v) Basis of measurement**

These consolidated financial statements have been prepared on historical cost convention and on an accrual basis, except for the following material items which have been measured at fair value as required by relevant Ind AS:-

- (c) Derivative financial instruments;
- (d) The defined benefit asset/(liability) is recognized as the present value of defined benefit obligation less fair value of plan assets.

**(vi) Use of estimates and judgement**

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Accounting estimates could change from period to period. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

**(g) 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.

**(h) 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.

**(i) Income Taxes**

Tax jurisdiction for the group is India and USA. 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.

**(j) 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.

**(k) Deferred benefit plans**

The cost of the defined benefit plans and the present value of the defined benefit obligations of Indian companies 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.

**(l) 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 respective companies periodically, including at end of each financial year.

**3. Significant accounting policies****(m) Revenue recognition**

The group derives revenue primarily from software development and IT consulting 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.

**(n) Other income**

Other income comprises interest income on deposits and exchange gains / (losses), net, on forward contracts. Interest income is recognised using the effective interest method.

**(o) Foreign currency**

The functional currency of the group is the Indian rupee which is also the group's functional currency. These consolidated financial statements are presented in Indian rupees.

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. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. 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. Gains/ (losses), net, relating to translation or settlement of borrowings denominated in foreign currency are reported within finance expense.

**(p) Leases**

Leases under which the group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the lease term.

**(q) Employee benefits**

Short term employee benefits are charged off at the undiscounted amount in the year in which the related services are rendered. Payments to the defined contribution schemes are charged as an expense as they fall due.

Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the group's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks are borne by the employee. The expenditure for defined contribution plans is recognised as an expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks are borne by the Company. The present value of the defined benefit obligations is calculated by an independent actuary using the projected unit credit method. The group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability / (asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effects of any plan amendments are recognized in the Statement of Profit and Loss.

Employee benefits include contribution to provident fund and employee state insurance scheme.

### 3. Provident Fund

Employees receive benefits from a provident fund, which is a defined contribution plan for Indian companies. The employer and employees each make periodic contributions to the plan. Contribution is made to the government administered pension fund. Company has no further obligation beyond making its contribution.

### 4. Employee state insurance scheme

The Indian companies makes contributions to Employee's State Insurance Fund and has no further obligation beyond making this contribution.

#### (r) Employee benefits

The basic earnings per share (EPS) is computed by dividing the net profit after tax for the year by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, unless they are anti-dilutive. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date.

#### (s) Taxes on income

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.

##### 4) Current income tax

The current income tax expense includes income taxes payable by the group after taking credit for tax relief available for export operations in Special Economic Zones. 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.

##### 5) 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.

##### 6) 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.

#### (t) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes purchase price plus non-refundable taxes and expenditures directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in a manner intended by management. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.



The group depreciates property, plant and equipment over the estimated useful life on a straight-line basis from the date the assets are available for use. Freehold land is not depreciated. The estimated useful life of assets is reviewed and where appropriate are adjusted, annually.

The group believes that the useful lives as given above best represent the useful lives of these assets which is same as the useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalised 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. Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

#### **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.

#### **(u) 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.

**(v) Operating cycle**

Based on the nature of products/activities of the group and the normal time between acquisition of assets and their realisation in cash and cash equivalents, the group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**(w) Provision**

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.

**(x) Finance cost**

Finance cost comprise interest cost on borrowings, gain or losses arising on re-measurement of financial assets at FVTPL, gains/ (losses) on translation or settlement of foreign currency borrowings and changes in fair value and gains/ (losses) on settlement of related derivative instruments. Borrowing costs that are not directly attributable to a qualifying asset are recognized in the statement of profit and loss using the effective interest method.

### 3.1 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
Circulus LLC	Indirect subsidiary
Mullapudi Ventures LLC	Entity controlled by Mr. M A Ramarao, Managing Director
Logicplanet IT Services (India) Private Limited	Entity controlled by Mr. P S Vivekananda, Director
<b>Key-management personnel</b>	
Mr. Ramarao Atchuta Mullapudi	Chairman and Managing Director
Ms. Sreedevi Vuppuluri	Whole-time Director
Mr. Sreenivasa Rao Potti	Independent Director
Mr. China Surya Narayana Murthy Anupindi	Independent Director
Mr. Venkata Madhusudhana Rao Paladugu <sup>(2)</sup>	Independent Director
Ms. Kolla Sudha <sup>(3)</sup>	Independent Director
Mr. Vivekananda Sree Pakalapati <sup>(4)</sup>	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

1. Xenosoft Technologies (India) Private Limited has become an associate company with effect from November 18, 2019 and the same later became a wholly owned subsidiary of the Company with effect from March 12, 2020.
2. Mr. Venkata Madhusudhana Rao Paladugu was appointed as an Independent Director of the Company with effect from December 19, 2019 for a period of one year.
3. Ms. Kolla Sudha retired as Independent Director with effect from December 11, 2019.
4. Mr. Vivekananda Sree Pakalapati retired as Director with effect from October 16, 2019.

**Transactions with related parties during the year ended March 31, 2020****Rs. In Lakhs**

Nature of transaction	Key-management personnel	Entities controlled/ jointly controlled by Key Management Personnel	Balance as on March 31, 2020
Repayment of loan by XTGlobal Infotech Limited to	-	15.00	-
- Logicplanet IT Services (India) Private Limited	39.00	-	-
- Mr. Ramarao Atchuta Mullapudi	0.50	-	-
- Ms. Sreedevi Vuppuluri			
Loan			
- Repayment by XTGlobal Inc to Mullapudi Ventures LLC	-	95.65	1082.75
- Interest on loan from Mr. Mullapudi Ramarao to Xenosoft Technologies (India) Private Limited	43.98	-	797.84
Loan taken by XTGlobal Infotech Limited from			
- Mr. Ramarao Atchuta Mullapudi	6.00	-	-
- Ms. Sreedevi Vuppuluri	0.50	-	-
*Remuneration to KMP from XTGlobal Infotech Limited			
- Mr. Raghuram Kusuluri	17.16	-	-
- Ms. Shikha Gangrade	3.23	-	-
*Remuneration to KMP from Xenosoft Technologies (India) Private Limited			
- Ms. V Sreedevi	9.87	-	-
*Remuneration to KMP and their relative from XTGlobal Inc.			
- Mr. Ramarao Atchuta Mullapudi	383.31	-	-
- Ms. Harika Vardhani MULLapudi	112.81	-	-
Sitting fee to			
- Mr. Sreenivasa Rao Potti	0.90	-	-
- Mr. China Surya Narayana Murthy Anupindi	1.00	-	-
- Mr. Venkata Madhusudhana Rao Paladugu	0.30	-	-

\* The above figures do not include provision for gratuity and premium paid to group health insurance as separate actuarial valuation / premium is not available. These are short-term employee benefits.

Note: Transactions and balances with its own subsidiaries are eliminated on consolidation.

### 3.2 Disclosures as required under IND AS 19 “Employee benefits” are as follows:

#### A. Change in Defined Benefit Obligation

Particulars	Year ended Mar 31, 2020
Defined benefit obligation at the beginning	11080772
Current service cost	3515520
Past service cost	26227
Interest expense	0
<b>Benefit payments from plan assets</b>	<b>(1701912)</b>
Remeasurements – due to financial assumptions	1980756
Remeasurements – due to experience adjustments	(122499)
<b>Defined benefit obligation at the end</b>	<b>15561444</b>

#### B. Change in fair value of plan assets

Particulars	Year ended Mar 31, 2020
Fair value of plan assets at the beginning	4368942
Interest income	355241
Employer contributions	3600000
Benefits paid	(1701912)
Remeasurements – return on assets	(280451)
<b>Fair value of plan assets at the end</b>	<b>6341820</b>

#### C. Amounts to be recognized in financial statements

Particulars	Year ended Mar 31, 2020
Defined Benefit Obligation	15561444
Fair Value of Plan Assets	6341820
Funded Status	9219624
Effect of Asset Ceiling / Onerous Liability	0
Net Defined Benefit Liability / (Asset)	9219624
Of which, Short term Liability	310126

**D. Components of defined benefit cost**

Particulars	Year ended Mar 31, 2020
Current Service Cost	3515520
Past Service Cost	26227
(Gain) / Loss on Settlements	0
Reimbursement Service Cost	0
Total Service Cost	3541747

**E. Actuarial assumptions**

- Discount rate – 6.80%
- Salary escalation – 6.00%
- Mortality rate – IALM 2012-14 ult mortality table

**3.3 Contingent liabilities**

- A. The group has disputes with Income Tax authorities relating to tax treatment of certain items. The group has contingent liability in respect of demands from Income Tax authorities relating to Assessment Years 2001-02 and 2002-03 amounting to Rs. 32.16 Lakhs. Interest payable on Dividend Distribution Tax amounting to Rs. 10.91 Lakhs is not provided for which the group has sought waiver of interest. As per the opinion of the management of the group, the possibility of crystallization of liability is unlikely.
- B. The group has dispute with CSIR relating to interest on loan provided to it earlier. The issue is contested by CSIR against the award granted by Ld. Arbitrator earlier in favour of the group and the demand amounts to Rs. 1.13 Crores. As per the opinion of the management of the group, the possibility of crystallization of liability is unlikely.

**3.4** The Indian companies 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 Indian companies, they 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. PROPERTY, PLANT AND EQUIPMENT

Particulars	Property, plant and equipment						Intangible assets	Total
	Office Equipment	Furniture & Fittings	Computers	Freehold land	Freehold building	Other assets	Software products	
Balance as on March 31, 2019	1,19,32,019	3,83,17,025	54,484,513	16,995,424	117,622,774	73,651,103	6132818	319135676
Additions	68,833	14,06,961	4,608,040	0	0	0	0	6083834
Disposals	0	0	0	0	0	0	(6132818)	(6132818)
Balance as on March 31, 2020	1,20,00,852	3,97,23,986	59,092,553	16,995,424	117,622,774	73,651,103	0	319086692
Accumulated Depreciation & amortization								
Balance as on March 31, 2019	2,397,609	7270499	37877589	0	3395716	743482	5295653	56980548
Depreciation for the year	572,962	3068109	5586662	193178	1883291	364009	0	11668211
Disposals	0	0	0				-5295653	-5295653
Balance as on March 31, 2020	2,970,571	10,338,608	43,464,251	193,178	5,279,007	1,107,491	-	63,353,106
Net block								
As on March 31, 2019	9,534,410	31,046,526	16,606,924	16,995,424	114,227,058	72,907,621	837,165	262,155,128
As on March 31, 2020	9,030,281	29,385,378	15,628,302	16,802,246	112,343,767	72,543,612	-	255,733,586

#### 5. OTHER ASSETS

Particulars	As at March 31, 2020
<b>Non-current</b>	
MAT credit entitlement	10,265,172
Security deposits	12888380
Other non-current assets	8548901
<b>Total non-current assets</b>	<b>31,702,453</b>
<b>Current</b>	
Loans and advances to related parties	40,74,980
Prepayments	26154351
Advance to service providers	26,461,118
Employee advances	33,386,018
Balances with government authorities	37,177,081
Other Current Assets	136,771,870
<b>Total current assets</b>	<b>264,025,418</b>

#### 6. TRADE RECEIVABLES

Particulars	As at March 31, 2020
Unsecured, considered good	414,325,696
Out of which, debts due by related parties	0
<b>Total trade receivables</b>	<b>414,325,696</b>

**7. CASH AND CASH EQUIVALENTS**

Particulars	As at March 31, 2020
Balances with banks	
- In current accounts	54,629,582
- As Bank deposits with maturity less than 12 months	65,000,000
- In other accounts	71,273,309
Cash on hand	155,251
<b>Total cash and cash equivalents</b>	<b>191,058,142</b>

**8. EQUITY SHARE CAPITAL**

Particulars	As at March 31, 2020	
	No. of shares	Amount
Authorised share capital Equity shares of Re.1/- each	180000000	180000000
Issued, subscribed and fully paid-up Equity shares of Re.1/- each	119967627	119967627
<b>Reconciliation of shares outstanding at the beginning and at the end of the period</b>		
Shares outstanding at the beginning of the period	12655200	12655200
Shares issued during the period	107312427	107312427
Shares outstanding at the end of the period	119967627	119967627
<b>Terms/ rights attached to Equity shares</b>		
The Company has only one class of equity shares having a par value of Re.1/- per share. Each holder of equity share is entitled to one vote per share.		
<b>Details of shareholders holding more than 5% shares in the company</b>		
Particulars	No. of shares	% of holding
Ramarao Atchuta Mullapudi	76745156	63.97%
<b>Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash</b>		
During FY 2019-20 – 43995930 equity shares of Re.1/- each and 22138166 equity shares of Re. 1/- each were allotted as fully paid on November 18, 2019 and March 12, 2020 respectively for consideration other than cash on share swap basis.		

**9. OTHER EQUITY**

Particulars	As at March 31, 2020
<b>Reserved &amp; Surplus</b>	
<b>Retained earnings</b>	
Opening balance	-30190338
Add: Net profit for the period	23063096
Closing balance	-7127242
<b>Securities premium account</b>	
Opening balance	0
Add: Additions during the period	460220811
Closing balance	460220811
<b>Total other equity</b>	<b>453093569</b>



**10. BORROWINGS**

Particulars	As at March 31, 2020
<b>Non- Current</b>	
Unsecured loans from	
- Financial institutions / banks	157,551,791
- Related parties	199,790,482
- Others	0
<b>Total Non-current borrowings</b>	<b>357,342,273</b>
<b>Current</b>	
Unsecured loans from	
- Financial institutions/ banks	129,767,985
- Others	0
<b>Total current borrowings</b>	<b>129767985</b>

**11. EMPLOYEE BENEFIT OBLIGATIONS**

Particulars	As at March 31, 2020
<b>Non-current</b>	
Gratuity liability	8909498
<b>Total non-current employee benefit obligations</b>	<b>8909498</b>
<b>Current</b>	
Gratuity liability	310126
<b>Total current employee benefit obligations</b>	<b>310126</b>

**12. DEFERRED TAX ASSETS/(LIABILITIES) (NET)**

Particulars	As at March 31, 2020
Deferred tax asset/(liability) in relation to	
Property, plant and equipment	4776434
<b>Deferred tax liability (Net)</b>	<b>4776434</b>

**13. OTHER LIABILITIES**

Particulars	As at March 31, 2020
<b>Non-current</b>	
Others	6,682,103
<b>Total non-current liabilities</b>	<b>6,682,103</b>
<b>Current</b>	
Statutory payables	11,599,654
Expenses Payables	343,460,857
Other Liabilities	179,898,302
<b>Total current liabilities</b>	<b>534,958,813</b>

**14. TRADE PAYABLES**

Particulars	As at March 31, 2020
Dues to	
- Micro and small enterprises	0
- Others	73,788,812
<b>Total current trade payables</b>	<b>73,788,812</b>

**15. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2020
Revenue from contracts with customers	
Sale of services	
- Domestic	0
- Export	1,952,918,388
<b>Total revenue from operations</b>	<b>1,952,918,388</b>

**16. OTHER INCOME**

Particulars	For the year ended March 31, 2020
Interest income	1,590,281
Foreign Exchange gain	997740
Other income	3,075,719
<b>Total other income</b>	<b>5,663,741</b>

**17. EMPLOYEE BENEFIT EXPENSE**

Particulars	For the year ended March 31, 2020
Salaries and wages, contribution to provident and other funds and gratuity service cost	1,706,939,225
Staff welfare expense	7,294,393
<b>Total employee benefit expense</b>	<b>1,714,233,618</b>

**18. FINANCE COSTS**

Particulars	For the year ended March 31, 2020
Interest	11,302,368
<b>Total finance costs</b>	<b>11,302,368</b>

**19. OTHER EXPENSES**

Particulars	For the year ended March 31, 2020
Rent charges	11,217,060
Electricity Charges	5,403,301
Travelling & Conveyance	14,266,571
Freight Charges	25,288
Business Promotion	4,548,602
Printing & stationery	509,254
Bank charges	1,403,399
General expenses	12,835,734
Repair & Maintenance - Building	1,577,219
BSE / Demat custodial charges	1,039,352
Statutory charges	3,636,693
AGM & other expenses	669,100
Legal and professional charges	64,975,995
Telephone and communication charges	5,293,713
Postage and courier	503,894

Rates and taxes	445,923
Consumables	336,009
- Charitable Contributions	97,578
Foreign exchange loss	15,890,084
Other Expenses	34,692,196
Payments to auditor	
-auditor	2,656,338
- for taxation matters	30,000
- for company law matters	50,000
- for other services	251,500
- for reimbursement of expenses	1,400
<b>Total other expenses</b>	<b>182,356,203</b>

## 20. TAX EXPENSE

Particulars	For the year ended March 31, 2020
Current tax (Net)	5721975
Deferred tax	-5376145
<b>Total tax expense</b>	<b>345830</b>

As per our report of even date attached

For and on behalf of the Board

For Niranjana & Narayan  
Chartered Accountants  
Firm Registration No: 005899S

M Atchuta Ramarao  
Managing Director

V Sreedevi  
Whole-time Director

Niranjana  
Partner  
Membership No: 029552

K Raghuram  
CFO

G Shikha  
Company Secretary

Hyderabad, April 30, 2020

**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)

S.No.	Name of the subsidiary	Date of Becoming Subsidiary	Start date of accounting period	End date of accounting period	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	12-03-2020	01-04-2019	31-03-2020	INR	61855000	1057994471	1636970740	517121269	932456380	299445360	30610474	7484788	23125686	-	100	India
2	XTGlobal Inc.	12-03-2020	01-04-2019	31-03-2020	USD	75390	481442022	1183055811	701538399	270773512	1645532116	35720011	0	35720011	-	100	USA
3	Circulus LLC	12-03-2020	01-04-2019	31-03-2020	USD	75.39	-330947777	153312652	213486917	0	276104126	-20960331	0	-20360331	-	100	USA

Note: The financial statements of subsidiaries are converted into Indian rupees on the basis of exchange rate as on closing day of the financial year.

For and on behalf of the Board  
M Atchuta Ramarao                      V Sreedevi  
CEO and Managing Director              Whole-time Director

K Raghuram                      G Shikha  
CFO                                      Company Secretary

Date: 05th September, 2020  
Place: Hyderabad