



# XTGLOBAL INFOTECH LIMITED

**34<sup>th</sup>**

**ANNUAL  
REPORT**

**2021 - 22**



# CORPORATE INFORMATION

## Board of Directors

- |  |  |
|--|--|
| 1. Mr. Mullapudi Atchuta Ramarao               | Managing Director                              |
| 2. Ms. Vuppuluri Sreedevi                      | Whole-time Director                            |
| 3. Mr. Venkata Appala Narasimha Raju Kalidindi | Independent Director                           |
| 4. Mr. Jagannatha Prasad Malireddy             | Non-Executive Director                         |
| 5. Mr. Saibaba Karuturi                        | Independent Director                           |
| 6. Mr. Srinivasa Raju Kosuri                   | Non-Executive Director                         |
| 7. Mr. Srinivasa Pendyala                      | Independent Director (Appointed on 30.09.2021) |
| 8. Mr. Venkata Madhusudhana Rao Paladugu       | Independent Director (Upto 29.09.2021)         |

## Chief Financial Officer

Mr. Raghuram Kusuluri

## Company Secretary & Compliance Officer

Ms. Shikha Gangrade

## Statutory Auditors

M/s. C. Ramachandram & Co. Chartered Accountants,  
Hyderabad

## Secretarial Auditor

VCSR & Associates,  
Practicing Company Secretaries, Hyderabad

## Bankers

**ICICI Bank**, Jubilee Hills branch, Hyderabad

## Registered Office

Plot No 31P & 32, Tower-A, 3<sup>rd</sup> Floor,  
Ramky Selenium, Financial District,  
Nanakramguda, Hyderabad – 500 032.

**Ph No:** 040-66353456

**E-mail Id:** [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)

## Stock Exchanges Where Securities are Listed

BSE Limited

## Registrar and Share Transfer Agent

KFin Technologies Limited  
Plot No 31P&32, Selenium, Tower – B,  
Financial District, Nanakramguda,  
Hyderabad – 500 032.

Phone: +91-040-67161530

E-mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

## DEMAT ISIN Number in CDSL & NSDL

INE547B01028

## Corporate Identification Number

L72200TG1986PLC006644

## Website

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

## Investor E-mail ID

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

**AUDIT COMMITTEE:**

- |  |               |
|--|---------------|
| 1. Mr. Venkata Appala Narasimha Raju Kalidindi | - Chairperson |
| 2. Mrs. Vuppuluri Sreedevi                     | - Member      |
| 3. Mr. Saibaba Karuturi                        | - Member      |

**NOMINATION & REMUNERATION COMMITTEE:**

- |  |               |
|--|---------------|
| 1. Mr. Saibaba Karuturi                        | - Chairperson |
| 2. Mr. Venkata Appala Narasimha Raju Kalidindi | - Member      |
| 3. Mr. Jagannatha Prasad Malireddy             | - Member      |

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

# MANAGING DIRECTOR'S MESSAGE

The digital ecosystem has undergone a major upheaval in recent times. Resilience and sustainability have been redefined by the pandemic, geopolitical tensions, and supply chain disruptions. Despite the odds, every company has managed to survive and emerge stronger, attributable to technology which efficiently absorbed the shocks and aftereffects.

For XTGlobal, my commitment towards adopting latest technologies into our fold and developing customer-centric services remains as strong as ever. Today, Sustainability and Innovation have emerged as the buzzwords, but these have been the driving force of our organization from the very beginning. And as always, we continue to focus on developing the four key forms of capital- technology, human, intellectual, and financial.



**I PREDICT GREAT CHANGES IN OUR TECHNOLOGY ECOSYSTEM, AND WE SHOULD BE THE ONES HERALDING THAT CHANGE RATHER THAN JUST BEING A PART OF IT**

**Mr. Ramarao Atchuta Mullapudi**

Managing Director

# Letter to Shareholders

2021-22 witnessed an accelerated wave of innovation and digitalization. The aftermath of the pandemic has made organizations realize the importance of digital transformation. Cloud adoption, Rapid Application Development, and Automation have been the drivers of new ideologies pertaining to sustainability and scalability.

To keep up with this trend, XTGlobal has been investing in building greater capabilities and contextual knowledge. Our focus is on helping our clients redesign their operations to create greater value from their offerings. We are on the cusp of a period of immense opportunity and growth. With resilience and adaptability, we can be sure of forging ahead, stronger than ever.

We thank our shareholders for their continued belief, unwavering support, and confidence in us. We look forward to sharing many more milestones with you.



***Our Strength –  
A Global, Balanced, and Diverse  
Portfolio of Services***



## The Year at a Glance

### Reflection – Reconfiguration – Rebalance

2021-2022 – As the pandemic dust storm is settling, there is clearer vision emerging for companies. Technology has helped them tide over the worst. Today, the view of technology has changed – technology is now a growth-driver. Companies that moved their critical workloads to the Cloud to cope with pandemic challenges are now investing in Cloud-native applications as they start to realize the cost benefits, immense flexibility, and scalability that the Cloud offers.

With a finger on the customers' pulse, XTGlobal has started reinforcing its capabilities. Our suite of offerings that include Robotic Process Automation, Cloud Services, Rapid Application Development are finding new markets and applications. Using these accelerators and toolsets to modernize data estates gives us a distinct advantage with our customers.



*The future holds tremendous power – in our phones, in our cars, in our intelligent products.*



## BUSINESS ACHIEVEMENTS

During the year, XTGlobal Infotech has acquired 44.33% stake of Network Objects Inc. (USA based company) on 29th December, 2021, making Network Objects Inc. an Associate Company of XTGlobal Infotech Limited.

During the FY 2021-2022, the company has achieved its best-ever performance across different metrics- Business, market share, and financial. On a consolidated basis, the revenue from operations for Financial Year 2021-22 was Rs. 21673.65 Lakhs and profit after tax attributable to shareholders of the company for that period is Rs. 2022.02 Lakhs. On standalone basis, the revenue from operations for Financial Year 2021-22 was Rs. 5105.41 Lakhs and Profit after tax attributable to shareholders of the company for Financial Year 2021-22 is Rs. 700.92 Lakhs.

Revenue from operations from Domestic business has grown from Rs. 37.6 lakhs in 2020-21 to 181 Lakhs in 2021-22.

# The Year Ahead

2021-22 was a year of recovery and transformation. As we move from Response to Recovery, our next stop is the Redefining mode. Redetermining our foundational goal of generating maximum customer value, XTGlobal continued to drive results and grow by adopting new capabilities and defining processes.

By continuing to support our resources who have proved to be resourceful and resilient even in the toughest of times, and by effectively addressing the issues faced by our clients, we have built stronger systems that can address any challenges ahead. As traditional industry boundaries have blurred, clients have approached us for help to find more efficient ways of conducting business and to handle risk. As digital transformation provides the solution to these challenges, our goal in the future is to build our own digital capabilities so that we address our clients' requirements quickly and more effectively. We are confident of setting the course for a positive year ahead.



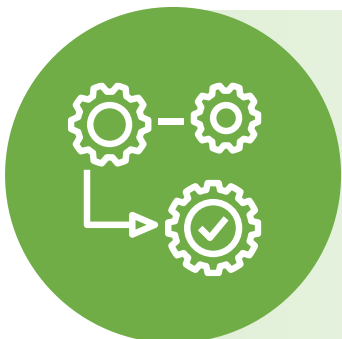
## Talent Development (XCEL)

XTGlobal has plans to launch the Talent Development portal for employee training and development. With a view on providing a broader scope of work and deeper domain expertise, this platform will give employees several options to upskill or reskill as per their interests and capabilities.



## Fresher Training

Increasing globalization and advancing technologies are resulting in a widening skill-gap and resource scarcity. To proactively address a plausible lacuna in the future, we have taken up extensive recruitment of fresh technology graduates in 2021-2022. By offering them training in latest and advanced technologies, we hope to create a new generation of talented resources who can build a career and progress with us into the future.



## Innovation in Core Business

Agile organizational models and agile teams are necessitated by new working order and corporate restructuring in the new normal. Agility can be built by engaging in critical thinking, creative problem solving and continuous learning. When combined with core technology, this will lead to unprecedented innovation in our service offerings.

# 2022-2023 Technology Roadmap

As we reflect on our achievements in the last year, it is also an opportune time to set achievable targets in the coming year. To stay competitive in an increasingly virtual world, it is imperative to switch gears, change courses, and set higher benchmarks that are in tune with changing market demands.

For 2022-2023, XTGlobal has redefined its short-term and long-term plans for meeting clients' expectations more efficiently:



**Benchmarking  
Technology Adoption  
through Effective  
Collaboration**

## Strategic:

- Upgrading Partnership Levels
  - UiPath - (Registered > Gold > Diamond)
  - Oracle – Service Partners (Finance, HCM, and PPM)
  - Microsoft Gold Partners – (Small and Midmarket Cloud Solutions, Cloud Business Applications, and Cloud CRM)
- Improving Customer Retention Rates
- Implementing Project Tracking Tools (JIRA, Dynamics, ZOHO etc.)
- Strategizing Partnerships with Vendors
- Focusing on Value Models - ODTP, BOLT, Managed Services (24x7 services) and SOW
- Upgrading Certifications



## HR:

- Increasing Talent Acquisition
- Focusing on continuous learning programs for current resources and training for fresh resources
- Ensuring end-to-end accountability and responsibility through KPIs and periodic metrics
- Enhancing employee empowerment and recognition
- Developing Mentorship programs



## Marketing and Sales:

- Adding more marketing collaterals like use cases, blogs, brochures, overviews, webpages etc.
- Promoting Marketing team's communications with Recruiting, Practice Areas and Sales
- Broadcasting internal news to employees
- Conducting periodic campaigns (Recommendations on market trends)
- Promoting XTGlobal's Technology Services through Social Media
- Harnessing Go-to-Market opportunities
- Conducting regular training for Sales teams on XTGlobal Pillars





### Oracle Practice Focus Areas:

- (SOW) Oracle Cloud Implementations (SaaS, PaaS and IaaS)
- RFP (On-Premise and Cloud) – Cities and K12 projects
- Managed Services Support
- ODTP/BOLT Placements
- Empanelment with Partners

### Microsoft Practice Focus Areas:

- ODTP & BOLT
- Cloud Infrastructure & Management
- Cloud (Application) Managed Services
- Cloud Application Development
- Focus on Dynamics 365, Power Automate, Power BI, Power Apps and Azure

### RPA Practice Focus Areas:

- Adding more resources
- Empanelment with UiPath India and Other Partners
- Leveraging UiPath Partnership Levels (Registered > Gold > Diamond)
- Focus on ODTP and SOWs
- Focus on Automation Anywhere
- Targeting v11 users to upgrade to Automation 360 before support for v11 ends in September 2022, especially if they are using a library of complex automations.

#### Target Markets (Geographic Areas)

Region	Priority
USA (Nationwide)	1
India	2
Middle East and Africa	3
UK	Future

#### Target Markets (Technology)

Technology	Priority
Oracle	1 Billion
Microsoft	500 M
RPA	

# BUSINESS OF THE COMPANY

## Enterprise Solutions:

### Cloud: Oracle, AWS, MS Azure

- IaaS
- PaaS
- SaaS
- TaaS

### Oracle On-Premise:

- E-Business Suite
- Finance
- Projects
- HR
- SCM
- SOA Suite
- WebLogic
- Database

### Support Services:

- Implementations
- Upgrades
- Migrations
- Integrations
- Analytics
- Managed Support Services

## Software Services and Application Development:

### Application Transformation:

- Legacy System Modernization
- API and Integration
- Rapid Application Development with Mendix Low-Code Platform

### Robotic Process Automation

- UiPath
  - Process automation
  - UiPath Apps
- Automation Anywhere
  - Automation Anywhere Robotic Interface (AARI)
  - AI/ML (IQ Bot)
  - Process discovery (Discovery Bot)
  - Analytics (Bot Insight)
  - Marketplace integration (Bot Store)

## Cloud and Infrastructure:

- MS Azure Cloud Services

- Dynamics 365 (SaaS)

- CRM
- Finance
- Projects
- HR

- PaaS

- Power Automate
- Power BI
- Power Apps

- IaaS

- Azure

- AWS Cloud Services

- Cloud Migration – Hybrid and Multi-Cloud

- Digital Business Services

- Enterprise Mobility
- Mobile Applications
- Rapid Application Development with Mendix
- Quality Assurance

- Product Engineering:

- Enterprise Architecture/Platform
- Customer Applications/Consumer Solutions
- Next Gen Engineering

## Technology Solutions

- Accounts Payable Solutions with Circulus

## Process Outsourcing/ BPO

- Data Extraction
- Document Collection
- Tech-enabled Processes

## Message from the Board of Directors



**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



**Saibaba Karuturi**  
Independent Director



**Srinivas Pendyala**  
Independent Director



**Vasu Kosuri**  
Non-Executive Director

When pushed to the limit, companies that preserve through and find new footholds will survive better. This is possible with consistently seeking better ways to perform and challenge the status quo. XTGlobal has proven to be one such organization that continued to stay nimble and deliver the same value regardless of the trials.

We have made good strides in 2021, keeping our commitments and our values intact. We continued to deliver results to our clients, partners, and shareholders. We kept growing and adding more capabilities to our portfolio. All in all, 2021 was a good year and will set a precedent to 2022 and beyond.

We trust the top management of XTGlobal to use their expert judgement and ingenuity for continuing to develop solutions that will expand our global footprint.



***Committed to People,  
Technology, and to  
the Future***



# Our Leadership

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



**ALMA JOHN**

Executive Vice President -  
Consulting Services



**GANGADHAR SHARYALA**

Vice President - Product  
Development



**DIANE GASPARRO**

Vice President - Sales



**RAVINDRA DUNNA**

General Manager - IT & BPO



**MURTHY ANUPINDI**

Senior VP – Business  
Development & Global AWS  
Practice Head



**RAGHURAM KUSULURI**

Chief Financial Officer



**MARK COURSON**

Vice President - Client  
Solutions



**BHARAT RAMPALLY**

Vice President – Oracle Practice



**GANESH DURAIRAJ**

Vice President –  
Intelligent Automation



**VIJAYRAM DUNNA**

Deputy General Manager -  
Product Development



**PAVAN CHALLA**

Deputy General Manager –  
IT Services



**VENKATA NIMEESHA POSA**

Deputy General Manager –  
Marketing



**SHIVA AMMU**

Deputy General Manager -  
Inside Sales



**SUBBA RAO V V S S**

General Manager –  
HR & Admin



**SIVA PAVAN KUMAR  
KHANDRIKA**

Deputy General Manager -  
Human Resources (USA)



**RAJA SEKHAR KUNKUMA**

Deputy General Manager - US  
Staffing Services



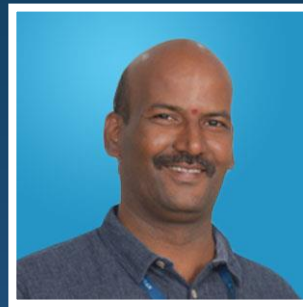
**VENKATA REDDY  
VANUKURI**

Deputy General Manager -  
Finance & Accounts



**GANESH SOMISETTI**

Deputy General Manager -  
Human Resource (India)



**RAJU OP**

Deputy General Manager  
- CRM



**SUDHIR BHILAR**

Deputy General Manager  
- Oracle Practice

## Case Studies

### GIFTING E-TAILER FILLS ITS TECHNOLOGY CART WITH XTGLOBAL'S ORACLE INTEGRATION SOLUTIONS

XTGlobal helped an award-winning e-tailer of gifting & handcrafted products in boosting their productivity and overcoming workflow & processing bottlenecks. With Automation, Intelligent Invoice Processing, and better Integrations using OIC (Oracle Integrations Cloud), the company can now handle any number of orders quickly and efficiently, even in peak seasons.

#### Benefits to the Client:

- Improved Performance
- Increased Efficiency
- Reduced Down-time and Failures by 100%
- Decreased Manual Work
- Lowered Transaction Processing Costs by 40%

### PHARMACY TECH COMPANY UPGRADES SOLUTIONS WITH FUNCTIONAL AND EXPLORATORY TESTING

A leading provider of integrated pharmacy technology was looking to enhance a couple of their offerings. The solutions, which were developed using Agile and DevOps, involved continuous upgrades and delivery. XTGlobal reviewed and updated the test case repository and conducted Smoke Testing, Functional Testing, and Exploratory Testing. Smoke Testing improved the quality of continuous integration while Exploratory Testing made better utilization of the QA resources.

#### Benefits to the Client:

- Weeded out 20% of the test cases due to obsolescence
- Improved quality of continuous integration in DevOps Maturity Model.
- Helped better utilization of QA resources and saved time in waiting for complete product requirements.
- Functional Testing improved the quality of product release by ensuring that it has no defect and meets the version release requirements.

## XTGLOBAL REDEFINES REPORTING AND INTEGRATION SOLUTIONS OF PHARMACY TECH PROVIDER

A leading provider of Integrated Pharmacy Automation and Workflow Management Solutions was looking to enhance two of its solution offerings. The project also involved migrating reports that were on JasperSoft and Crystal Report to Microsoft SQL Server Reporting Services. XTGlobal added/modified the logic and added filters that enabled the system to ensure better data visibility and accurate report generation for end users. The solutions thus derived improved business productivity and increased user adoption due to ease of use.

### **Benefits to the Client:**

- Better Intuitive Reports
- Higher User Adoption and Ease of Use
- Improved Business Productivity

## DIGITAL ROBOTS AUTOMATE NOA SOLUTION FOR HEALTHCARE PROVIDERS

A leading provider of fully integrated, end-to-end Patient Access Technology solutions wanted to develop an integrated RPA solution for NOA (Notice of Admission) process in hospitals. XTGlobal used UiPath Automation tools to create Digital Robots that can handle every part of the NOA process from data submission to collection of responses, exception handling, and sending email confirmation for successfully processed NOA requests.

### **Benefits to the Client:**

- The Digital Robots can save more than 5 FTE worth of time
- Achieved high levels of accuracy and efficiency in NOA submissions
- Implemented seamless dataflow from Systems to Payer Portal
- Created centralized dashboard for monitoring metrics, roadblocks, bot performance
- UiPath Robotic Enterprise (RE) framework enabled the solution to scale up quickly as the volume and diversity of processes increases
-



# CERTIFICATIONS & ACCREDITATIONS



# PARTNERSHIPS

ORACLE | Partner



# NOTICE

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the members of M/s. XTGlobal Infotech Limited (Formerly Frontier Informatics Limited) will be held at 10:30 AM Friday, the 23<sup>rd</sup> day of September, 2022 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, 2022, the Profit & Loss Account and Cash Flow Statement for the period ended on March 31, 2022 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, 2022 together with the reports of the Directors and Auditors thereon be and are hereby received, considered, approved and adopted.”

### 2. To appoint a director in place of Mr. Srinivasa Raju Kosuri (DIN: 05186948), who retires by rotation, and being eligible, offers himself for re-appointment.

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

**“RESOLVED THAT** Mr. Srinivasa Raju Kosuri (DIN: 05186948), Director who retires by rotation in accordance with section 152(6) of the Companies Act, 2013 be and is hereby re-appointed as a Director liable to retire by rotation.”

## SPECIAL BUSINESS:

### 3. Approval of Related Party Transactions

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) including any amendment, modification, variation or re-enactment thereof, and the Company’s policy on Related Party transaction(s) and upon the recommendation (s)/ approval(s)/ consent(s), permission(s) and / or sanction(s) as may be required from appropriate authorities, which may be agreed to and accepted by the Audit Committee/ Board of Directors, the approval of members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include the Audit Committee and/ or any other duly constituted Committee of Directors) to enter into and/ or carrying out, contract(s)/ arrangement(s)/ transaction(s) with XTGlobal Inc., Network Objects Inc. & Mr. Srinivasa Raju Kosuri within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, for

sale of IT and IT consulting services to XTGlobal Inc. & Network Objects Inc. & Renting of Office Space to Mr. Srinivasa Raju Kosuri on such terms and conditions as specified in the explanatory statement forming part of this notice, whether by way of entering into new contract(s) or renewal(s) or extension(s) or modification(s) of earlier contract(s)/arrangement(s)/ transaction(s) or otherwise on such terms and conditions as the Board may deem fit, up to a maximum aggregate value as mentioned in the table per financial year (in one or more tranches, from time to time), provided that the said contract(s)/arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company until further revision of limits.

Member's approval is accorded for following Related Party Transaction:

Name of Related Party	Nature of Relationship	Nature of Transaction	Maximum Aggregate Amount of Transaction approved Per Financial Year
<b>XTGlobal Inc. US</b>	Subsidiary Entity	sale of IT and IT consulting services	Rs. 100 Crores
<b>Network Objects Inc. US</b>	Associate Entity	sale of IT and IT consulting services	Rs. 5 Crores
<b>Mr. Srinivasa Raju Kosuri</b>	Director	Rent of Office Space	Rs. 0.1 Crores

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary document(s), contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions powers herein conferred to, without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this resolution.”

**4. Regularisation of Mr. Srinivasa Pendyala (DIN: 09340407) as an Independent Non-Executive Director of the Company**  
**To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution**

**“RESOLVED THAT** in accordance with the provisions of Section 149, 150, 152 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors for appointment of Mr. Srinivasa Pendyala (DIN: 09340407) as an Additional Director in the capacity of an Independent Director of the Company w.e.f. 30th September, 2021, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, and in

respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act and who holds office as such up to the date of ensuing Annual General Meeting, be and is hereby, appointed as a Non-Executive Independent Director of the Company not liable to retire by rotation, to hold office for a period of three years with effect from 30th September, 2021 till 29th September, 2024.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

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

**Date:** 30<sup>th</sup> August, 2022

**Place:** Hyderabad

Sd/-

**Shikha Gangrade  
Company Secretary**

**NOTES:**

1. In view of the outbreak of COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 05th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular no. 21/2021 dated 14th December, 2021 and Circular no. 2/2022 dated 05th May, 2022 (collectively referred to as “MCA Circulars”) permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the Annual General Meeting of the Company is being held through VC/OAVM, without the physical presence of the Members at a common venue. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
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 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of this Notice.
5. The Member’s log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance at the AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
7. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available electronically for inspection during the AGM.
8. In line with the Ministry of Corporate Affairs (MCA) circulars No. 17/2020 dated 13th April 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.xtglobal.com](http://www.xtglobal.com). The notice can also be accessed from the website of Stock Exchange i.e., BSE Limited.
9. In consonance with the company’s sustainability initiatives and Regulation 36 of the SEBI (LODR) Regulations, 2015, the Company is sharing all documents with shareholders in the electronic mode, wherever the same has been agreed to by the shareholders. Further The Ministry of Corporate Affairs vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to share documents with its shareholders through an electronic mode. Shareholders are requested to support this green initiative by registering/updating their e-mail addresses for receiving electronic communications. Members holding shares in the same name under different ledger folios are requested to apply

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

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

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

11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Kfintech/ Depositories. Members may note that the Notice will also be available on the Company's website at [www.xtglobal.com](http://www.xtglobal.com), websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of Kfintech at <https://evoting.kfintech.com>. For any communication, the Members may also send a request to the Company's investor email id: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com).
12. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using remote e-voting system as well as e-voting during the AGM will be provided by Kfintech.
13. Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in Demat form) or with RTA (in case the shareholders holding shares in physical form).
  - a. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
    - i) Members holding shares in demat form can get their e-mail ID registered by contacting their respective Depository Participant.
    - ii) Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin Technologies Limited by sending an e-mail re-quest at the email ID [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM No-tice and the e-voting instructions
  - b. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

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

- a. Attending the AGM: Members will be provided with the facility to attend the AGM through video conferencing platform provided by KFin Technologies Limited. Members may access the same at <https://emeetings.kfintech.com/> and login by using the remote e-voting credentials. The link for AGM will be

available in the Shareholders/Members log-in where the EVENT and the Name of the Company can be selected.

- b. Please note that Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in the notes.
- c. Members may join the Meeting through Laptops, Smartphones, Tablets, and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge, or Firefox. Please note that participants connecting from Mobile De-vices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- d. Members who need assistance before or during the AGM may contact KFin Technologies Limited at Toll-Free No.: 1800 309 4001; or send an email request at the [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [evoting@kfintech.com](mailto:evoting@kfintech.com)

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

Members desiring any additional information or having any question or query pertaining to the business to be transacted at the e-AGM are requested to write to the Company Secretary on the Company's investor email-id i.e. [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com) from 09.00 A.M. IST on Monday, 19<sup>th</sup> September, 2022 to 05.00 P.M. IST on Wednesday, 21<sup>st</sup> September, 2022 so as to enable the Management to keep the information ready. Please note that, Members' questions will be answered only if they continue to hold the shares as on the cut-off date.

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

The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com/> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened from 09.00 A.M. IST on Monday, 19<sup>th</sup> September, 2022 to 05.00 P.M. IST on Wednesday, 21<sup>st</sup> September, 2022. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

17. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, can send an email to [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com).

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

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFIN , on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The remote e-voting facility will be available during the following period:
  - a. Day, date and time of commencement of remote e-voting: Monday, 19<sup>th</sup> September, 2022 (9.00 A.M. IST) and ends on Thursday, 22<sup>nd</sup> September, 2022 (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: Thursday, 22<sup>nd</sup> September, 2022 at 5:00 P.M.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or [evoting@Kfintech.com](mailto:evoting@Kfintech.com) However, if he / she is already registered with KFintech for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.
- vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”



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

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

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

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

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

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

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

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

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

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

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

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

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

- A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:
- I. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>

- II. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID.
  - III. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
  - IV. After entering these details appropriately, click on "LOGIN".
  - V. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  - VI. You need to login again with the new credentials.
  - VII. On successful login, the system will prompt you to select the "EVENT" i.e., "XTGlobal Infotech Limited- AGM" and click on "Submit"
  - VIII. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - IX. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
  - X. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - XI. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - XII. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - XIII. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id [chveeru@gmail.com](mailto:chveeru@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."
- B. Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFIN, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
    - a. Select the Company name viz.
    - b. Enter the DP ID & Client ID / Physical Folio Number and PAN details. If the PAN details are not available on record in respect of a Physical Folio, Member shall enter one of the Share Certificate numbers.

- c Upload a self-attested copy of the PAN card (in case registered) or a self-attested copy of share certificate details of which are entered as mentioned above, for authentication.
  - d Enter your email address and mobile number.
  - e The system will then confirm the email address for receiving this AGM Notice.
  - f After successful submission of the email address, KFinTech will email the Annual Report, the Notice of AGM along with the e-voting user ID and password to the shareholders.
- ii. Members holding shares in physical mode and who have not updated their email addresses with the Bank are requested to update their email addresses by sending the duly filled in form ISR 1 (uploaded in Company website/RTA) along with relevant proof to the RTA M/s KFin Technologies Limited, Unit: Ramky Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or The scan copies of the documents may also be mailed through your registered email id with KFIN Technologies (RTA) at the mail id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) duly e-Signed on the forms and all proofs.
- Members holding shares in dematerialised mode are requested to register/ update their email addresses with relevant depository participants.
- iii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
  - iv. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**Details on Step 3 are mentioned below:**

**Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFIN. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFIN. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM though VC/ OAVM shall open at least 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [company.Secretary@xtglobal.com](mailto:company.Secretary@xtglobal.com) . Questions /queries received by the Company till 21<sup>st</sup> September, 2022 shall only be considered and responded during the AGM.

- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

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

- a. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 1st 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 Limited for assistance in this regard.
- b. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e-AGM.
- c. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Saturday, 17<sup>th</sup> September 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- d. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
  - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to+91 9212993399
    - 1. Example for NSDL:
    - 2. MYEPWD <SPACE> IN12345612345678
    - 3. Example for CDSL:
    - 4. MYEPWD <SPACE> 1402345612345678
    - 5. Example for Physical:
    - 6. MYEPWD <SPACE> XXXX1234567890
  - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFinTech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
  - iv. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form or transferees of Physical Shares must furnish their self-attested copy of the PAN card to the Company/ Registrar and Share Transfer Agents.
5. As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, w.e.f. April 1, 2019 the transfer of securities of listed companies shall not be processed unless the securities are held in the dematerialized form (Demat) with a depository. Hence, the members of the Company are requested to dematerialize their shareholding to avail the benefits of dematerialization. Only the requests for transmission and transposition of securities in physical form, will be accepted by the RTA.
6. In respect of shares held in physical mode, all shareholders are requested to intimate change, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transmission /transposition, Demat/Remat, change of address, issue of duplicate shares, ECS and nomination facility.

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

**Date:** 30<sup>th</sup> August, 2022

**Place:** Hyderabad

Sd/-

**Shikha Gangrade  
Company Secretary**

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

Pursuant to Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the items of business of the accompanying notice dated 13<sup>th</sup> August 2022.

### ITEM No. 3

#### Approval of Related Party Transactions

Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Related Party Transactions shall require prior approval of the Audit Committee and all material Related Party Transactions shall require approval of the Shareholders through Special resolution.

As a part of its regular business, the Company XTGlobal Infotech Limited is engaged in the business of software development and IT consultancy services. The company expects to indulge in sale of IT and IT consultancy services with XTGlobal Inc, Network Objects Inc. and Mr. Srinivasaraju Kosuri and these are Foreign Subsidiary company, Foreign Associate & Director of XTGlobal respectively.

The Audit Committee of the Board of Directors of the Company reviewed the proposed transactions between the Company and XTGlobal Inc. after that recommended the same for approval by the Board of Directors and Members of the Company. The Board of Directors also at their meeting held on 13<sup>th</sup> August 2022 reviewed the transactions with XTGlobal Inc. and proposed the same to be placed before the Members for their approval.

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

Except Mr. Ramarao Atchuta Mullanpudi & Mr. Srinivasa Raju Kosuri, no other Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 of the Notice.

The Members' approval is solicited for the resolutions at Item No. 3 of the accompanying Notice.

### ITEM No. 4

#### Regularisation of Mr. Srinivasa Pendyala (DIN:09340407) as an Independent Non-Executive Director of the Company

The Board of Directors of the Company at its meeting held on 30<sup>th</sup> September, 2021, appointed Mr. Srinivasa Pendyala as an Additional Director of the Company in the capacity of Independent Director for a term of 3 years with effect from 30<sup>th</sup> September, 2021, subject to the approval of the Members of the Company. In terms of section 160 of the Companies Act, 2013, the Nomination and Remuneration Committee and the Board have recommended the appointment of Mr. Srinivasa Pendyala as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mr. Srinivasa Pendyala confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mr. Srinivasa Pendyala's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mr. Srinivasa Pendyala fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for his appointment as an Independent Director of the Company and he is independent of the management. Considering Mr. Srinivasa Pendyala's knowledge and experience, the Board of Directors is of the opinion that it would be in the interest of the Company to appoint him as an Independent Director for a period of three years with effect from 30<sup>th</sup> September, 2021.

Brief profile of Mr. Srinivasa Pendyala is provided in this Notice. Except Mr. Srinivasa Pendyala, being the appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No.4.

The Board recommends these Special Resolutions for your approval.

#### **Brief Profile of Directors seeking Appointment /Reappointment at the 34<sup>th</sup> Annual General Meeting:**

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

Name of Director	Mr. Srinivasa Raju Kosuri	Mr. Srinivasa Pendyala
DIN	05186948	09340407
Date of Birth	22-08-1968	15-05-1966
Qualification	M.S. in Chemical Engineering (IIT Kharagpur), Promoter and CEO of Network Objects Inc. a US based IT/ITES Corporation. 15+ years of experience in IT/ITES Industry	He holds an MBA from I.I.M. Bangalore and a BS in Engineering from I.I.T. Chennai. He is the co-founder of Hexplora and is also a President of Infowave Systems Inc.
Date of first Appointment	08-12-2020	30-09-2021
Nature of Appointment	Retires by rotation and offers himself for re-appointment	Regularisation at AGM
Terms and Conditions of Reappointment	Appointment as a Non- Executive Director, liable to retirement by rotation	Appointment as an ID not liable for retirement by rotation
Expertise	Experience of IT industry, recent trends and Business Strategies.	Over two decades of experience and demonstrates outstanding business, technical and Subject Matter Expertise (SME) in Healthcare. Prior to Infowave Systems, he was the Chief Technical Architect at Quovadx and Practice Director at Oracle Corporation
Directorships as on 31 <sup>st</sup> March, 2022 in Other Listed Companies	Nil	Nil
Chairmanship/Membership of the Committees of other Companies	Nil	Nil
Shareholding in the Company	Nil	Nil
Disclosure of relationships between directors inter-se or with KMP:	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.



## BOARD'S REPORT

Dear Members,

Your Directors hereby present the Thirty Fourth 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 2022.

### FINANCIAL RESULTS

The discussion on the financial condition and results of operations of your company should be read in conjunction with it's audited financial statements and notes thereto for the year ended 31st March, 2022 which are summarized below:

Particulars	Standalone		Consolidated	
	Financial year 2021-22 (Rs. In Lakhs)	Financial year 2020-21 (Rs. In Lakhs)	Financial Year 2021-22 (Rs. In Lakhs)	Financial Year 2021-22 (Rs. In Lakhs)
Revenue from Operations	5,105.41	3,578.12	21,673.65	18,094.37
Other Income	(102.99)	50.81	(99.80)	85.01
Share of Profit from Associates	-	-	133.00	-
Earnings Before Interest, Tax and Depreciation	1,237.41	814.17	2,877.01	1,402.98
Finance Cost	189.78	36.13	218.20	198.29
Depreciation	236.46	137.23	526.53	469.52
Profit Before Tax (PBT)	855.13	639.67	2,132.28	735.17
Net Tax Expense	154.21	68.07	154.21	125.38
Profit After Tax (PAT)	<b>700.92</b>	<b>571.60</b>	<b>2022.02</b>	<b>2017.04</b>

In compliance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards IND AS-10 and IND AS-28 on consolidated financial statements, your Directors have provided the consolidated financial statements for the financial year ended March 31, 2022 which forms part of the Annual Report.

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

The FY 2021-22 has been a momentous year for your Company, as it celebrated its 33rd year of incorporation whilst scaling many milestones across multiple parameters.

1. Your Company achieved its best ever performance across all metrics, be it business, market-share or financial. Your Company continued to outperform most of its peers across major industry indices.
2. On a consolidated basis, the revenue from operations for Financial Year 2021-22 was Rs. 21673.65 Lakhs and profit after tax attributable to shareholders of the company for that period is Rs. 2022.02 Lakhs.
3. On standalone basis, the revenue from operations for Financial Year 2021-22 was Rs. 5105.41 Lakhs which was 407 times (approx.) when compared to that of Financial Year 2020-21 which was Rs. 1005.61 Lakhs Profit after tax attributable to shareholders of the company for Financial Year 2021-22 is Rs. 700.92 Lakhs which is 122 times (approx.) when compared to that of Financial Year 2020-21 which was Rs. 315.30 Lakhs.

Your directors express their heartfelt gratitude to all investors for being there with your Company in its growth journey.

**CHANGE IN THE NATURE OF BUSINESS**

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

**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**

The Board of Directors have decided to retain the entire amount of profit under Retained Earnings. Accordingly, your Company has not transferred any amount to General Reserves for the year ended 31st March, 2022.

The closing balance of the retained earnings of the Company for FY 2021-22 was Rs.700.92 Lacs.

**REVISION OF FINANCIAL STATEMENTS**

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

**LISTING FEES**

Your Company has paid the requisite Annual Listing Fees to BSE Limited (Scrip Code: 531225), where its securities are listed.

**SHARE CAPITAL**

During the Financial Year 2021 -22, your Company has received order of Merger from Hon'ble NCLT bench, Hyderabad regarding merger of Xenosoft Technologies (India) Private Limited with XTGlobal Infotech Limited, according to which the revised Authorised Share Capital of the Company became Rs. 25,00,00,000/- divided into 25,00,00,000 Equity shares of Re. 1/- each.

Your Company has made allotment of 1,30,00,828 equity share through preferential basis on 29th December, 2021 for consideration other than cash.

Consequently, the issued, subscribed and paid-up equity share capital has increased from Rs. 11,99,67,627/- divided into 11,99,67,627 Equity Shares of Re. 1/- each to Rs. 13,29,68,455 divided into 13,29,68,455 Equity Shares of Re. 1/- each.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive and Independent Directors.

The Board of the Company has 7 (Seven) Directors comprising of 1 (One) Managing Director, 1 (One) Whole-Time Director, 2 (Two) Non-Executive Director and 3 (Three) Independent Directors. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of this Annual Report.

During the year under review Mr. Venkata Madhusudhana Rao Paladugu has completed his tenure of appointment and ceased to be a director of the Company with effect from 29th September, 2021. The Board has extended its gratitude to Mr. Venkata Madhusudhana Rao Paladugu for his association, dedication and commitment towards Company as an Independent Director.

During this year, the Board of Directors of the Company appointed Mr. Srinivasa Pendyala (DIN:09340407) as an additional director (Non-Executive Independent Director, not liable to retire by rotation) with effect from 30th September, 2021

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

### **COMMITTEES OF THE BOARD**

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

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

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

### **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **BOARD EVALUATION**

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

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

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

including the contributions made at the Board meeting, attendance, instances of sharing best and next practices, domain knowledge, vision, strategy, engagement with senior management etc.

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

In a separate meeting of independent directors held on 25th March 2022 performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, considering the views of executive directors and non-executive directors.

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

The details of the evaluation process are set out in the Corporate Governance Report, which forms a part of this Annual Report.

### AUDIT COMMITTEE

The Audit Committee comprises of below mentioned directors as on 31st March 2022:

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

❖ Mr. Saibaba Karuturi, Independent Director, appointed as a Member of the Audit Committee w.e.f.30th September, 2021. There are no recommendations of the audit committee which have not been accepted by the board during the year under review.

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

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

### NOMINATION AND REMUNERATION POLICY

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

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

The Nomination & Remuneration Committee comprises of below mentioned directors as on 31st March 2022:

Name of the Member	Category
Mr. Saibaba Karuturi	Non-Executive-Independent Director, Chairperson
Mr. Venkata Appala Narasimha Raju Kalidindi	Non-Executive-Independent Director, Member
Mr. Jagannatha Prasad Malireddy*	Non-Executive Director, Member

❖ Mr. Jagannatha Prasad Malireddy, Non-Executive Director was appointed as a member of Nomination & Remuneration Committee w.e.f. 04th September, 2021.

### NUMBER OF MEETINGS OF THE BOARD

The Board met 7 (Seven) times in the financial year 2021-22. The details of the Board Meetings are given in the Corporate Governance Report. The gap between two meetings did not exceed one hundred and twenty days as provided under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (“SEBI Listing Regulations”). There has been no change in the circumstances affecting their status as independent directors of the Company.

None of the Independent Non-Executive Directors held any equity shares of your Company during the financial year ended 31<sup>st</sup> March, 2022. None of the Directors had any relationships inter se.

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

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

Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel, which reflects the legal and ethical values to which your Company is strongly committed. The Directors and Senior Management Personnel of your Company have complied with the code as mentioned hereinabove.

### **FAMILIARISATION PROGRAMME**

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

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

### **EMPLOYEE STOCK BENEFIT SCHEME**

Pursuant to the approval accorded by members at their Annual General Meeting held on 30th September 2020, the Nomination & Remuneration Committee of the Company formulated an employee benefit scheme “XTGlobal Infotech Limited Employees Stock Benefit Scheme – 2020” (“Scheme”) in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Scheme ESBS is applicable to all permanent and full time employees of the Company and its Subsidiary Company whether working in India or out of India, and to the Directors whether a Whole time Director or not but, excluding Independent Director, Non-Executive Directors of the Company and its Subsidiary Company(ies) and also excluding Promoter or a person belonging to the Promoter Group; or a Director who either himself or through his Relative or through any Body Corporate, directly or indirectly, holds more than ten percent of the outstanding Equity Shares of the Company.

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

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

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

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

- a. The Company has ‘Nil’ Share Based Payment arrangements during the year ended 31<sup>st</sup> March, 2022.
- b. The estimated fair value of each stock option granted in the general employee stock benefit scheme is Re. 1/-.
- c. Expenses arising from employee stock benefit scheme is ‘Nil’ for the reporting period.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time – No ESOP's issued during the period therefore there are no potential equity shares. Thus, basic EPS and Diluted EPS are same - Re. 0.54/-.

C. Details related to Scheme

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

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

5. Weighted-average exercise prices: Exercise of options was not executed during the year under review. weighted-average fair values: Nil
6. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to
  - a. Senior managerial personnel;
  - b. Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and
  - c. Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.
  - d. Board has delegated its power to NRC to decide criteria for selection of Employees, however, during the year under review, NRC has not granted any Options/RSU under the Scheme.
7. A description of the method and significant assumptions used during the year to estimate the fair value of options – During the year fair value was not calculated for the purpose of grant of ESBS as no option/RSU was granted in the FY 2021-22.

#### **Scheme Compliance status**

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

#### **Administration of the Scheme**

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of your Company, to the best of their knowledge, belief and ability and explanations obtained by them, confirm that:

- a. in the preparation of the annual accounts for the financial year ended 31st March 2022, 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 31st March 2022 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. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## RELATED PARTY TRANSACTIONS

All related party transactions that were entered with your Company, during the financial year were on arm's length basis and were in the ordinary course of the business. In terms of the Act, there were no materially significant related party transactions entered into by your Company with its Promoters, Directors, Key Managerial Personnel and its wholly owned subsidiary companies, or other designated persons, which may have a potential conflict with the interest of your Company at large.

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

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

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

## CORPORATE SOCIAL RESPONSIBILITY

As per the Provisions of the Companies Act, Corporate Social Responsibility was not applicable during the FY 2021-22, however in this year Corporate Social Responsibility is applicable on the Company as per the limits mentioned under section 135 of the Companies Act, 2013 and Corporate Social Responsibility Committee is duly constituted.

## 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.

## AUDITORS

### a) Statutory Auditors:

The members, at Thirty Third Annual General Meeting of the Company held on 29th September, 2021 had accorded their approval pursuant to provisions of Sections 139 and other applicable provisions of the Companies Act, 2013 and Rules made there under to appoint M/s. C. Ramachandram & Co., Chartered Accountants (Registration No. 002864S) as the Statutory Auditor of the Company for a period of five years from the conclusion of 33rd AGM till the conclusion of 38th Annual General Meeting on such remuneration as may be determined by the Board of Directors. Tenure of two consecutive terms of previous auditor - M/s. Niranjan & Narayan, Chartered Accountants has been completed.

The new Statutory Auditors have confirmed that they satisfy the criteria of independence, as required under the provisions of the Companies Act, 2013.



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.

There are no frauds on or by your Company, which are required to be reported by the Statutory Auditors of your Company.

**b) Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, M/s. VCSR & Associates, Practicing Company Secretaries were appointed as Secretarial Auditor on 04<sup>th</sup> September, 2021, to undertake the secretarial audit of your Company for FY22.

The report of the Secretarial Auditor, in the prescribed Form MR-3 is annexed to this report as "Annexure-B".

The Secretarial Auditors' Report for FY22 does not contain any qualification, reservation or adverse remark.

**c) Internal Auditor:**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014 the Company has appointed M/s. T Mohan & Associates (Formerly M/s Lakshmi & Associates), Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2021-22

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

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

### **a) Conservation of Energy, Technology Absorption**

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

### **b) Foreign Exchange earnings and Outgo**

Earning: Rs. 4048.32 Lakhs; Outgo: Rs. 51.62 Lakhs

## **ANNUAL RETURN**

Pursuant to the requirement under Section 92(3) of the Companies Act, 2013, copy of the annual return can be accessed at <https://xtglobal.com/investors/>.

## **INTERNAL FINANCIAL CONTROL**

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

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are as set out in the notes to the accompanying financial statements of your Company.

## **PARTICULARS OF JOINT VENTURE, SUBSIDIARY & ASSOCIATE COMPANY**

During the period under review, your Company has acquired 44.33% stake of Network Objects Inc. (USA based company) on 29th December, 2021 in result Network Objects Inc. has become Associate Company of XTGlobal Infotech Limited.

Earlier, your Company was having wholly owned subsidiary i.e. Xenosoft Technologies (India) Private Limited and as a result of Merger, Xenosoft Technologies has merged with your company vide NCLT order dated 14th October, 2021.

Your Company is having two foreign subsidiaries i.e. XTGlobal Inc. (USA) and Circulus LLC, During the financial year, your Board of Directors had reviewed the affairs of the subsidiaries. The consolidated financial statements of your Company are prepared in accordance with Section 129(3) of the Companies Act, 2013; and forms part of this Annual Report.

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.

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

Further, the Company does not have any joint venture or associate companies during the year or at any time after the closure of the year and till the date of the report.

### **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**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with Section 177(10) of the Companies Act, 2013 ("Act") and Regulations 22 of the Listing Regulations your Company has adopted a Vigil Mechanism Framework ("Framework"), under 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, 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, Chairman/Managing Director of the Company and Chairman of the Audit Committee has been communicated to the employees by uploading the same on the website of the Company.

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

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

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

**Internal Complaints Committee:**

S.No	Name	Designation	Position Held
<b>A.</b>	<b>Hyderabad - Telangana</b>		
1	Venkata Nimeesha Posa	Deputy General Manager	Presiding Officer
2	Shalini Gangadhari	Senior HR Generalist (DS)	Member
3	Rashmika Thungaturthi	Junior Recruiter (NS)	Member
4	Rupesh Mali	Technical Architect	Member
5	Vijay Kumar Sharma	Senior Project Manager	Member
6	Mr. Prahlad B Reddy	3rd Party Member	Member
<b>B</b>	<b>Vizag - Andhra Pradesh</b>		
1	Jyothi Ramya Kunche	Team Lead	Presiding Officer
2	Subbarao Vantipalli	GM Payroll & Admin	Member
3	Sindhuja Sakharapalli	Process Associate	Member
4	Ramesh Kolukulapalli	Asst. Manager Operations	Member
5	Yamuna Konda	Senior Process Associate	Member
6	Mr. Veera Raju Modili	3rd Party Member	Member

**All employees (permanent, contractual, temporary and trainees) are covered under this policy.**

**Following are the details of the complaints received by your Company during FY22:**

S. No.	Particulars	Number of cases
1.	No. of complaints received	0
2.	No. of complaints disposed of	0
3.	No. of cases pending for more than 90 days	0

**DEPOSITS FROM PUBLIC**

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

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there are no instances of non-compliance with the requirement of the Act.

**INSURANCE**

Your Company's Assets have been adequately insured.

**CORPORATE GOVERNANCE**

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

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

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

## PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION

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

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

Particulars	Ratio to Median Remuneration
Non-Executive Directors*	-
Executive directors	8.06

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

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

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

- c. The percentage increase in the median remuneration of employees in the financial year 2021-22: 2.6
- d. The number of permanent employees on the rolls of Company (As on 31st March, 2022): 504 Employees (Male -324 & Female-180)
- 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 10.7 % for personnel other than managerial personnel. No managerial remuneration was paid for the financial year 2021-22.
- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

- g. 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.
- h. 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.
- i. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company- None

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

Your Company is in compliance with the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

#### **MATERIAL CHANGES AND COMMITMENTS**

There were no material changes and commitments affecting the financial position of your Company between the end of FY22 and the date of this report, which could have an impact on your Company's operation in the future or its status as a "Going Concern".

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status from April 2021 to March, 2022.

Your Company has received an Order from Hon'ble NCLT, Hyderabad for merger of Xenosoft Technologies (India) Private Limited (Wholly Owned Subsidiary) with XTGlobal Infotech Limited on 14<sup>th</sup> October, 2021.

#### **HUMAN RESOURCE DEVELOPMENT**

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

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

#### **MAINTAINANCE OF COST RECORDS**

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

#### **INSIDER TRADING REGULATIONS**

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

**CFO CERTIFICATION:**

As required under Regulation 17(8) of the SEBI Listing Regulations, the CFO of your Company have certified the accuracy of the Financial Statements, the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the financial year ended 31<sup>st</sup> March, 2022. Their Certificate is annexed to this Directors' Report.

**ACKNOWLEDGEMENT**

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

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

The Directors appreciate and value the contribution made by every member of the XTGlobal Family. The Board specially thank to the shareholders for their continued confidence and faith in the Company.

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

Place: Hyderabad

Date: 13<sup>th</sup> August, 2022

Sd/-

**V. A. Narasimha Raju K.**

Director

DIN: 08835460

Sd/-

**Vuppuluri Sreedevi**

Whole-time Director

DIN: 0244854

## Annexure – A to Board’s Report

### FORM AOC-2

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

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

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

There were no contracts / arrangements / transactions entered into during the Financial year ended 31<sup>st</sup> March 2022, which were not at arm’s length basis.

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

The details of material contracts or arrangement or transactions at arm’s length basis for the year ended 31<sup>st</sup> March 2022 are as follows:

Name of Related Party	Nature of Relationship	Nature of Transaction	Duration of Transaction	Salient Terms	Value of Transaction/ Agreement Value (Amount in Rs.)	Date(s) of Approval by the Board, if Any
XTGlobal Inc.	Subsidiary	Sale of services	FY 2021-22	Software services	Rs. 49.24 crores	04th September, 2021

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

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2022

Sd/-  
**V. A. Narasimha Raju K.**  
Director  
DIN: 08835460

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



## Annexure – B to Board's Report

### MR-3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

**To**

**The Members,**

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

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

Based on our verification of the **M/s. XTGLOBAL INFOTECH LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31/03/2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. XTGLOBAL INFOTECH LIMITED ("the Company") for the financial year ended on 31/03/2022 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company During the audit period
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not applicable to the Company During the audit period
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable to the Company During the audit period
  - h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not applicable to the Company During the audit period.

- i. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; Not applicable to the Company during the audit period.  
And
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

VI. Other Laws applicable to the Company

Other Laws applicable specifically to the Company namely:

- a. Information Technology Act, 2005 and the Rules made there under,
- b. Software Technology Parks of India Rules made there under,
- c. The Special Economic Zones Act, 2005
- d. The Trade Marks Act, 1999,

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

- I. Secretarial Standards issued by The Institute of Company Secretaries of India
- II. The Listing Agreement entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above.

**We further report that**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

- The Company has received an order from Hon'ble NCLT Bench, Hyderabad for Merger of Xenosoft Technologies (India) Private Limited with M/s. XTGlobal Infotech Limited dated 14th October, 2021.

**For VCSR & Associates  
Company Secretaries**

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2022

Sd/-  
**(Ch. Veeranjanyulu)**  
Partner  
CP No. 6392  
UDIN: F006121D000791224

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

## ANNEXURE – A

To,  
The Members,

**M/S XTGLOBAL INFOTECH LIMITED,**

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

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

**For VCSR & Associates  
Company Secretaries**

Sd/-

**(Ch. Veeranjanyulu)**

Partner

CP No. 6392

UDIN: F006121D000791224

Place: Hyderabad

Date: 13<sup>th</sup> August, 2022

## 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** having (CIN: L72200TG1986PLC006644) and having its 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, 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, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Designation
1.	Vuppuluri Sreedevi	02448540	Whole-time Director
2.	Mullapudi Atchuta Rama Rao	02302179	Managing Director
3.	Venkata Appala Narasimha Raju Kalidindi	08835460	Independent Director
4.	Jagannatha Prasad Malireddy	08835457	Non-Executive Director
5.	Saibaba Karuturi	08945305	Independent Director
6.	Srinivasa Raju Kosuri	05186948	Non-Executive Director
7.	Srinivasa Pendyala*	09340407	Independent Director
8.	Venkata Madhusudhana Rao Paladugu*	08644451	Independent Director

- ❖ 1. Mr. Srinivasa Pendyala was appointed as an additional Independent Director on 30.09.2021
- 2. Mr. Venkata Madhusudhana Rao Paladugu has completed his tenure and vacated the office on 29.09.2021

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

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

Place: Hyderabad  
 Date: 13<sup>th</sup> August, 2022

Sd/-  
**Ch. Veeranjanyulu**  
 Partner  
 C P No: 6392  
 UDIN: F006121D000791224

## Annexure – C to Board's Report

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### A. Industry Structure and Development

IT Business of most Indian Software Development companies can be classified into Onsite Consulting Services, Offshore Software Services, Product Sales and IT Enabled Services. While Onsite Consulting Services has witnessed a steady growth, Offshore Software business has experienced a significant change either through Dedicated Development Centers for overseas partners or Joint Ventures. We have a global presence, deep domain expertise. The product sales of Indian companies in the international markets has been miniscule, while IT enabled services business has seen a strident growth during the last 10 years.

The future direction clearly favours 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
- d. Technology Development

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

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

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

**D. Outlook**

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

**E. Risk and Concerns**

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

**F. Strategy**

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

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

Customer-centricity is at the core of XTGlobal' strategy, organization structure and investment decisions. The philosophy has been to expand and deepen customer engagements by continually looking for new areas in the customer's business where we can add value, proactively invest in building newer capabilities, and launch new offerings to participate in those opportunities.

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

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

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

**5. Discussion on financial performance with respect to operational performance**

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

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

As indicated in the below table, XTGlobal has made an impressive turnaround in the year ended March, 2022, making a profit of Rs. 667.19 Lakhs. This indicates a new beginning that involved a planned strategy of taking in more resources and

working on financially viable projects during the year as well as strategizing on opportunities and investments with a focus on revenues.

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

Sl. No.	Financial Year	Profit/Loss (Rs. In Lacs)
1	Year ending March 2013	(7.15)
2	Year ending March 2014	(25.16)
3	Year ending March 2015	(25.82)
4	Year ending March 2016	(48.23)
5	Year ending March 2017	(20.13)
6	Year ending March 2018	(31.63)
7	Year ending March 2019	2.87
8	Year ending March 2020	230.63
9	Year ending March 2021	315.30
10	Year ending March 2022	667.19

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

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

#### Key ratios\*

S. No.	Ratio	FY 2021-22	FY 2020-21
1	Debtors turnover ratio	2.54	4.1
2	Inventory Turnover ratio	Not Applicable	
3	Interest coverage ratio	5.33	Not applicable
4	Current ratio	0.41	11.27
5	Debt equity ratio	0.18	0
6	Operating margin (%)	32.87	39.74
7	Net Profit margin (%)	13.07	31.23
8	Return on Net worth	0.04	0.05

\*On standalone basis

Increase in all key financial ratios for financial year 2021-22 when compared to that of financial year 2020-21 is due to increase in revenue with better profitability.

#### Cautionary Statement

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

## CERTIFICATION BY WHOLETIME DIRECTOR

I, Vuppuluri Sreedevi, Whole-time Director of XTGlobal Infotech Limited, certify that:

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

**Place:** Hyderabad.

**Date:** 13<sup>th</sup> August, 2022

**Sd/-**

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



## CERTIFICATE BY THE CFO OF THE COMPANY

To

The Board of Directors XTGlobal Infotech Limited

Dear Sir/Madam,

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

- 1) I have reviewed the financial statements and the cash flow statement for the year ended 31st March 2022 and to the best of my knowledge and belief;
  - a) These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b) These statements present a true and fair view of the Company's affairs and are in compliance with the existing standards, applicable laws and regulations.
  
- 2) There are, to the best of my knowledge and belief, no transactions entered by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
  
- 3) I accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, and
  
- 4) That I have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of Significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

Place: Hyderabad  
Date: 13<sup>th</sup> August, 2022

Yours Sincerely,

Sd/-  
**K. Raghuram**  
Chief Financial Officer

## Annexure – D 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}.

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

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

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

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on 31st March, 2022.

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

The Board of Directors of the Company has combination of Executive and Non-Executive Directors. The Board had appointed an Independent Director as Chairman as required under Regulation 17(1)(b) of SEBI(LODR) Regulations, 2015. As on 31st March, 2022, the board consists of 7 (Seven) Directors, out of which 2 (Two) are Executive Directors, 3 (Three) are Independent Non- Executive Directors and 2 (Two) are Non- Executive Directors. None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees, as specified in Regulation 26 of SEBI (LODR) Regulations, 2015, across all the Public Companies in which he/she is a director.

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

S. No.	Category	Name of Director	Changes during the year	Reasons
1	Promoter and Executive Director	Mr. Ramarao Atchuta Mullanpudi, Managing Director	Appointed as Managing Director on 01.10.2019	-
2	Executive Director	Ms. Vuppuluri Sreedevi, WTD	Appointed on 18.04.2018 Re-appointed on 29.09.2021	-
3	Independent Directors	Mr. Srinivasa Pendyala Mr. Venkata Appala Narasimha Raju Kalidindi Mr. Saibaba Karuturi Mr. Venkata Madhusudhana Rao Paladugu	Appointed on 29.09.2021 Appointed on 16.08.2020 Re-appointed on 29.09.2021 Appointed on 06.11.2020 Completed his tenure of appointment on 29.09.2021	
4	Non-Executive Directors	Mr. Jagannatha Prasad Malireddy Mr. Srinivasa Raju Kosuri	Appointed on 16.08.2020 Appointed on 08.12.2020	

**A. Number of Board Meetings held during the Financial Year 2021-22:**

The Board of Directors met 7 (Seven) times during the Financial Year 2021-22 on 18<sup>th</sup> May 2021, 07<sup>th</sup> August 2021, 04<sup>th</sup> September 2021, 30<sup>th</sup> September, 2021, 13<sup>th</sup> November 2021, 29<sup>th</sup> December 2021 and 11<sup>th</sup> February 2022.

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

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

Attendance of Directors at the Meetings of Board of Directors held during the Financial Year 2021-22 and the last Annual General Meeting (AGM) held on 29<sup>th</sup> September 2021, also the number of Directorships and Committee positions held by them in other public limited companies as on 31<sup>st</sup> March 2022 are given below:

Name and Category of Directors	Designation	No. of Board Meetings Attended During 2021-22	Whether Attended Last AGM	No of Equity Shares Held	No. of Committee Positions Held in Other Public Companies/Listed Companies	
					As Chairman	As Member
Mr. Ramarao Atchuta Mullapudi	Managing Director	6	Yes	7,83,36,049	-	-
Mrs. Vuppuluri Sreedevi	Whole time Director	6	Yes	30,000	-	-
Mr. Venkata Appala Narasimha Raju Kalidindi	Independent Director	7	Yes	-	-	-
Mr. Jagannatha Prasad Malireddy	Non-Executive Director	5	Yes	-	-	-
Mr. Saibaba Karuturi	Independent Director	7	Yes	-	-	-
Mr. Srinivasa Raju Kosuri	Non-Executive Director	4	Yes	1,20,00,764	-	-
Mr. Srinivasa Pendyala <sup>1</sup>	Independent Director	3	NA	-	-	-
Mr. Venkata Madhusudhana Rao Paladugu <sup>2</sup>	Independent Director	3	Yes	-	-	-

1. Mr. Srinivasa Pendyala was appointed as an Independent Director on 30.09.2021
2. Mr. Venkata Madhusudhana Rao Paladugu has completed his tenure of appointment on 29.09.2021

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

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

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

Mr. Srinivasa Raju Kosuri has acquired 1,20,00,764 Equity Shares through Preferential allotment on 29<sup>th</sup> December, 2021, other than him no other Non-Executive Directors is holding shares of the Company.

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

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

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

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

## 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.

### F. Independent Directors':

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 25th March, 2022, to discuss:

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

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

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

### Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets 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. V. A. Narasimha Raju Kalidindi has passed the online proficiency self-assessment test undertaken by them. During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for the purpose of attending meetings of the Board/Committee of the Company.

### Familiarisation Program

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

During the year under review, Mr. Venkata Madhusudhana Rao Paladugu has completed his two tenure of appointment as an Independent Director and further re-appointment is not allowed under the provisions of the Companies Act.

### Monitoring Governance of Subsidiary Company

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

Karuturi, Independent on the Board of Xenosoft Technologies (India) Private Limited. However, your Company has received an order from Hon'ble NCLT, Hyderabad for merger of Xenosoft Technologies (India) Private Limited with XTGlobal Infotech Limited on 14th October, 2021.

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

### C. Audit Committee

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

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

During the year under review, the Audit Committee met 5 (Five) times i.e. on 17th May, 2021, 06th August, 2021, 03rd September, 2021, 12th November, 2021 and 10th February, 2022 the gap between two meetings did not exceed one hundred and twenty days.

Audit Committee Composition and attendance as on 31st March 2022:

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Venkata Appala Narasimha Raju Kalidindi	Independent Director	5	5
Vuppuluri Sreedevi	Executive Director	5	5
Saibaba Karuturi	Independent Director	2	2
Venkata Madhusudhana Rao Paladugu (Upto 29.09.2021)	Independent Director	3	3

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

1. The role of the audit committee in brief is to review financial statements, internal controls, accounting policies, internal audit, related party transactions and consideration of Valuation reports. The quarterly financial results are placed before the audit committee for its review, suggestions and recommendations, before taking the same to the Board. The internal audit plans are drawn in consultation with the Managing Director, Chief Financial Officer, Heads of departments and the audit committee. The committee reviews the internal auditors review report periodically. The committee also tracks the implementation of its guidelines/suggestions through review of action taken reports. A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the committee apart from details of material individual transactions with the related parties. The Representatives of Statutory Auditors are permanent invitees to the Audit Committee meetings.
2. Approval of payment to statutory auditors for any other services rendered by them.
3. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:

- a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- b. Changes, if any, in accounting policies and practices and reasons for the same;
- c. Major accounting entries involving estimates based on the exercise of judgment by management;
- d. Significant adjustments made in the financial statements arising out of statutory audit findings;
- e. Compliance with listing and other legal requirements relating to financial statements
- f. disclosure of any related party transactions
- g. Qualifications in the draft audit report (viii)modified opinion(s) in the draft audit report

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

- c. Previous Annual General Meeting of the Company was held on 29th September, 2021 and Mr. Venkata Appala Narasimha Raju Kalidindi, Chairman of the Audit Committee for that period, attended previous AGM.

#### D. Nomination and Remuneration Committee

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

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

The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director. The Committee met 2 (Two) times during the year under review on 03<sup>rd</sup> September, 2021 and 30<sup>th</sup> September, 2021. The attendance record of the members at the meeting is as under:

Nomination and Remuneration Committee as on 31<sup>st</sup> March 2022:

Name	Category	No. of Committee Meeting entitled to attend	No. of Committee Meeting attended
Saibaba Karuturi	Independent Director	2	2
Venkata Appala Narasimha Raju Kalidindi	Independent Director	2	2
Jagannatha Prasad Malireddy	Non-Executive Director	1	1
Venkata Madhusudhana Rao Paladugu (upto 29.09.2021)	Independent Director	1	1

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

1. To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:
  - to take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
  - to bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.

3. Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skill, independence, knowledge, age, gender and experience.
4. To carry out evaluation of every Director's performance.
5. To review, oversees, evaluate the criteria in relation appointment/remuneration and other matters under the SEBI (LODR) Regulations.

### c. Performance Evaluation

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

Structured performance evaluation questionnaire were circulated to the Directors for:

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

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

To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

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

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

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

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

### d. Remuneration of Directors

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

1. For the period under review no remuneration was paid to Executive Directors. Hence the aggregate value of salary, perquisites to Managing/Executive Director is NIL.
2. Details of fixed component and performance linked incentives, along with the performance criteria – Company is not paying any performance linked incentives to directors.



3. Service contract, Notice period, severance fee to the above personnel –Nil
4. None of the directors have been granted stock options during the year.
5. The Sitting Fees paid to Non-Executive Directors is given below:

S. No.	Name of Director	Amount Paid
1	Mr. Venkata Appala Narasimha Raju Kalidindi	1.50 Lakhs
2	Mr. Saibaba Karuturi	1.30 Lakhs
3	Mr. Jagannatha Prasad Malireddy	0.80 Lakhs
4	Mr. Venkata Madhusudhana Rao Paladugu	0.80 Lakhs
5	Mr. Srinivasa Pendyala	0.20 Lakhs

6. Details of Shares of the Company held by the Directors as on March 31, 2022 are as below:

Name	Designation	No. of Shares
Ramarao Atchuta Mullapudi	Managing Director	7,83,36,049
Vuppuluri Sreedevi	Whole-time Director	30,000
Srinivasa Raju Kosuri	Non-Executive Director	1,20,00,764

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

#### E. Stakeholders Relationship Committee

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

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

The Committee consists of 3 (Three) Directors. The Chairman of the Committee is an Independent Director. The Committee met one (1) time during the year under review on 24<sup>th</sup> September, 2021.

Stakeholders Relationship Committee as on 31st March 2022

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

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

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

**C. DETAILS OF INVESTOR COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2021-22:**

Particulars	Year ended 31.03.2022
Pending at the beginning of the year	NIL
Received during the year	14
Disposed of during the year	14
Remaining unresolved at the end of the year	NIL

**D. SCORES:**

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

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

Ms. Shikha Gangrade

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

**F. GENERAL BODY MEETINGS**

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

Year	Type	Date of AGM/EGM	Time	Held at	No of Special Resolutions passed in AGM/EGM
2021	AGM	29th September, 2021	10:30 AM	Held through Audio visual mode	Yes-3
2020	EGM	31st December, 2020	10:30 AM	Held through Audio visual mode	Yes -2
2020	AGM	30th September, 2020	10:00 AM	Held through Audio visual mode	Yes -2
2020	EGM	15th February, 2020	10:00 AM	Hotel Minerva Grand, Hall Summit, First Floor, Beside 'Google' Office, Kondapur, Hyderabad - 500 084	Yes – 5
2019	AGM	30th September, 2019	10.30 AM	Hotel Minerva Grand, Hall Summit, First Floor, Beside 'Google' Office, Kondapur, Hyderabad - 500 084	Yes –3
2019	EGM	30th May, 2019	10:00 AM	Lions Bhavan Trust, Behind HDFC Bank, Near Paradise Circle, SD Road, Secunderabad	Yes-1

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.

#### **F. 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.

#### **G. DISCLOSURES**

##### **a) Related Party Transactions**

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

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

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

##### **b) Compliances made by the Company**

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years.

##### **c) Communication to Shareholders**

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

##### **d) Whistle Blower Policy**

The Company promotes a favourable environment for employees to have an open access to the Audit Committee, respective Functional Heads, Head- HRD, 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. 19 to the Financial Statements.

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

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 are as follows:

- i) Number of complaints filed during the financial year: 0
- ii) Number of complaints disposed off during the financial year: 0
- iii) Number of complaints pending as on end of the financial year: 0

- g) Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule-V**  
The Company has complied with the requirement of Corporate Governance report of sub-paras (2) to (10) of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- h) Company's Policy for determining 'material' subsidiaries is available on the Company's website-**  
<https://xtglobal.com/investors/>
- i) Company's policy for dealing with related party transactions is available on the Company's website-**  
<https://xtglobal.com/investors/>
- j) Disclosures with respect to demat suspense account/ unclaimed suspense account** There was no instance with respect to demat suspense account/ unclaimed suspense account.

#### **Regulations for Prevention of Insider Trading**

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

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

- k) 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.

#### **l) Code of Conduct**

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

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

#### **m) Disclosure of Accounting Treatment**

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

#### **n) CEO/CFO Certification**

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

#### **o) 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.

**p) Means of Communication**

➤ **Quarterly Results**

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

➤ **Newspaper wherein Results normally published in**

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

➤ **Any website, where displayed**

<http://www.xtglobal.com>

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

No

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

No such occasion arose during the year under review.

**H. General Shareholders Information**

The following information would be useful to Shareholders:

- a. The 34<sup>th</sup> Annual General Meeting of the Company will be held at 10:30 AM on Friday, the 23<sup>rd</sup> day of September, 2022 through Audio Visual Mode pursuant to the MCA Circular dated 05<sup>th</sup> May, 2022 & 13<sup>th</sup> January, 2021 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
- b. The Financial Year of the Company was from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.
- c. Date of Book Closure: from Saturday the 17<sup>th</sup> Day of September, 2022 to Friday, the 23<sup>rd</sup> day of September, 2022 (inclusive of both days)
- d. The Shares of the Company are listed on the BSE Limited, Mumbai.
- e. The Stock Code is 531225
- f. The CIN number of the Company is: L72200TG1986PLC006644
- g. Address for correspondence: Plot Nos. 31 (part) & 32, Third Floor, Tower A, Ramky Selenium, Financial District Nanakramguda, Hyderabad, Telangana, 500032. Email ID: [company.secretary@xtglobal.com](mailto:company.secretary@xtglobal.com)
- h. The Share and Depository Transfer Agent: M/s. KFin Technologies Ltd, Selenium Tower – B, Plot No 31–32, Gachibowli, Financial District, Nanakramguda, Hyderabad.
- i. Dematerialization of Shares: The Company's shares are traded compulsorily in dematerialized form. In this connection, the Company has already entered into an agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Company's ID is INE547B01028. The members are requested to dematerialize their physical holding in view of various advantages of holding the shares in dematerialized form. As on 31<sup>st</sup> March 2022. 13,23,16,455 shares are under dematerialization, representing 99.51% of the paid-up capital.

**j. Distribution of shareholding as on 31st March 2022:**

Holding of number of Shares or Debentures	No. of Share holders	Share/Debenture (Holders)		Shares/Debentures (Amount)	
		Number of Shares	% Holders	Amount of Shares (Rs.)	%
<b>1 – 5000</b>	14,812	4,045,432	98.35	4,045,432	3.04
<b>5001 – 10000</b>	105	773,607	0.70	773,607	0.58
<b>10001 – 20000</b>	54	823,703	0.35	823,703	0.62
<b>20001 – 30000</b>	22	544,759	0.15	544,759	0.41
<b>30001 – 40000</b>	7	263,686	0.05	263,686	0.20
<b>40001 – 50000</b>	7	326,508	0.05	326,508	0.25
<b>50001 – 100000</b>	20	1,596,179	0.13	1,596,179	1.20
<b>100001 – Above</b>	33	124,594,581	0.22	124,594,581	93.70
<b>Total</b>	<b>15,060</b>	<b>132,968,455</b>	<b>100.00</b>	<b>132,968,455</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 are as given below:

Month	Highest (Rs.)	Lowest (Rs.)	Month	Highest (Rs.)	Lowest (Rs.)
April, 2021	26.50	18.55	October, 2021	42.70	35.10
May, 2021	32.50	20.40	November, 2021	38.00	23.00
June, 2021	40.50	24.85	December, 2021	52.35	28.90
July, 2021	46.45	32.05	January, 2022	66.55	45.75
August, 2021	43.90	35.15	February, 2022	81.70	48.40
September, 2021	44.40	36.05	March, 2022	59.70	48.65

**b) Shareholding Pattern as on 31st March 2022**

S. No.	Category	No. of shares	% of shareholding
1	Promoters and Promoter Group	8,34,80,804	62.78
2	Mutual funds and UTI	5900	0.00
3	Banks, Financial Institution, Insurance companies	600	0.00
4	Foreign Portfolio Investors/FIIs	2800	0.00
4	Private Corporate Bodies	203689	0.16
5	Indian Public/HUF	15233963	11.46
6	NRIs/ Foreign Nationals/OCBs	34009525	25.58
7	Trust	2245	0.00
8	Clearing Members	28929	0.02
	<b>Total</b>	<b>132,968,455</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.

**k. Share Transfer System:**

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

**l. Nomination facility for shareholding**

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

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

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

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

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

### **To the Members of XTGlobal Infotech Limited**

This report contains details of compliance of conditions of Corporate Governance by XTGlobal Infotech Limited ('the Company'), for the year ended 31st March 2022, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

### **Management's Responsibility**

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

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

### **Our Responsibility**

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2022.

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

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

### **Our Opinion**

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

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

**Date:** 13<sup>th</sup> August, 2022

**For VCSR & Associates**  
Company secretaries **Place:** Hyderabad

Sd/-

**Ch. Veeranjanyulu**  
(Partner)

C P No: 6392

UDIN: F006121D000794425



## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF STANDALONE FINANCIAL RESULTS

### To the Members of M/s XTGlobal Infotech Limited

#### Opinion

We have audited the accompanying standalone financial statements of **M/s XTGlobal Infotech Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and Management discussion and analysis report including Annexures, Corporate Governance and Shareholder's information but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone financial statements

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

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

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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with in this report are in agreement with the books of account.
- In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- Based on the Written Representation received from the directors as on March 31, 2022 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.
- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and the operating effectiveness of the Company's internal financial controls over financial reporting.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its whole-time directors during the year exceeds the limits specified in the provisions of section 197 of the Act and the same is subject to approval of Shareholders through Special Resolution.

- 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. As informed to us and based on the audit procedures, the Company does not have any pending litigations.
- ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
- iii. There are no amounts which are required to be transferred to Investor Education and protection fund.
- iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
  
(iii) Based on such audit procedures considered has reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. The company has not declared dividend or paid during the year.

**For C Ramachandram & Co.,**  
Chartered Accountants  
Firm Registration No. 002864S

Place: Hyderabad  
Date: May 26th, 2022

Sd/-  
**Premnath Degala**  
Partner  
Membership No. 207133  
UDIN: 22207133AJQBDJ2385

### Annexure-A to the Auditors' Report

#### **Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of M/s XTGlobal Infotech Limited, on the standalone financial statements for the year ended March 31, 2022.**

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:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, Capital work-in-progress and relevant details of right-of-use of assets.  
 (B) The Company does not have any intangible assets and accordingly paragraph 3(i)(a)(B) of the Order is not applicable to the company.  
 (b) The management has physically verified the Property, Plant and Equipment at regular intervals. There were no material discrepancies noticed on such verification.  
 (c) Based on the examination of the registered sale deed/ transfer deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in-progress are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been pledged as security for loans, guarantees etc., are held in the name of the Company based on the confirmations directly received by us from lenders.  
 (d) During the year, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both. Thus, paragraph 3(i)(d) of the Order is not applicable to the company.  
 (e) As informed to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Thus, paragraph 3(i)(e) of the Order is not applicable to the company.
- ii. (a) The Company is rendering software and related consultancy services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii)(a) of the Order is not applicable to the Company.  
 (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits not exceeding of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets hence this clause is not applicable.
- iii. (a) The Company has made investments in M/s Network Objects Inc, USA for an amount of Rs.3276.21 lakhs. The company has not provided guarantee or security and not granted unsecured loans to companies firms, Limited Liability Partnerships or any other parties during the year, Thus, paragraph 3(iii)(c) to (f) of the Order is not applicable. The Company has not provided any advances in the nature of loans to any to other entity during the year.  
 (b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- iv. Paragraph 3(iv) of the Order is not applicable, according to the information and explanations given to us, the Company has not made investments in, provided guarantee or security and granted unsecured loans to companies during the year. Hence section 185 and 186 not applicable.
- v. The company has not accepted any deposits, within the meaning of provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Thus, paragraph 3(v) of the Order is not applicable to the company.

- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the companies examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues as applicable with the appropriate authorities. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, and other material statutory dues in arrears as at March 31, 2022 for the period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred in clause (a) above, which have not been deposited on account of any dispute.
- viii. As informed to us and based on the records examined by us, during the year no tax assessments under the Income Tax Act, 1961 was carried on by the company. Thus, reporting under clause 3(viii) of the order is not applicable to the Company.
- ix. (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x. (a) The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. Thus, reporting under clause 3(x)(a) of the order is not applicable to the Company.
- (b) During the year company has made preferential allotment of 1,20,00,764 equity shares and 10,00,064 equity shares to Mr. Srinivasa Raju Kosuri and Mr. Sagi Jagadesh Chandra Varma respectively in connection with acquisition of stake M/s Network Objects Inc. In our opinion, the company has complied with section 62 of the Companies Act, 2013. Since the allotment is on share swap basis, the reporting on utilization of funds is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year. Thus, reporting under clause 3(xi) of the order is not applicable to the company.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.

- 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 Ind AS Financial statements of the company as required by applicable Accounting Standards.
- xiv. (a) The company has an internal audit system commensurate with the size and nature of its business;  
(b) We have considered the reports of the Internal Auditors for the period under audit.
- 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 one of its Director (Mr Srinivasa Raju Kosuri) and Mr. Jagadesh Chandra Varma Sagi towards acquisition of 44.33% stake in M/s Network Objects Inc, USA by issue of equity shares of the company on preferential basis with prior approval of shareholders through Special Resolution in EGM. Accordingly, the company has complied with the provisions of section 192 of the Companies Act, 2013.
- xvi. (a) In our opinion, the company is not required to be registered under section 451A of Reserve Bank of India Act 1934. Thus, paragraph 3(xvi)(a) of the Order is not applicable to the company.  
(b) In our opinion, the company has not conducted any Non-Banking Financial or Housing Finance activities. Thus, paragraph 3(xvi)(b) of the Order is not applicable to the company.  
(c) In our opinion, the company is not a Core Investment Company (CIC). Thus, paragraph 3(xvi)(c) of the Order is not applicable to the company.  
(d) In our opinion, the group does not have Core Investment Company (CIC). Thus, paragraph 3(xvi)(d) of the Order is not applicable to the company.
- xvii. In our opinion, the company has not incurred cash losses in the financial year and in the immediately preceding Financial Year.
- xviii. During the year, there has been no casual vacancy caused by resignation of the statutory auditors of the company accordingly this clause is not applicable.
- xix. On the basis of Financial Ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, in our opinion there are no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. In our opinion and based on the information provided to us, Section 135 of Companies Act, 2013 Corporate Social Responsibility is not applicable to the company refer note 4.8.
- xxi. In our opinion and based on the information provided to us, the reporting requirement under the Companies (Auditor's Report) Order (CARO) is not applicable to the foreign subsidiary.

**For C Ramachandram & Co.,**  
Chartered Accountants  
Firm Registration No. 0028645

Place: Hyderabad  
Date: May 26<sup>th</sup>, 2022

Sd/-  
**Premnath Degala**  
Partner  
Membership No. 207133  
UDIN: 22207133AJQBDJ2385

## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s XTGlobal Infotech Limited ("the Company") as of March 31, 2022 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

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

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

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

#### 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 authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 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.

Place: Hyderabad  
Date: May 26th, 2022

**For C Ramachandram & Co.,**  
Chartered Accountants  
Firm Registration No. 002864S

Sd/-  
**Premnath Degala**  
Partner  
Membership No. 207133  
UDIN: 22207133AJQBDJ2385

### Standalone Balance sheet (As at March 31,2022)

Particulars	Note No	₹ in Lakhs	
		As at	
		Mar 31, 2022	Mar 31, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	7644.97	1806.41
Capital Work-in-progress		248.67	5433.58
<b>Financial Assets</b>			
Investments	4	12600.77	9324.56
Loans	5		
Other Financial Assets			
Tax Assets (net)		0.16	26.36
Deferred Tax Assets (net)	6	120.42	122.95
Other Non-current Assets	7	28.68	20.92
<b>Total Non-current Assets</b>		<b>20643.68</b>	<b>16734.79</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
Trade Receivables	8	14.13	128.64
Cash and Cash Equivalents	9	154.25	345.69
Bank balances other than cash and cash equivalents	10	180.61	257.87
Other Current Assets	11	512.75	478.01
<b>Total Current Assets</b>		<b>861.73</b>	<b>1210.21</b>
<b>TOTAL ASSETS</b>		<b>21505.41</b>	<b>17945.01</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	1329.68	1199.68
Other Equity		15284.82	11440.58
<b>Total Equity</b>		<b>16614.50</b>	<b>12640.26</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	13	2500.89	2305.71
Other Financial Liabilities	14	41.30	54.82
Provisions	15	265.11	149.34
<b>Total Non-current Liabilities</b>		<b>2807.31</b>	<b>2509.87</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	468.61	473.18
Trade Payables			
Dues of micro enterprises and small enterprises		53.05	
Dues of creditors other than micro enterprises and small enterprises		65.54	95.14
Current Tax Liabilities (net)			
Other Current Liabilities	17	1418.79	2181.47
Provisions	18	77.60	45.10
<b>Total Current Liabilities</b>		<b>2083.60</b>	<b>2794.89</b>
<b>Total Equity and Liabilities</b>		<b>21505.41</b>	<b>17945.01</b>

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

As per our report of even date attached

**For C. Ramachandram & Co**  
Chartered Accountants  
Firm's Registration No.: 0028645

Sd/-  
**Premnath Degala**  
Partner  
Membership Number: 207133

Hyderabad, India  
Date: May 26, 2022

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

Sd/-  
**Ramarao A Mullapudi**  
Managing Director  
DIN:02302179

Sd/-  
**K Raghuram**  
CFO  
Hyderabad, India  
Date: May 26, 2022

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

Sd/-  
**G Shikha**  
Company Secretary

## Standalone Statement Of Changes In Equity

### A. Equity Share Capital

₹ in Lakhs		
Balance as at April 01, 2021	Changes during the year	Balance as at March 31, 2022
1199.68	130.01	1,329.68
Balance as at April 01, 2020	Changes during the year	Balance as at March 31, 2021
1199.68	0.00	1199.68

### B. Other Equity

Particulars	Reserves and surplus				Other comprehensive income	Total
	Capital Reserve	Securities Premium	Retained Earnings			
Balance as at April 01, 2020	-	4,602.21	(71.27)	-	-	4,530.94
Transfers during the year	6,325.72	-	602.44	12.32	-	614.77
Balance as at March 31, 2021	6,325.72	4,602.21	531.17	12.32	-	11,471.43
Balance as at April 01, 2021	6,325.72	4,602.21	531.17	12.32	-	11,471.43
Transferee company share of profit for 2020-21	-	-	-	-	-	-
Transfers during the year	-	3,146.20	700.92	(33.73)	-	3,813.39
Balance as at March 31, 2022	6,325.72	7,748.41	1232.09	(21.40)	-	15,284.82

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

As per our report of even date attached

**For C. Ramachandram & Co**  
Chartered Accountants  
Firm's Registration No.:  
002864S

Sd/-

**Premnath Degala**  
Partner  
Membership Number: 207133

Hyderabad, India  
Date: May 26, 2022

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

Sd/-  
**Ramarao A Mullanpudi**  
Managing Director  
DIN:02302179

Sd/-  
**K Raghuram**  
CFO

Hyderabad, India  
Date: May 26, 2022

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

Sd/-  
**G Shikha**  
Company Secretary

**Statement of Profit and Loss**  
**For the year ended March 31, 2022**

Particulars	Note No	₹ in Lakhs	
		For the year ended	
		Mar 31, 2022	Mar 31, 2021
Revenue from operations	19	5105.41	3578.12
Other Income	20	(102.99)	50.81
<b>Total Income</b>		<b>5002.42</b>	<b>3628.93</b>
<b>EXPENSES</b>			
Employee benefits expenses	21	3427.27	2558.91
Finance costs	22	189.78	36.13
Depreciation and amortization expense	3	236.46	137.23
Other expenses	23	337.74	255.85
<b>Total expenses</b>		<b>4191.25</b>	<b>2988.13</b>
Profit before exceptional items and tax		811.17	640.80
Exceptional Items		(43.96)	1.13
<b>Profit before tax</b>		<b>855.13</b>	<b>639.67</b>
Tax expense:			
Current tax		0.00	86.94
Deferred tax		244.44	(32.98)
Prior period taxes		(90.23)	14.11
<b>Profit for the year</b>		<b>700.92</b>	<b>571.60</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(33.73)	12.32
Income tax relating to items that will not be reclassified to profit or loss		0.00	0.00
Items that will be reclassified to profit or loss		0.00	0.00
Income tax relating to items that will be reclassified to profit or loss		0.00	0.00
<b>Total Other Comprehensive Income</b>		<b>(33.73)</b>	<b>12.32</b>
<b>Total Comprehensive Income for the year</b>		<b>667.19</b>	<b>583.92</b>
<b>Earnings per equity share</b>			
Basic		0.54	0.49
Diluted		0.54	0.49

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

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-  
**Premnath Degala**  
Partner

Membership Number: 207133

Hyderabad, India  
Date: May 26, 2022

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

Sd/-  
**Ramarao A Mullapudi**  
Managing Director  
DIN:02302179

Sd/-  
**K Raghuram**  
CFO

Hyderabad, India  
Date: May 26, 2022

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

Sd/-  
**G Shikha**  
Company Secretary

## Statement of Cash Flow

### As at March 31, 2022

Particulars	Note No	₹ in Lakhs	
		For the Year ended	
		Mar 31, 2022	Mar 31, 2021
<b>Cash Flow from Operating Activities</b>			
Profit before tax		855.13	639.67
Adjustments to reconcile net profit to net cash provided by operating activities:			
Depreciation and amortization		236.46	137.23
Deferred taxes		-151.68	-110.32
Interest and dividend income		-13.84	-10.91
Provisions		146.62	60.25
Other comprehensive income		-33.73	12.32
<b>Changes in assets and liabilities</b>			
Trade receivables and unbilled revenue		114.51	-6.29
Trade payables		23.46	30.52
Other financial assets and other assets		-65.72	-8.42
Other financial liabilities, other liabilities and provisions		-743.69	246.44
Cash generated from operating activities		367.51	990.49
Income taxes paid		49.43	18.24
<b>Net cash generated from operating activities</b>		<b>416.94</b>	<b>1,008.73</b>
<b>Cash Flow from Investing Activities</b>			
Expenditure on property, plant and equipment		-890.11	-1,495.63
Deposits with banks		77.26	500.65
Interest Received		13.84	-8.80
<b>Net cash generated from investing activities</b>		<b>-799.00</b>	<b>-1,003.78</b>
<b>Cash Flow from Financing Activities</b>			
Issue of Equity share capital		0.00	0.00
Borrowings		761.99	430.09
Repayment of borrowings (net)		-571.38	-612.27
<b>Net cash generated from financing activities</b>		<b>190.61</b>	<b>-182.18</b>
Effect of exchange rate differences on cash and cash equivalents		0.00	0.00
<b>Net increase in cash and cash equivalents</b>		<b>-191.45</b>	<b>-177.24</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>345.69</b>	<b>522.93</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>154.24</b>	<b>345.69</b>
Note:			
<b>Cash and Cash equivalents comprises of:</b>			
Balances with Banks		153.84	345.50
Cash on Hand		0.40	0.19
<b>Total cash and cash equivalents</b>		<b>154.24</b>	<b>345.69</b>
As per our report of even date attached			
<b>For C. Ramachandram &amp; Co</b>		For and on behalf of the Board of Directors	
Chartered Accountants		<b>XTGlobal Infotech Limited</b>	
Firm's Registration No.: 002864S			
Sd/-		Sd/-	Sd/-
<b>Premnath Degala</b>		<b>Ramarao A Mullapudi</b>	<b>Sreedevi Vuppuluri</b>
Partner		Managing Director	Whole-time Director
		DIN:02302179	DIN:02448540
Membership Number: 207133		Sd/-	Sd/-
		<b>K Raghuram</b>	<b>G Shikha</b>
		CFO	Company Secretary
Hyderabad, India		Hyderabad, India	
Date: May 26, 2022		Date: May 26, 2022	

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### A. General Information

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

### B. Basis of preparation of financial statements

#### B.1. Statement of Compliance

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

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

The financial statements were authorized for issue by the Company’s Board of Directors on 26<sup>th</sup> May 2022.

Details of the accounting policies are included in Note 1.

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

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

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

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

#### B.3 Functional and presentation currency

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

#### B.4 Operating Cycle

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

**Assets:**

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

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

**Liabilities:**

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

**a) Revenue recognition:**

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

**b) Impairment testing**

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

**c) Income Taxes**

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

**d) Deferred Taxes**

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

**e) Defined benefit plans and compensated absences**

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

**f) Useful lives of property, plant and equipment**

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

**B.6. Fair value measurement and valuation process:**

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

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

**1. Significant accounting Policies****1.1 Revenue recognition**

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

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



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

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

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

## **1.2 Other Income**

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

## **1.3 Foreign currency Transactions.**

### **Functional currency**

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

### **Transactions and translations**

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

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

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

- (a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.
- (b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

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

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

##### 1) Current income tax

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

##### 2) Deferred income tax

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

##### 3) Minimum Alternate Tax

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

#### 1.5 Earnings per share

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

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually

issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

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

### 1.6 Property, plant and equipment (PPE)

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

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

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

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

### 1.7 Depreciation

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

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

Particulars	Useful life (Years)
Buildings	60
Plant and Machinery	13
Furniture & Fixtures	10
Office Equipment – Others	05
Vehicles	08

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

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

### **1.8 Impairment**

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

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

### **1.9 Financial instruments**

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

#### **Cash and cash equivalents**

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

#### **Investments**

Investment in subsidiaries are measured at cost less impairment.

#### **Financial assets at amortized cost**

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

#### **Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual 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**

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

## **1.10 Provisions**

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

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

## 1.12 Employee benefits

**1. Provident Fund:** Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Company or Government administered provident fund. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

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

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

## 1.13 Investments in Subsidiaries and Associates

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

## 1.14 Employee Benefits

Disclosure under Ind AS 19 “Employee Benefits” are given below

### A. Gratuity:

S.No	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	DBO at the beginning of the period	4,85,014	10,76,387
2	Liability Transfer in*	-	1,70,38,851
3	Interest Expense	32,981	12,26,313
4	Past Service Cost/(credit) – vested benefits	-	-
5	Past Service Cost/(credit) – Non vested benefits	-	-
6	Current Service Cost	4,35,671	68,96,605
7	Curtailment Cost/ (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Plan Amendments	-	-
10	Benefit payments	-	(6,85,168)
11	Actuarial (gains) loss on Obligation	1,22,721	34,11,491
12	DBO at the end of the period	10,76,387	2,89,64,479

\* Transfer-in is towards the merger of Xenosoft Technologies (India) Pvt Ltd with XT Global Infotech Ltd. It is assumed the merger is effective 1.4.2021; hence 31.03.2021 liability of Xenosoft is taken as the transfer-in entry.

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

S.No.	Particulars	31-Mar-2021	31-Mar-2022
1	Current Liabilities	2,350	20,51,975
2	Non-Current Liabilities	10,74,036	2,69,12,503

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Fair value of plan assets at the beginning of the period	-	-
2	Transfer In/ (Out)	-	72,88,179
3	Charges and Taxes	-	(1,77,355)
4	Expected return on plan assets (calculated at discount rate)	-	5,10,296
5	Employer's contributions	-	9,00,000
6	Employee's contributions	-	-
7	Benefit payments	-	(6,85,168)
8	Return on plan assets, excluding amount recognized in net interest expense	-	38,713
9	Fair value of plan assets at the end of the period	-	78,74,665

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Fair value of plan assets at the beginning of the period	-	-
2	Acquisition Adjustment	-	72,88,179
3	Charges and Taxes	-	(1,77,355)
4	Actual return on plan assets	-	5,49,009
5	Employer's contributions	-	9,00,000
6	Employee's contributions	-	-
7	Benefit payments	-	(6,85,168)
8	Fair value of plan assets at the end of the period	-	78,74,665

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Interest Expense – Obligation	32,981	12,26,313
2	Interest Income – Plan Assets	-	3,32,941
3	Net Interest (Income)/ Expense for the year	32,981	8,93,372

**Table 5: Breakup of Service Cost**

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Past Service Cost	-	-
2	Current Service Cost	4,35,671	68,96,605
3	Curtailement Cost/ (Credit) on Plan amendments	-	-
4	Settlement Cost/ (Credit) on Plan amendments	-	-

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Experience (Gain)/ Loss on plan liabilities	1,42,505	(30,77,585)
2	Demographic (Gain)/ Loss on plan liabilities	-	(45,87,120)
3	Financial (Gain)/ Loss on plan liabilities	(19,784)	1,10,76,197
4	Experience (Gain)/ Loss on plan assets	-	(38,713)
5	Financial (Gain)/ Loss on plan assets	-	-

**Table 7: Amount recognized in the statement of other comprehensive income - OCI**

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Actuarial (gain)/ loss for the year – Obligation	1,22,721	34,11,491
2	Return on plan assets, excluding amount recognized in net interest expense	-	38,713
3	Re-measurements cost/ (credit) for the year	1,22,721	33,72,778

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Present value of the Obligation as at the end of the period	10,76,387	2,89,64,479
2	Fair Value of the Plan Assets as at the end of the period	-	78,74,665
3	Funded Status - Deficit/ (Surplus)	10,76,387	2,10,89,814
4	Net Asset / (Liability) recognised in the balance sheet	(10,76,387)	(2,10,89,814)

**Bifurcation of the Net Liability**

S. No	Particulars	31-Mar-2021	31-Mar-2022
	Current Liabilities	2,350	20,51,975
	Non-Current Liabilities	10,74,036	2,69,12,503

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

S.No.	Particulars	In Rs
1	Current Service Cost	68,96,605
2	Past Service Cost	-
3	Net Interest (Income)/ Expense	8,93,372
4	Curtailement Cost/ (Credit)	-
5	Settlement Cost/ (Credit)	-
6	Net Periodic Benefit cost recognized in P & L	77,89,977

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Present Value of the Obligation as at the beginning of the period	-	8,79,127
2	Acquisition adjustment	-	-
3	Transfer In/ (Out)*	-	36,08,770
4	Interest Expense	-	2,58,444
5	Past Service Cost/(credit) – vested benefits	-	-
6	Past Service Cost/(credit) – Non vested	-	-
7	Current Service Cost	11,56,388	1,74,936
8	Curtailement Cost/ (credit)	-	-
9	Settlement Cost/ (credit)	-	-
10	Benefit payments	(2,77,261)	(14,84,651)
11	Remeasurement or Actuarial (gains) loss on Obligation arising from:		
12	- change in demographic assumptions	-	4,56,670
13	- change in financial assumptions	-	(45,520)
14	- experience variance (actual experience Vs assumptions)	-	39,78,683



15	Present Value of the Obligation as at the end of the period	8,79,127	78,26,459
* Transfer in is towards the merger of Xenosoft Technologies (India) Pvt Ltd with XT Global Infotech Ltd. It is assumed the merger is effective 1.4.2021; hence the 31.3.2021 liability of Xenosoft Technologies is taken as a transfer-in entry.			

**Table 2: Bifurcation of the present value of obligation at the end of the year**

S. No	Particulars	31-Mar-2021	31-Mar-2022
1	Current Liabilities	33,086	9,10,740
2	Non-Current Liabilities	8,46,040	69,15,719

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Fair value of plan assets at the beginning of the period	-	-
2	Acquisition Adjustment	-	-
3	Interest income on plan assets (calculated at discount rate)	-	-
4	Employer's contributions	2,77,261	14,84,651
5	Employee's contributions	-	-
6	Benefit payments	(2,77,261)	(14,84,651)
7	Return on plan assets, excluding amount recognized in net interest expense	-	-
8	Fair value of plan assets at the end of the period	-	-

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Present value of the Obligation as at the	8,79,127	78,26,459
2	Fair Value of the Plan Assets as at the end of the period	-	-
3	Funded Status - Deficit/ (Surplus)	8,79,127	78,26,459
4	Net Asset / (Liability) recognised in the	(8,79,127)	(78,26,459)

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Current Service Cost	11,56,388	1,74,936
2	Acquisition (Gain)/ Loss	-	-
3	Past Service Cost	-	-
4	Interest Cost	-	2,58,444
5	Expected Return on Plan Assets	-	-
6	Curtailement (Gain)/ Loss	-	-
7	Settlement (Gain)/ Loss	-	-
8	Transfer In/ (Out)	-	-
9	Remeasurement or Actuarial (Gain)/ Loss recognised in the period	-	43,89,833
10	Expense recognised in the statement of P&L at the end of the period	11,56,388	48,23,213

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

S.No.	Particulars	For the period ending	
		31-Mar-2021	31-Mar-2022
1	Net Asset/ (liability) recognised at the beginning of the period	-	(8,79,127)
2	Company Contribution	2,77,261	14,84,651

3	Benefits paid directly by the company	-	-
4	Expense recognised at the end of the period	(11,56,388)	(48,23,213)
5	Mortality Charges and taxes	-	-
6	Impact of Transfer (In)/ Out	-	(36,08,770)
7	Net Asset/ (liability) recognised at the end of the period	(8,79,127)	(78,26,459)

#### 4. Notes to Standalone financial statements for the year ended March 31, 2022

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

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

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

Name of the related party	Nature of relationship
Entities controlled/ jointly controlled by Key Management Personnel	
XTGlobal Inc.	Subsidiary
Key-management personnel (KMP)	
Mr. Ramarao Atchuta Mullapudi	Managing Director
Ms. Sreedevi Vuppuluri	Whole-time Director
Mr. Narasimha Raju Kalidindi	Independent Director
Mr. Jagannatha Prasad Malireddy	Non-Executive Director
Mr. Saibaba Karuturi	Independent Director
Mr. Srinivasa Raju Kosuri	Non-Executive Director
Mr. Srinivasa Pendyala	Additional Director
Mr. Raghuram Kusuluri	Chief Financial Officer
Ms. Shikha Gangrade	Company Secretary

##### Transactions with related parties during the year ended March 31, 2022

Nature of transaction	Key- management personnel	Entities controlled/ jointly controlled by KMP	Rs. In Lakhs	
			Balance as on March 31, 2022	
Sale of services				
- XTGlobal Inc.	-	4924.11	-	-
Advance from XTGlobal Inc	-	-	1,208.33	
Remuneration to				
- Mr. Raghuram Kusuluri	21.28	-	-	-
- Ms. Shikha Gangrade	8.95	-	-	-
- Mr. Ravindra Venkata D	25.63	-	-	-
- Ms. Vuppuluri Sreedevi	11.43	-	-	-
Interest on loan taken from Ramarao Atchuta Mullapudi	52.37	-	37.59	
Unsecured loan from Ramarao Atchuta Mullapudi	-	-	758.10	
Sitting fee to				
- Mr. Srinivas Pendyala	0.20	-	-	-
- Mr. Narasimha Raju Kalidindi	1.50	-	-	-
- Mr. Venkata Madhusudhana Rao Paladugu	0.80	-	-	-
- Mr. Jagannatha Prasad Malireddy				
- Mr. Saibaba Karuturi	0.80	-	-	-
	1.30	-	-	-

**4.2** In the opinion of the Board of Directors of the company the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on March 31, 2022.

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

**4.4 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The amount of dues payable to micro, small and medium enterprises are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	53.05	-
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23.	-	-

**4.5 Earnings per share (EPS)**

The computation of Earnings per share is set out below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Earnings: (₹)		
Net Profit for the year	6,67,19,022	5,83,92,163
Shares:		
Number of shares at the beginning of the year	11,99,67,627	11,99,67,627
Add: No. of equity shares issued	1,30,00,828	-
Total number of equity shares outstanding at the end of the year	13,29,68,455	11,99,67,627
Weighted average number of equity shares outstanding during the year	12,32,80,167	11,99,67,627
Basic and Diluted Earnings per share - Par value of ₹10 (₹)	0.54	0.49

**4.6 Capital Work-in-Progress ageing**

Particulars	Amount in Capital Work in Progress for a period of			Rs. In Lakhs	
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Ageing for capital work-in-progress as at March 31, 2022 is as follows:					
<b>Project in progress</b>	248.67	-	-	-	248.67
Ageing for capital work-in-progress as at March 31, 2021 is as follows:					
<b>Project in progress</b>	1,490.99	1,401.40	1,575.56	965.63	5,433.58

**4.7 Key Financial Ratios:**

Ratio	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Variance
<b>Current Ratio (in times)</b>	Total current assets	Total current liabilities	0.41	0.43	4.49%
<b>Debt- Equity Ratio (in times)</b>	Non-Current Borrowings (including current maturities of long-term debts) + Current Borrowings	Total Equity	0.18	0.22	18.70%
<b>Debt Service Coverage Ratio (in times)</b>	Earnings before depreciation, interest and tax	Finance costs + debt repayments	1.95	1.60	-21.92%
<b>Return on Equity Ratio (in %)</b>	Profit after tax	Average Total Equity	4.79%	4.63%	-3.52%
<b>Inventory turnover ratio</b>	Not applicable				
<b>Trade Receivables turnover ratio (in times)*</b>	Revenue from Operations	Average Trade Receivables	71.52	28.51	150.83%
<b>Trade payables turnover ratio (in times)</b>	Purchase of services and other expenses	Average Trade Payables	3.16	3.20	1.33%
<b>Net capital turnover ratio (in times)</b>	Revenue from operations	Average working capital	-3.64	-4.14	12.07%
<b>Net profit ratio (in %)</b>	Profit for the year	Revenue from operations	13.07%	16.32%	19.92%
<b>Return on Capital employed (in %)</b>	Profit before tax and finance costs	Capital Employed (Total Equity + Non-Current Borrowings (including current maturities of long-term debts) + Current Borrowings)	5.34%	4.38%	-21.74%
<b>Return on investment (in %)**</b>	Income generated from investments	Average invested funds in treasury investment	4.72%	2.69%	-75.58%

\* The betterment in trade receivables turnover ratio is due to the timely remittance from the customers well before the due dates

\*\* During the current year the treasury funds are utilised for capital work in progress and other business requirements which led to decrease in average investments which in turn increased the return on investment

**4.8 Corporate Social Responsibility (CSR):**

Company has crossed the threshold limit of a net profit of Rs. Five crores during the preceding financial year (FY 2021-22) under Section 135 of the Companies Act. According to which, the provisions of Corporate Social Responsibility will apply for XTGlobal and the Board has constituted a Corporate Social Responsibility Committee as below-

1. Mr. Venkata Appala Narasimha Raju Kalidindi – Chairperson
2. Mr. Jagannatha Prasad Malireddy – Member
3. Mrs. Vuppuluri Sreedevi – Member

For FY 2020-21, The financials were prepared on standalone basis without considering the effect of amalgamation of Xenosoft with XTGlobal as the application was in process with Hon'ble NCLT Hyderabad bench. Thus, at that point of time the applicability of CSR applicability was not in force for XTGlobal

**4.9 Merger**

The Respective Board of Directors of M/s XTGLOBAL INFOTECH LIMITED (formerly Frontier Informatics Limited) (Acquirer) and M/s Xenosoft Technologies (I) Pvt Ltd (Acquiree) approved the merger wide resolutions dated 05th Sep, 2020 and 04th Sep, 2020 respectively. Further the order dated 14th Oct, 2021 received from the Hon'ble National Company Law Tribunal, Hyderabad Bench for Approval of Merger between (Acquirer and Acquiree) considering the effective date of acquisition from 01st April, 2020. The Acquirer has intimated the same to the BSE Ltd on 27th Dec, 2021. Accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and prior period amounts have been restated as if the business combination had occurred from the beginning of the preceding period.

**Details of the summarised values of assets and liabilities of Xenosoft Technologies (India) Pvt Ltd as acquired**

Particulars	Transferor Company	Elimination	Total
	Amt in Lakhs	Amt in Lakhs	Amt in Lakhs
<b>ASSETS</b>			
Non-current Assets			
<b>Property, Plant and Equipment</b>	7,547.43	-	7,547.43
<b>Capital Work-in-progress</b>	233.15	-	233.15
<b>Financial Assets</b>			
<b>Investments</b>	9,324.56	-	9,324.56
<b>Other Non-current Assets</b>	28.68	-	28.68
Total Non-current Assets	<b>17,133.82</b>	-	<b>17,133.82</b>
Current Assets			
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>	72.02	-	72.02
<b>Bank balances other than cash and cash equivalents</b>	180.61	-	180.61
<b>Other Current Assets</b>	343.50	-	343.50
Total Current Assets	<b>596.13</b>	-	<b>596.13</b>
TOTAL ASSETS	<b>17,729.95</b>	-	<b>17,729.95</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
<b>Equity Share Capital</b>	618.55	-618.55	-
<b>Other Equity</b>	11,468.00	-10,802.77	665.23
Total Equity	<b>12,086.55</b>	<b>-11,421.32</b>	<b>665.23</b>
LIABILITIES			
Non-current Liabilities			
<b>Financial Liabilities</b>			
<b>Borrowings</b>	3,736.58	-1,235.69	2,500.89
<b>Other Financial Liabilities</b>	41.30	-	41.30
<b>Deferred Tax Liabilities (net)</b>	22.76	-	22.76
Total Non-current Liabilities	<b>3,800.64</b>	<b>-1,235.69</b>	<b>2,564.95</b>
Current Liabilities			
<b>Financial Liabilities</b>			
<b>Borrowings</b>	468.61	-	468.61
<b>Trade Payables</b>	64.56	-	64.56
<b>Other Current Liabilities</b>	1,280.21	-	1,280.21
<b>Provisions</b>	29.38	-	29.38
Total Current Liabilities	<b>1,842.76</b>	-	<b>1,842.76</b>
Total Equity and Liabilities	<b>17,729.95</b>	<b>-12,657.01</b>	<b>5,072.94</b>

**Details of impact on net profit is summarised below**

Particulars	For the year ended March 31, 2022 (Amt in Lakhs)
Net profit of XTGlobal Infotech Limited	302.64
Add: Net profit of Xenosoft Technologies (I) Pvt Ltd	364.55
Net profit post merger	667.19

## 4.10 Financial Instruments

### A) Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company's management reviews the capital structure of the Company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

### B) Financial risk management objectives

The Company's corporate finance function monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks through continuous monitoring on day-to-day basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### C) Market Risk

#### Interest rate risk management:

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

#### Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the country and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in that country. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are no outstanding derivative instruments at the end of the current financial year.

### D) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis. The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest-bearing short-term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

## 4.11 Other Statutory Information

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022 as below:

### Ind AS 103 - Business Combination

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework), issued by the ICAI at the acquisition date. The company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 - Property, Plant and Equipment (PPE)**

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognise in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The company has evaluated the amendment and there is no impact in recognition of its property, plant and equipment.

**Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the company does not expect the amendment to have any impact in its financial statements.

**Ind AS 109 - Financial Instruments**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability or to consider as modification of existing financial liability. The company does not expect the amendment to have any significant impact in its financial statements.

**4.12 Other Statutory Information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**4.13** In preparation of the financial statements, the Company has considered the business environment arising out of the COVID-19 outbreak and more severe outbreak of the second wave in recent months. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of the unprecedented situation.

**4.14** The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**4.15** Amount has been rounded off to nearest lakh and previous year have been rearranged, regrouped and recast wherever necessary. Figure 0.00 represent amount below Rs 500/- rounded off.

**NOTES Forming Part Of The Standalone Financial Statements for the year ended March 31,2022****Note 3 : Property, Plant and equipment**

Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold land	Buildings	Right of use Assets	Other assets	Total
Gross carrying value as at April 01, 2021	607.48	136.33	212.44	169.95	1,202.00	72.79	223.76	2,624.75
Additions	122.56	36.22	84.50	84.14	5,483.31	-	273.83	6,084.56
Deletions	-	-	-	-	-	-	-	-
Gross carrying value as at March 31, 2022	730.04	172.55	296.94	254.10	6,685.31	72.79	497.59	8,709.31
Accumulated depreciation as at April 01, 2021	481.53	35.63	63.06	62.41	74.05	29.14	72.51	818.34
Depreciation	80.17	7.72	17.57	8.07	81.04	14.52	36.92	246.00
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	561.71	43.35	80.63	70.48	155.09	43.66	109.43	1,064.34
Carrying value as at April 01, 2021	<b>125.95</b>	<b>100.70</b>	<b>149.38</b>	<b>107.54</b>	<b>1,127.95</b>	<b>43.65</b>	<b>151.25</b>	<b>1,806.41</b>
Carrying value as at March 31, 2022	<b>168.34</b>	<b>129.20</b>	<b>216.31</b>	<b>183.62</b>	<b>6,530.22</b>	<b>29.13</b>	<b>388.16</b>	<b>7,644.97</b>

**Notes:**

- Buildings with carrying amount of Rs.6530.22 lakhs are subject to *pari passu first* charge on the company's term loans.
- The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its Property, plant and equipment.
- Vehicles with carrying amount of Rs.8.57 lakhs are hypothecated to respective bank against vehicle loan.

**Note 4 : Investments : Non-current**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
Equity instruments of subsidiaries <sup>#</sup>	12600.77	9324.56	
Investment in subsidiary other than equity	-	-	
	<b>12600.77</b>	<b>9324.56</b>	

<sup>#</sup>During the year company has made preferential allotment of 1,20,00,764 equity shares and 10,00,064 equity shares to Mr. Srinivasa Raju Kosuri and Mr. Sagi Jagadesh Chandra Varma respectively in connection with acquisition of stake M/s Network Objects Inc

**Note 5 : Loans : Non-current**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
Loan receivables considered good – Unsecured			
Loans to related parties	-	-	
	-	-	



**Note 6 : Deferred Tax Assets (net) / Deferred Tax Liabilities (net)**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Deferred tax assets	(233.41)	11.03
MAT Credit Entitlement	353.83	111.92
Deferred tax assets (net)	<b>120.42</b>	<b>122.95</b>

**Movement in deferred tax assets for the year 2021-22:**

Particulars	Opening Balance	Recognised/(Reversed) through Profit and loss account	Closing Balance
Property, Plant and Equipment	-109.59	-151.61	-261.2
Carry forward unabsorbed depreciation and business losses	120.62	-92.83	27.79
MAT Credit Entitlement	111.92	241.91	353.83
Total Deferred tax liability (Net)	122.95	-2.53	120.42

**Note 7 : Other Non-Current Assets**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Security Deposits	28.68	20.92
	<b>28.68</b>	<b>20.92</b>

**Note 8 : Trade Receivables : Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Trade receivables - Unsecured		
Considered good	14.13	128.64
Considered doubtful	-	-
	<b>14.13</b>	<b>128.64</b>

**Ageing for Trade Receivables as at 31st March, 2022 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade Receivables - Billed							
i) Undisputed Trade receivables - considered good	12.70	1.43	-	-	-	-	14.13
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>12.70</b>	<b>1.43</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.13</b>

**Ageing for Trade Receivables as at 31st March, 2021 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)						Total
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	
Trade Receivables - Billed							
i) Undisputed Trade receivables - considered good	93.68	3.29	31.67	-	-	-	128.64
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>93.68</b>	<b>3.29</b>	<b>31.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128.64</b>

**Note 9 : Cash and Cash Equivalents**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Balances with banks	153.84	345.50
Cash on hand	0.41	0.19
Margin money and security deposits with banks	-	-
Bank deposits - current	-	-
	<b>154.25</b>	<b>345.69</b>

**Note 10 : Bank Balances Other than Cash and Cash Equivalents**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Margin money and security deposits with banks	107.87	107.87
Earmarked balances with banks	-	-
Other bank balances	72.74	150.00
	<b>180.61</b>	<b>257.87</b>

**Note 11 : Other Current Assets**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
<b>Capital Advances:</b>		
Advance to vendors	298.31	200.70
<b>Advances other than capital advances:</b>		
Advance to vendors	0.07	0.07
Advance to employees	10.00	-
Prepaid expenses	55.40	82.92
Withholding taxes and others	84.28	118.30
Advance income tax	52.80	76.03
Others	11.89	-
	<b>512.75</b>	<b>478.01</b>

**Note 12 : Equity Share Capital**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
<b>Authorized</b>			
Equity shares of ₹1 each			
March 31, 2022: 25,00,00,000 equity shares of ₹1 each	2500.00	-	
March 31, 2021: 18,00,00,000 equity shares of ₹1 each	-	1800.00	
<b>Issued, Subscribed and Fully paid up</b>			
Equity shares of ₹1 each			
March 31, 2022: 13,29,68,455 equity shares of 1 each	1329.68	-	
March 31, 2021: 11,99,67,627 equity shares of 1 each	-	1199.68	

**Reconciliation of the number of shares outstanding**

Particulars	Number of shares	
	As at Mar 31, 2022	As at Mar 31, 2021
Shares outstanding at the beginning of the year	11,99,67,627	11,99,67,627
Shares issued during the year	1,30,00,828	-
Shares outstanding at the end of the year	<b>13,29,68,455</b>	<b>11,99,67,627</b>

**Details of shareholder holding more than 5% of aggregate shares**

Name of the shareholder	As at	
	Mar 31, 2022	Mar 31, 2021
Ramarao Atchuta Mullapudi	7,83,36,049	7,83,36,049
% of share holding	58.91	65.30
Srinivasa Raju Kosuri	1,20,00,764	-
% of share holding	9.03	-

**Details of shares held by the promoters in the Company and change during the year:**

Name of the shareholder	As at 31st March, 2022			As at 31st March, 2021		
	No. of shares of Rs. 1 each	% of total shares	% change during the year	No. of shares of Rs. 1 each	% of total shares	change during the year
Ramarao Atchuta Mullapudi	7,83,36,049	58.91%	-6.38%	7,83,36,049	65.30%	1.33%
Harika Vardhani Mullapudi	43,96,329	3.31%	-0.36%	43,96,329	3.66%	-
Subba Rao Vuppuluri	2,05,818	0.15%	-0.02%	2,05,818	0.17%	-
Sriramarudraprasad Vuppuluri	3,36,790	0.25%	-0.03%	3,36,790	0.28%	-
Jayalakshmi Vuppuluri	2,05,818	0.15%	-0.02%	2,05,818	0.17%	-

**Note 13 : Borrowings : Non Current**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
<b>Secured borrowings:</b>			
Term loans from banks	1742.79	1581.71	
<b>Unsecured borrowings:</b>			
Loans from related parties	758.10	724.00	
Long term maturities of finance lease obligations	-	-	
	<b>2500.89</b>	<b>2305.71</b>	

Note: Term loan from banks is secured by first *pari passu* charge on the immovable properties located at Madhurawada, Visakhapatnam and Financial District, Hyderabad owned by or belonging to the Company and are guaranteed by Mr. Ramarao Mullapudi, Managing director.

**Note 14 : Other Financial Liabilities : Non Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Lease liability (More than 5 years)	41.30	54.82
Employee benefit obligation - Gratuity liability	-	-
	<b>41.30</b>	<b>54.82</b>

**Note 15 : Provisions : Non Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Provision for employee benefits		
Gratuity	195.96	140.88
Leave encashment	69.16	8.46
	<b>265.11</b>	<b>149.34</b>

**Note 16 : Borrowings : Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Secured borrowings:		
Current maturities of Long Term Borrowings	468.61	473.18
	<b>468.61</b>	<b>473.18</b>

**Ageing for Trade Payables as at 31st March, 2022 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	14.71	38.34	-	-	-	53.05
ii) Others	39.08	10.53	15.93	-	-	65.54
iii) Disputed dues – MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	<b>53.79</b>	<b>48.87</b>	<b>15.93</b>	-	-	<b>118.60</b>

**Ageing for Trade Payables as at 31st March, 2021 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	-	-	-	-	-
ii) Others	12.93	82.20	-	-	-	95.14
iii) Disputed dues – MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	<b>12.93</b>	<b>82.20</b>	-	-	-	<b>95.14</b>

**Note 17 : Other Current Liabilities**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
	Advances received from customers	1,208.33	2,062.12
Statutory payables	67.06	41.42	
Payroll payables	1.29	3.76	
Other payables	142.12	74.17	
	<b>1,418.79</b>	<b>2,181.47</b>	

**Note 18 : Provisions : Current**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
	Provision for employee benefits		
Gratuity	14.94	3.48	
Leave encashment	9.11	0.33	
Provision for Income tax	19.04	-	
Provision for other expenses	34.51	41.29	
	<b>77.60</b>	<b>45.10</b>	

**Note 19 : Revenue From Operations**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
	Revenue from sale of services	5,105.41	3,578.12
	<b>5,105.41</b>	<b>3,578.12</b>	

**Note 20 : Other Income**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
	Interest income	13.84	10.91
Net foreign exchange gain / (loss)	(116.84)	29.93	
Other income	-	9.96	
	<b>(102.99)</b>	<b>50.81</b>	

**Note 21 : Employee Benefits Expenses**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
	Salaries, incentives and allowances	2,875.70	2,424.07
Cost of outside services	333.62	12.04	
Defined contribution plans (Contribution to provident fund and other funds)	81.17	74.74	
Defined benefit plans (Gratuity and other benefits)	126.74	47.19	
Staff welfare expenses	10.04	0.87	
	<b>3,427.27</b>	<b>2,558.91</b>	

**Note 22 : Finance Costs**

Particulars	As at	
	Mar 31, 2022	Mar 31, 2021
<b>Interest</b>	189.78	36.13
	<b>189.78</b>	<b>36.13</b>

**Note 23 : Other Expenses**

Particulars	As at	
	Mar 31, 2022	Mar 31, 2021
Rent	0.26	-
Rates and taxes	21.63	8.04
Power and fuel	37.80	23.70
Communication expenses	28.50	24.44
Software and licences	41.07	19.89
Legal and professional fee	38.62	58.15
Repairs and maintenance	6.20	6.39
Consumables	5.86	3.08
Insurance	24.65	20.02
Advertisement and promo expenses	19.45	28.74
Recruitment and training	31.43	9.80
Travel	3.73	1.29
General office expenses	38.65	38.23
Auditor's remuneration		
Statutory audit fee	2.00	3.50
Tax matters	-	0.30
Company law matters	-	-
Other services	3.07	1.86
Others	34.80	8.40
	<b>337.74</b>	<b>255.85</b>

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-

**Premnath Degala**

Partner

Membership Number: 207133

Hyderabad, India

Date: May 26, 2022

For and on behalf of the Board of Directors

**XTGlobal Infotech Limited**

Sd/-

**Ramarao A Mullapudi**

Managing Director

DIN:02302179

Sd/-

**K Raghuram**

CFO

Hyderabad, India

Date: May 26, 2022

Sd/-

**Sreedevi Vuppuluri**

Whole-time Director

DIN:02448540

Sd/-

**G Shikha**

Company Secretary

## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF CONSOLIDATED FINANCIAL RESULTS

### To the Members of M/s XTGlobal Infotech Limited

#### Opinion

We have audited the accompanying Consolidated Financial Statements of **M/s XTGlobal Infotech Limited** ("the Company"), and its wholly owned subsidiary (the Company and the wholly owned subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (herein referred to as "the Consolidated Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their Consolidated Cash Flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

#### Information other than the Consolidated Financial Statements and Auditors' report thereon

The Company's Board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's responsibility for the Consolidated 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 Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group 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 financial reporting process of the Group.

## Auditor's responsibilities for the Audit of the Consolidated Financial Statements

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

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

- 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.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain Sufficient Audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, Supervision and performance of the Audit of the Consolidated Financial Statements of such entities included in the Consolidated Financial Statements of which we are the Independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and the other Entities included in the Consolidated Financial Statements of which we are the Independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### **Other Matters**

We did not audit the financial statements of wholly owned foreign subsidiary (M/s XTGlobal Inc, USA), whose financial statements reflect total assets of Rs. 10951.84 Lakhs as at March 31, 2022, total revenues of Rs. 5719.46 Lakhs and group share of net profit after tax of Rs.300.67 lakhs (including Associate company) for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of section 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

The subsidiary is located in USA whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in US and which have been audited by other auditors under generally accepted auditing standards applicable in US. The Company's management has converted the financial statements of this subsidiary located outside India into accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020, ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other Auditors on the separate financial Statements of subsidiary, referred to in the other Matters section above, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b. In our opinion, proper books of account as required by law relating to Preparation of 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 (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.
- e. Based on the Written Representation received from the directors of the Company as on March 31, 2022, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**, our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting of those companies.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its whole-time directors during the year exceeds the limits specified in the provisions of section 197 of the Act and the same is subject to approval of Shareholders through Special Resolution.

- 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, in our opinion and to the best of our information and according to the explanations given to us;
  - i. As informed to us and based on the audit procedures, the group does not have any pending litigations.
  - ii. There is no requirement for any provision as required by any act or Indian Accounting Standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There are no amounts which are required to be transferred to Investor Education and protection fund.
  - iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee,

security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on the audit procedures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v. The parent company has not declared dividend or paid during the year by the company accordingly this clause is not applicable.

Place: Hyderabad

Date: May 26th, 2022

**For C Ramachandram & Co.,**  
Chartered Accountants  
Firm Registration No. 002864S

Sd/-  
**Premnath Degala**  
Partner  
Membership No. 207133  
UDIN: 22207133AJQAVP4757

### Annexure-A to the Auditors' Report

**Annexure referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of the Independent Auditor's Report of even date of M/s XTGlobal Infotech Limited, on the Consolidated Financial Statements for the year ended March 31, 2022.**

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:

- xxi. In our opinion and based on the information provided to us, the reporting requirement under the Companies (Auditor's Report) Order (CARO) is not applicable to the foreign subsidiary.

Place: Hyderabad  
Date: May 26th, 2022

**For C Ramachandram & Co.,**  
Chartered Accountants  
Firm Registration No. 002864S

Sd/-  
**Premnath Degala**  
Partner  
Membership No. 207133  
UDIN: 22207133AJQAVP4757

## Annexure B to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **M/s XTGlobal Infotech Limited** of even date)

### **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 **M/s XTGlobal Infotech Limited** ("the Holding Company") as of March 31, 2022 in conjunction with our audit of the Consolidated Financial Statements of the group for the year ended on that date.

#### **Management's responsibility for internal financial controls**

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

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 in the Consolidated Financial Statements, whether due to fraud or error.

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

#### **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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's

assets that could have a material effect on the Consolidated 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 of 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 and to the best of our information and according to the explanations given to us, the Company have, 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, 2022, 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.

Place: Hyderabad  
Date: May 26th, 2022

**For C Ramachandram & Co.,**  
Chartered Accountants  
Firm Registration No. 002864S

Sd/-  
**Premnath Degala**  
Partner  
Membership No. 207133  
UDIN: 22207133AJQAVP4757

**Consolidated Balance sheet**  
**As at March 31,2022**

Particulars	Note no	₹ in Lakhs	
		As at	
		Mar 31, 2022	Mar 31, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	3	7668.24	1808.49
Capital Work-in-progress		983.50	5899.45
Goodwill		1493.15	1577.36
Intangible Assets	4	1779.63	1024.92
Financial Assets			
Investments	5	3409.21	
Other Financial Assets			
Tax Assets (net)		0.16	26.36
Deferred Tax Assets (net)	6	420.01	426.11
Other Non-current Assets	7	46.60	38.04
<b>Total Non-current Assets</b>		<b>15820.50</b>	<b>10800.73</b>
<b>Current Assets</b>			
Financial Assets			
Investments			
Trade Receivables	8	6264.06	4123.57
Cash and Cash Equivalents	9	1187.44	1046.13
Bank balances other than cash and cash equivalents	10	180.61	257.87
Current Tax Assets (net)			
Other Current Assets	11	1306.22	1111.42
<b>Total Current Assets</b>		<b>8938.33</b>	<b>6538.99</b>
<b>TOTAL ASSETS</b>		<b>24758.83</b>	<b>17339.72</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	12	1329.68	1199.68
Other Equity		11724.12	6471.96
<b>Total Equity</b>		<b>13053.80</b>	<b>7671.64</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	13	4644.16	4494.07
Other Financial Liabilities	14	41.30	54.82
Provisions	15	265.11	149.34
Deferred Tax Liabilities (net)	6		
Other Non-current Liabilities			
<b>Total Non-current Liabilities</b>		<b>4950.57</b>	<b>4698.22</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	16	468.61	473.18
Trade Payables			
Dues of micro enterprises and small enterprises		53.05	
Dues of creditors other than micro enterprises and small enterprises		923.60	928.87
Other Financial Liabilities			
Current Tax Liabilities (net)			

Other Current Liabilities	17	5200.74	3456.82
Provisions	18	108.45	110.98
<b>Total Current Liabilities</b>		<b>6754.45</b>	<b>4969.86</b>
<b>Total Equity and Liabilities</b>		<b>24758.83</b>	<b>17339.72</b>

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

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-

**Premnath Degala**

Partner

Membership Number: 207133

Hyderabad, India

Date: May 26, 2022

For and on behalf of the Board of Directors

**XTGlobal Infotech Limited**

Sd/-

**Ramarao A Mullanpudi**

Managing Director

DIN:02302179

Sd/-

**K Raghuram**

CFO

Hyderabad, India

Date: May 26, 2022

Sd/-

**Sreedevi Vuppuluri**

Whole-time Director

DIN:02448540

Sd/-

**G Shikha**

Company Secretary



## Consolidated Statement Of Changes In Equity

## A. Equity Share Capital

₹ in Lakhs		
Balance as at April 01, 2021	Changes during the year	Balance as at March 31, 2022
<b>1199.68</b>	<b>130.01</b>	<b>1,329.68</b>
Balance as at April 01, 2020	Changes during the year	Balance as at March 31, 2021
<b>126.55</b>	<b>1073.12</b>	<b>1199.68</b>

## B. Other Equity

Particulars	Reserves and surplus				Total
	Securities Premium	Retained Earnings	Exchange difference on translating the financial statements	Other comprehensive income	
Balance as at April 01, 2020	4,602.21	(71.27)	-	-	4,530.94
Transfers during the year	-	2,017.04	(88.34)	12.32	1,941.03
Balance as at March 31, 2021	4,602.21	1,945.77	(88.34)	12.32	6,471.96
Balance as at April 01, 2021	4,602.21	1,945.77	(88.34)	12.32	6,471.96
Transfers during the year	3,146.20	2,022.02	117.67	(33.73)	5,252.16
Balance as at March 31, 2022	7,748.41	3,967.78	29.33	(21.40)	11,724.12

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

As per our report of even date attached

**For C. Ramchandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-

**Premnath Degala**

Partner

Membership Number: 207133

Hyderabad, India

Date: May 26, 2022

For and on behalf of the Board of Directors

**For XTGlobal Infotech Limited**

Sd/-

**Ramarao A Mullanpudi**

Managing Director

DIN:02302179

Sd/-

**K Raghuram**

CFO

Hyderabad, India

Date: May 26, 2022

Sd/-

**Sreedevi Vuppuluri**

Whole-time Director

DIN:02448540

Sd/-

**G Shikha**

Company Secretary

**Consolidated Statement of Profit and Loss**  
**For the year ended March 31,2022**

Particulars	Note no	₹ in Lakhs	
		For the year ended	
		Mar 31, 2022	Mar 31, 2021
Revenue from operations	19	21673.65	18094.37
Other Income	20	(99.80)	85.01
<b>Total Income</b>		<b>21573.84</b>	<b>18179.39</b>
<b>EXPENSES</b>			
Employee benefits expenses	21	17682.66	15460.54
Finance costs	22	218.20	198.29
Depreciation and amortization expense	3	526.53	469.52
Other expenses	23	1147.18	1315.88
<b>Total expenses</b>		<b>19574.57</b>	<b>17444.22</b>
Share of net profit of associates		133.00	0.00
Profit before exceptional items and tax		2132.27	735.17
Exceptional Items		43.96	1407.25
<b>Profit before tax</b>		<b>2176.23</b>	<b>2142.42</b>
Tax expense:			
Current tax		(90.23)	492.44
Deferred tax		244.44	(367.06)
<b>Profit for the year</b>		<b>2022.02</b>	<b>2017.04</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(33.73)	12.32
Income tax relating to items that will not be reclassified to profit or loss			
Items that will be reclassified to profit or loss			
Income tax relating to items that will be reclassified to profit or loss			
<b>Total Other Comprehensive Income</b>		(33.73)	12.32
<b>Total Comprehensive Income for the year</b>		<b>1988.29</b>	<b>2029.36</b>
<b>Earnings per equity share</b>			
Basic		1.61	1.69
Diluted		1.61	1.69

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

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-  
**Premnath Degala**

Partner

Membership Number: 207133

Hyderabad, India

Date: May 26, 2022

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

Sd/-  
**Ramarao A Mullapudi**  
Managing Director  
DIN:02302179

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

Sd/-  
**K Raghuram**  
CFO

Sd/-  
**G Shikha**  
Company Secretary

Hyderabad, India

Date: May 26, 2022

## Consolidated Statement of Cash Flow for the year ended March 31,2022

Particulars	Note no	in Lakhs	
		For the year ended	
		Mar 31, 2022	Mar 31, 2021
<b>Cash Flow from Operating Activities</b>			
Profit before tax		2,176.23	2,142.42
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation and amortization		526.53	469.52
Interest and dividend income		-13.84	-41.76
Exchange differences on translation of assets and liabilities		201.88	-88.34
Provisions		115.77	60.25
Other comprehensive income		-33.73	12.32
Share of net profit of associates		-133.00	-
<b>Other Changes in assets and liabilities</b>			
Trade receivables and unbilled revenue		-2,140.49	19.69
Trade payables		47.78	190.98
Other financial assets and other assets		-203.36	1,446.86
Other financial liabilities, other liabilities and provisions		1,727.86	-1,796.89
Cash generated from operating activities		<b>2,489.84</b>	<b>2529.12</b>
Income taxes paid		-121.91	-564.36
<b>Net cash generated from / (used in) operating activities</b>		<b>2367.93</b>	<b>1964.77</b>
<b>Cash Flow from Investing Activities</b>			
Expenditure on property, plant and equipment		-2,245.05	-2,618.84
Deposits with banks		77.26	-150.00
Interest Received		13.84	41.76
<b>Net cash used in investing activities</b>		<b>-2153.94</b>	<b>-2727.08</b>
<b>Cash Flow from Financing Activities</b>			
Borrowings		1195.60	1,460.04
Repayment of borrowings (net)		-1050.07	-1,363.90
Finance cost paid		-218.20	-198.29
<b>Net cash generated from / (used in) financing activities</b>		<b>-72.67</b>	<b>-102.15</b>
Effect of exchange rate differences on cash and cash equivalents			
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>141.31</b>	<b>-864.46</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>1,046.13</b>	<b>1,910.58</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>1,187.44</b>	<b>1,046.12</b>
Note:			
<b>Cash and Cash equivalents comprises of:</b>			
Balances with Banks		1187.03	1045.93
Cash on Hand		0.41	0.19
<b>Total cash and cash equivalents</b>		<b>1187.44</b>	<b>1046.12</b>

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-

**Premnath Degala**

Partner

Membership Number: 207133

Hyderabad, India

Date: May 26, 2022

For and on behalf of the Board of Directors

**XTGlobal Infotech Limited**

Sd/-

**Ramarao A Mullanpudi**

Managing Director

DIN:02302179

Sd/-

**K Raghuram**

CFO

Hyderabad, India

Date: May 26, 2022

Sd/-

**Sreedevi Vuppuluri**

Whole-time Director

DIN:02448540

Sd/-

**G Shikha**

Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### A. General Information

XTGlobal Infotech Limited was incorporated under the provisions of Companies Act, 1956 as a limited company on July 29, 1986. It has been operating in the spheres of Software product development, training and software services since its inception. The Equity shares of the company are listed in Bombay Stock Exchange Limited (BSE) since 1996. The Company along with XTGlobal Inc and Circulus LLC are together referred to as “the Group”.

### B. Basis of preparation of financial statements

#### B.1. Statement of Compliance

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

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

The financial statements were authorized for issue by the Company’s Board of Directors on 26<sup>th</sup> May 2021.

Details of the accounting policies are included in Note 1.

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

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

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

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

#### B.3 Functional and presentation currency

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

## B.4 Operating Cycle

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

### Assets:

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

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

### Liabilities:

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

### **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 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.

**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) Defined benefit plans and compensated absences**

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

**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 Group periodically, including at end of each financial year.

**B.6. Fair value measurement and valuation process:**

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

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

## 1. Significant accounting Policies

### 1.1 Revenue recognition

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

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

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

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

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

### 1.2 Other Income

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

### 1.3 Foreign currency Transactions.

#### Functional currency

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

#### Transactions and translations

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

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

determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

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

- a) Exchange difference on foreign currency borrowings relating to depreciable capital asset is included in cost of assets.
- b) Exchange difference on foreign currency transactions, on which receipt and/ or payments is not planned, initially recognised in Other Comprehensive Income and reclassified from Equity to profit and loss on repayment of the monetary items.

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

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

##### **4) Current income tax**

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

##### **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.

#### **1.5 Earnings per share**

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



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

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

### 1.6 Property, plant and equipment (PPE)

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

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

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

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

### 1.7 Depreciation

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

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

Particulars	Useful life (in Years)
Buildings	60
Plant and Machinery	13
Furniture & Fixtures	10
Office Equipment – Others	05
Vehicles	08

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

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

### **1.8 Impairment**

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

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

### **1.9 Financial instruments**

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

#### **Cash and cash equivalents**

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

#### **Investments**

Investment in subsidiaries are measured at cost less impairment.

#### **Financial assets at amortized cost**

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

#### **Financial assets at fair value through other comprehensive income**

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

#### **Financial assets at fair value through profit or loss**

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

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

## Derecognition

### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial liabilities

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

### 1.10 Provisions

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

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

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

### 1.12 Employee benefits

#### 1. Provident Fund:

Employees of the Group receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to the provident fund trust managed by the Group or Government administered provident fund. The liability is actuarially determined (using the projected unit credit method) at the end of the year. The contributions are charged to the statement of profit and loss in the year when employee renders the related service. There are no other obligations other than the contribution payable to the respective authorities.

#### 2. Gratuity:

The Group provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

### 3.Compensated Absences:

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

#### 1.13 Investments in Subsidiaries and Associates

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

#### 1.14 Employee Benefits

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

##### A. Gratuity:

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	DBO at the beginning of the period	4,85,014	10,76,387
2	Liability Transfer in*	-	1,70,38,851
3	Interest Expense	32,981	12,26,313
4	Past Service Cost/(credit) – vested benefits	-	-
5	Past Service Cost/(credit) – Non vested benefits	-	-
6	Current Service Cost	4,35,671	68,96,605
7	Curtailment Cost/ (credit)	-	-
8	Settlement Cost/ (credit)	-	-
9	Plan Amendments	-	-
10	Benefit payments	-	-6,85,168
11	Actuarial (gains) loss on Obligation	1,22,721	34,11,491
12	DBO at the end of the period	10,76,387	2,89,64,479

\* Transfer-in is towards the merger of Xenosoft Technologies (India) Pvt Ltd with XTGlobal Infotech Ltd. It is assumed the merger is effective 1.4.2021; hence 31.03.2021 liability of Xenosoft is taken as the transfer-in entry.

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

S.No.	Particulars	31-Mar-21	31-Mar-22
1	Current Liabilities	2,350	20,51,975
2	Non-Current Liabilities	10,74,036	2,69,12,503

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Fair value of plan assets at the beginning of the period	-	-
2	Transfer In/ (Out)	-	72,88,179
3	Charges and Taxes	-	-1,77,355
4	Expected return on plan assets (calculated at discount rate)	-	5,10,296
5	Employer's contributions	-	9,00,000
6	Employee's contributions	-	-
7	Benefit payments	-	-6,85,168
8	Return on plan assets, excluding amount recognized in net interest expense	-	38,713
9	Fair value of plan assets at the end of the period	-	78,74,665

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Fair value of plan assets at the beginning of the period	-	-
2	Acquisition Adjustment	-	72,88,179
3	Charges and Taxes	-	-1,77,355
4	Actual return on plan assets	-	5,49,009
5	Employer's contributions	-	9,00,000
6	Employee's contributions	-	-
7	Benefit payments	-	-6,85,168
8	Fair value of plan assets at the end of the period	-	78,74,665

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Interest Expense – Obligation	32,981	12,26,313
2	Interest Income – Plan Assets	-	3,32,941
3	Net Interest (Income)/ Expense for the year	32,981	8,93,372

**Table 5: Breakup of Service Cost**

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Past Service Cost	-	-
2	Current Service Cost	4,35,671	68,96,605
3	Curtailment Cost/ (Credit) on Plan amendments	-	-
4	Settlement Cost/ (Credit) on Plan amendments	-	-

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Experience (Gain)/ Loss on plan liabilities	1,42,505	-30,77,585
2	Demographic (Gain)/ Loss on plan liabilities	-	-45,87,120
3	Financial (Gain)/ Loss on plan liabilities	-19,784	1,10,76,197
4	Experience (Gain)/ Loss on plan assets	-	-38,713
5	Financial (Gain)/ Loss on plan assets	-	-

**Table 7: Amount recognized in the statement of other comprehensive income - OCI**

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Actuarial (gain)/ loss for the year – Obligation	1,22,721	34,11,491
2	Return on plan assets, excluding amount recognized in net interest expense	-	38,713
3	Re-measurements cost/ (credit) for the year	1,22,721	33,72,778

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Present value of the Obligation as at the end of the period	10,76,387	2,89,64,479
2	Fair Value of the Plan Assets as at the end of the period	-	78,74,665
3	Funded Status - Deficit/ (Surplus)	10,76,387	2,10,89,814
4	Net Asset / (Liability) recognised in the balance sheet	-10,76,387	-2,10,89,814

**Bifurcation of the Net Liability**

S.No.	Particulars	31-Mar-21	31-Mar-22
1	Current Liabilities	2,350	20,51,975
2	Non-Current Liabilities	10,74,036	2,69,12,503

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

S.No.	Particulars	In Rs
1	Current Service Cost	68,96,605
2	Past Service Cost	-
3	Net Interest (Income)/ Expense	8,93,372
4	Curtailment Cost/ (Credit)	-
5	Settlement Cost/ (Credit)	-
6	Net Periodic Benefit cost recognized in P & L	77,89,977

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Present Value of the Obligation as at the beginning of the period	-	8,79,127
2	Acquisition adjustment	-	-
3	Transfer In/ (Out)*	-	36,08,770
4	Interest Expense	-	2,58,444
5	Past Service Cost/(credit) – vested benefits	-	-
6	Past Service Cost/(credit) – Non vested	-	-
7	Current Service Cost	11,56,388	1,74,936
8	Curtailment Cost/ (credit)	-	-
9	Settlement Cost/ (credit)	-	-
10	Benefit payments	-2,77,261	-14,84,651
11	Remeasurement or Actuarial (gains) loss on Obligation arising from:		
12	- change in demographic assumptions	-	4,56,670
13	- change in financial assumptions	-	-45,520
14	experience variance (actual experience Vs assumptions)	-	39,78,683
15	Present Value of the Obligation as at the end of the period	8,79,127	78,26,459

\* Transfer in is towards the merger of Xenosoft Technologies (India) Pvt Ltd with XT Global Infotech Ltd. It is assumed the merger is effective 1.4.2021; hence the 31.3.2021 liability of Xenosoft Technologies is taken as a transfer-in entry.

**Table 2: Bifurcation of the present value of obligation at the end of the year**

S.No.	Particulars	31-Mar-21	31-Mar-22
1	Current Liabilities	33,086	9,10,740
2	Non-Current Liabilities	8,46,040	69,15,719

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Fair value of plan assets at the beginning of the period	-	-
2	Acquisition Adjustment	-	-
3	Interest income on plan assets (calculated at discount rate)	-	-
4	Employer's contributions	2,77,261	14,84,651
5	Employee's contributions	-	-
6	Benefit payments	-2,77,261	-14,84,651
7	Return on plan assets, excluding amount recognized in net interest expense	-	-
8	Fair value of plan assets at the end of the period	-	-

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Present value of the Obligation	8,79,127	78,26,459
2	Fair Value of the Plan Assets as at the end of the period	-	-
3	Funded Status - Deficit/ (Surplus)	8,79,127	78,26,459
4	Net Asset / (Liability) recognised	-8,79,127	-78,26,459

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Current Service Cost	11,56,388	1,74,936
2	Acquisition (Gain)/ Loss	-	-
3	Past Service Cost	-	-
4	Interest Cost	-	2,58,444
5	Expected Return on Plan Assets	-	-
6	Curtailment (Gain)/ Loss	-	-
7	Settlement (Gain)/ Loss	-	-
8	Transfer In/ (Out)	-	-
9	Remeasurement or Actuarial (Gain)/ Loss recognised in the period	-	43,89,833
10	Expense recognised in the statement of P&L at the end of the period	11,56,388	48,23,213

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

S.No.	Particulars	For the period ending	
		31-Mar-21	31-Mar-22
1	Net Asset/ (liability) recognised at the beginning of the period	-	-8,79,127
2	Company Contribution	2,77,261	14,84,651
3	Benefits paid directly by the company	-	-
4	Expense recognised at the end of the period	-11,56,388	-48,23,213
5	Mortality Charges and taxes	-	-
6	Impact of Transfer (In)/ Out	-	-36,08,770
7	Net Asset/ (liability) recognised at the end of the period	-8,79,127	-78,26,459

**4. Notes to Consolidated financial statements for the year ended March 31, 2022**

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

**4.1 Disclosure of related parties/related party transactions pursuant to IND AS24 "Related Party Disclosures"****Names of the related parties and nature of relationship:**

Name of the related party	Nature of relationship
Key-management personnel (KMP)	
Mr. Ramarao Atchuta Mullapudi	Chairman and Managing Director
Ms. Sreedevi Vuppuluri	Whole-time Director
Mr. Narasimha Raju Kalidindi	Independent Director
Mr. Jagannatha Prasad Malireddy	Non-Executive Director
Mr. Saibaba Karuturi	Independent Director
Mr. Srinivasa Raju Kosuri	Non-Executive Director
Mr. Srinivasa Pendyala	Additional Director
Mr. Raghuram Kusuluri	Chief Financial Officer
Ms. Shikha Gangrade	Company Secretary
Relative of Key Management Personnel	
Ms. Harika Vardhani Mullapudi	Relative of Managing Director

**Transactions with related parties during the year ended March 31, 2022**

Nature of transaction	Key-management personnel	Entities jointly controlled/ controlled by KMP	Rs. In Lakhs	
			Balance as on March 31, 2022	Balance as on March 31, 2021
Remuneration to				
- Mr. Raghuram Kusuluri	21.28	-	-	-
- Ms. Shikha Gangrade	8.95	-	-	-
- Mr. Ravindra Venkata D	25.63	-	-	-
- Ms. Vuppuluri Sreedevi	11.43	-	-	-
- Ms. Harika Vardhini Mullapudi	94.95	-	-	-
- Mr. Ramarao Atchuta Mullapudi	345.33	-	-	-
Interest on loan taken from Ramarao Atchuta Mullapudi	52.37	-	37.59	-
Unsecured loan from Ramarao Atchuta Mullapudi	-	-	758.10	-
Sitting fee to				
Mr. Srinivas Pendyala	0.20	-	-	-
Mr. Narasimha Raju Kalidindi	1.50	-	-	-
Mr. Venkata Madhusudhana Rao Paladugu	0.80	-	-	-
Mr. Jagannatha Prasad Malireddy	0.80	-	-	-
Mr. Saibaba Karuturi	1.30	-	-	-

**4.2** In the opinion of the Board of Directors of the company the value on realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the amount at which they have been stated in the Balance Sheet as on March 31, 2022.

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



**4.4 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:**

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. The amount of dues payable to micro, small and medium enterprises are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the financial year	53.05	-
The amount of interest paid by the buyer under the Act along with the amounts of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23.	-	-

**4.5 Earnings per share (EPS)**

The computation of Earnings per share is set out below:

	Year ended March 31, 2022	Year ended March 31, 2021
Earnings: (₹)		
Net Profit for the year	19,88,29,702	20,29,36,285
Shares:		
Number of shares at the beginning of the year	11,99,67,627	11,99,67,627
Add: No. of equity shares issued	1,30,00,828	-
Total number of equity shares outstanding at the end of the year	13,29,68,455	11,99,67,627
Weighted average number of equity shares outstanding during the year	12,32,80,167	11,99,67,627
Basic and Diluted Earnings per share - Par value of ₹10 (₹)	1.61	1.69

**4.6 Capital Work-in-Progress ageing**

Particulars	Amount in Capital Work in Progress for a period of			Rs. In Lakhs	
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Ageing for capital work-in-progress as at March 31, 2022 is as follows:					
<b>Project in progress</b>	248.67	-	-	-	248.67
Ageing for capital work-in-progress as at March 31, 2021 is as follows:					
<b>Project in progress</b>	1,498.50	1,401.40	1,575.56	965.63	5,441.10

**4.7 Intangible assets under development ageing**

Particulars	Amount in Capital Work in Progress for a period of			Rs. In Lakhs	
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Ageing for intangible assets under development as at March 31, 2022 is as follows:					
<b>Project in progress</b>	254.89	443.26	36.68	-	734.83
Ageing for intangible assets under development as at March 31, 2021 is as follows:					
<b>Project in progress</b>	423.32	35.03	-	-	458.35

#### 4.8 Corporate Social Responsibility (CSR):

Company has crossed the threshold limit of a net profit of Rs. Five crores during the preceding financial year (FY 2021-22) under Section 135 of the Companies Act. According to which, the provisions of Corporate Social Responsibility will apply for XTGlobal and the Board has constituted a Corporate Social Responsibility Committee as below-

1. Mr. Venkata Appala Narasimha Raju Kalidindi – Chairperson
2. Mr. Jagannatha Prasad Malireddy – Member
3. Mrs. Vuppuluri Sreedevi – Member

For FY 2020-21, The financials were prepared on standalone basis without considering the effect of amalgamation of Xenosoft with XTGlobal as the application was in process with Hon'ble NCLT Hyderabad bench. Thus, at that point of time the applicability of CSR applicability was not in force for XTGlobal

#### 4.9 Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022 as below:

##### Ind AS 103 - Business Combination

The amendments specifies that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework), issued by the ICAI at the acquisition date. The group does not expect the amendment to have any significant impact in its financial statements.

##### Ind AS 16 - Property, Plant and Equipment (PPE)

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing while preparing the asset for its intended use (if any), shall not be recognise in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item PPE. The group has evaluated the amendment and there is no impact in recognition of its property, plant and equipment.

##### Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the group does not expect the amendment to have any impact in its financial statements.

##### Ind AS 109 - Financial Instruments

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability or to consider as modification of existing financial liability. The group does not expect the amendment to have any significant impact in its financial statements.

#### 4.10 Financial Instruments

##### A) Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the Group. The Group is not subject to any externally imposed capital requirements. The Group’s management reviews the capital structure of the Group on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

**B) Financial risk management objectives**

The Group's corporate finance function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (includes interest rate risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks through continuous monitoring on day to day basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**C) Market Risk****Interest rate risk management:**

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

**Foreign currency exchange rate risk:**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities. Considering the country and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in that country. The risks primarily relate to fluctuations in US Dollar against the functional currencies of the Group. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in line with its risk management policies. There are no outstanding derivative instruments at the end of the current financial year.

**D) Liquidity risk management**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Group maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis. The Group regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest-bearing short-term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

**4.11 Other Statutory Information**

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Group does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

**4.12** In preparation of the financial statements, the Group has considered the business environment arising out of the COVID-19 outbreak and more severe outbreak of the second wave in recent months. The Group is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of the unprecedented situation.

**4.13** The Code on Social Security, 2020 (“Code”) relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**4.14** Amount has been rounded off to nearest lakh and previous year have been rearranged, regrouped and recast wherever necessary. Figure 0.00 represent amount below Rs 500/- rounded off.

**NOTES Forming Part of The Consolidated Financial Statements for the year ended March 31, 2022****Note 3 : Property, Plant and Equipment**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2022

Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold land	Freehold buildings	Right of use assets	Other assets	Foreign assets	Total
Gross carrying value as at April 01, 2021	607.48	136.33	212.44	169.95	1,202.00	72.79	223.76	424.42	3049.17
Additions	122.56	36.22	84.50	84.14	5,483.31	-	273.83	21.20	6105.76
Deletions	-	-	-	-	-	-	-	-	0.00
Gross carrying value as at March 31, 2022	730.04	172.55	296.94	254.10	6,685.31	72.79	497.59	445.61	9154.92
Accumulated depreciation as at April 01, 2021	481.53	35.63	63.06	62.41	74.05	29.14	72.51	422.34	1240.68
Depreciation	80.17	7.72	17.57	8.07	81.04	14.52	36.92	-	246.00
Accumulated depreciation on deletions	-	-	-	-	-	-	-	-	0.00
Accumulated depreciation as at March 31, 2022	561.71	43.35	80.63	70.48	155.09	43.66	109.43	422.34	1486.68
<b>Carrying value as at April 01, 2021</b>	<b>125.95</b>	<b>100.70</b>	<b>149.38</b>	<b>107.54</b>	<b>1,127.95</b>	<b>43.65</b>	<b>151.25</b>	<b>2.07</b>	<b>1808.49</b>
<b>Carrying value as at March 31, 2022</b>	<b>168.34</b>	<b>129.20</b>	<b>216.31</b>	<b>183.62</b>	<b>6,530.22</b>	<b>29.13</b>	<b>388.16</b>	<b>23.27</b>	<b>7668.24</b>

Note:

- Buildings with carrying amount of Rs.6530.22 lakhs are subject to *pari passu first* charge on the company's term loans.
- The title deeds of all immovable properties are held in the name of the Company. The Company has not revalued its Property, plant and equipment.
- Vehicles with carrying amount of Rs.8.57 lakhs are hypothecated to respective bank against vehicle loan.

**Note 4 : Intangible Assets**

The changes in the carrying value of acquired intangible assets for the year ended March 31, 2022:

Particulars	₹ in Lakhs		
	Computer Software	Others	Total
Gross carrying value as at April 01, 2021	2334.24	0.00	2334.24
Additions	1110.53	0.00	1110.53
Deletions	0.00	0.00	0.00
Gross carrying value as at March 31, 2022	3444.78	0.00	3444.78
Accumulated amortization as at April 01, 2021	1309.33	0.00	1309.33
Amortization expense	335.82	0.00	335.82
Accumulated amortization on deletions	0.00	0.00	0.00
Accumulated amortization as at March 31, 2022	1645.15	0.00	1645.15
<b>Carrying value as at April 01, 2021</b>	<b>1024.92</b>	<b>0.00</b>	<b>1024.92</b>
<b>Carrying value as at March 31, 2022</b>	<b>1799.63</b>	<b>0.00</b>	<b>1799.63</b>

**Note 5 : Investments**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Equity instruments of subsidiaries	3409.21	0.00
	<b>3409.21</b>	<b>0.00</b>

Note: During the year company has made preferential allotment of 1,20,00,764 equity shares and 10,00,064 equity shares to Mr. Srinivasa Raju Kosuri and Mr. Sagi Jagadesh Chandra Varma respectively in connection with acquisition of stake M/s Network Objects Inc

**Note 6 : Deferred Tax Assets (net) / Deferred Tax Liabilities (net)**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Deferred tax assets	66.18	314.19
MAT Credit Entitlement	353.83	111.92
Deferred tax assets (net)	<b>420.01</b>	<b>426.11</b>

**Movement in deferred tax assets for the year 2021-22:**

Particulars	Opening Balance	Recognised/(Reversed) through Profit and loss account	Closing Balance
Property, Plant and Equipment	193.57	-155.18	38.39
Carry forward unabsorbed depreciation and business losses	120.62	-92.83	27.79
MAT Credit Entitlement	111.92	241.91	353.83
Total Deferred tax liability (Net)	426.11	-6.1	420.01

**Note 7 : Other Non-Current Assets**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Security deposits	46.60	38.04
	<b>46.60</b>	<b>38.04</b>

**Note 8 : Trade Receivables : Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Trade receivables - Unsecured		
Considered good	6,264.06	4,123.57
Considered doubtful	-	-
	<b>6,264.06</b>	<b>4,123.57</b>

**Ageing for Trade Receivables as at 31st March, 2022 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade Receivables - Billed							
i) Undisputed Trade receivables - considered good	1,438.36	2,739.88	0.02	1.82	81.92	52.16	4,314.16
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>1,438.36</b>	<b>2,739.88</b>	<b>0.02</b>	<b>1.82</b>	<b>81.92</b>	<b>52.16</b>	<b>4,314.16</b>
<b>Trade Receivables – Unbilled</b>							<b>1,949.90</b>
<b>Total Trade Receivables</b>	<b>1,438.36</b>	<b>2,739.88</b>	<b>0.02</b>	<b>1.82</b>	<b>81.92</b>	<b>52.16</b>	<b>6,264.06</b>

**Ageing for Trade Receivables as at 31st March, 2021 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)						
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Trade Receivables - Billed							
i) Undisputed Trade receivables - considered good	1,453.30	1,174.91	41.95	77.58	36.34	-	2,784.07
ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>1,453.30</b>	<b>1,174.91</b>	<b>41.95</b>	<b>77.58</b>	<b>36.34</b>	<b>-</b>	<b>2,784.07</b>
<b>Trade Receivables – Unbilled</b>							<b>1,339.50</b>
<b>Total Trade Receivables</b>	<b>1,453.30</b>	<b>1,174.91</b>	<b>41.95</b>	<b>77.58</b>	<b>36.34</b>	<b>-</b>	<b>4,123.57</b>

**Note 9 : Cash and Cash Equivalents**

Particulars	₹ in Lakhs	
	As at Mar 31, 2022	As at Mar 31, 2021
Balances with banks	1187.03	1045.93
Cash on hand	0.41	0.19
Margin money and security deposits with banks	-	-
Bank deposits – current	-	-
	<b>1187.44</b>	<b>1046.13</b>

**Note 10 : Bank Balances Other than Cash and Cash Equivalents**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Margin money and security deposits with banks	107.87	107.87
Earmarked balances with banks	-	-
Other bank balances	72.74	150.00
	<b>180.61</b>	<b>257.87</b>

**Note 11 : Other Current Assets**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Capital advances:		
Advance to vendors	298.31	200.70
Advances other than capital advances:		
Advance to vendors	13.55	4.23
Advance to employees	556.97	400.62
Security deposits	-	-
Loans to related parties	-	-
Prepaid expenses	203.18	240.59
Withholding taxes and others	84.28	118.30
Advance income tax	137.89	146.98
Others	12.05	-
	<b>1306.22</b>	<b>1111.42</b>

**Note 12 : Equity Share Capital**

Particulars	₹ in Lakhs, Except as otherwise stated	
	As at	
	Mar 31, 2022	Mar 31, 2021
<b>Authorized</b>		
Equity shares of ₹1 each		
March 31, 2022: 25,00,00,000 equity shares of ₹1 each	2500.00	-
March 31, 2021: 18,00,00,000 equity shares of ₹1 each	-	1800.00
<b>Issued, Subscribed and Fully paid up</b>		
Equity shares of ₹1 each		
March 31, 2022: 132,968,455 equity shares of 1 each	1329.68	-
March 31, 2021: 119,967,627 equity shares of 1 each	-	1199.68

**Reconciliation of the number of shares outstanding**

Particulars	Number of shares	
	As at	
	Mar 31, 2022	Mar 31, 2021
Shares outstanding at the beginning of the year	11,99,67,627	11,99,67,627
Shares issued during the year	1,30,00,828	-
Shares outstanding at the end of the year	13,29,68,455	11,99,67,627



**Details of shareholder holding more than 5% of aggregate shares**

Name of the shareholder % of share holding	As at	
	Mar 31, 2022	Mar 31, 2021
Ramarao Atchuta Mullapudi	7,83,36,049	7,83,36,049
% of share holding	58.91	65.30
Srinivasa Raju Kosuri	1,20,00,764	-
% of share holding	9.03	-

**Details of shares held by the promoters in the Company and change during the year:**

Name of the shareholder	As at 31st March, 2022			As at 31st March, 2021		
	No. of shares of Rs. 1 each	% of total shares	% change during the year	No. of shares of Rs. 1 each	% of total shares	change during the year
Ramarao Atchuta Mullapudi	7,83,36,049	58.91%	-6.38%	7,83,36,049	65.30%	1.33%
Harika Vardhani Mullapudi	43,96,329	3.31%	-0.36%	43,96,329	3.66%	-
Subba Rao Vuppuluri	2,05,818	0.15%	-0.02%	2,05,818	0.17%	-
Sriramarudraprasad Vuppuluri	3,36,790	0.25%	-0.03%	3,36,790	0.28%	-
Jayalakshmi Vuppuluri	2,05,818	0.15%	-0.02%	2,05,818	0.17%	-

**Note 13 : Borrowings : Non Current**

Particulars	As at	
	Mar 31, 2022	Mar 31, 2021
Secured borrowings:		
Term loans from banks	2673.10	2611.67
Unsecured borrowings:		
Loans from related parties	1971.06	1882.40
Loans from others	-	-
Long term maturities of finance lease obligations	-	-
	<b>4644.16</b>	<b>4494.07</b>

Note: Term loan from banks is secured by first *pari passu* charge on the immovable properties located at Madhurawada, Visakhapatnam and Financial District, Hyderabad owned by or belonging to the Company and are guaranteed by Mr. Ramarao Mullapudi, Managing director.

**Note 14 : Other Financial Liabilities : Non Current**

Particulars	As at	
	Mar 31, 2022	Mar 31, 2021
Lease liability (More than 5 years)	41.30	54.82
Employee benefit obligation - Gratuity liability	-	-
	<b>41.30</b>	<b>54.82</b>

**Note 15 : Provisions : Non Current**

Particulars	As at	
	Mar 31, 2022	Mar 31, 2021
Provision for employee benefits		
Gratuity	195.96	104.79
Leave encashment	69.16	44.55
	<b>265.11</b>	<b>149.34</b>

**Note 16 : Borrowings : Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
<b>Secured borrowings:</b>		
Current maturities of Long Term Borrowings	468.81	473.18
	<b>468.81</b>	<b>473.18</b>

**Ageing for Trade Payables as at 31st March, 2022 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	14.71	38.34	-	-	-	53.05
ii) Others	722.00	151.34	16.89	25.96	7.42	923.60
iii) Disputed dues – MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>736.71</b>	<b>189.68</b>	<b>16.89</b>	<b>25.96</b>	<b>7.42</b>	<b>976.66</b>

**Ageing for Trade Payables as at 31st March, 2021 is as follows:**

Particulars	Outstanding for following periods from due date of payment (Rs. In Lakhs)					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	-	-	-	-	-
ii) Others	664.06	229.30	24.79	-	10.73	928.87
iii) Disputed dues – MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total Trade Payables</b>	<b>664.06</b>	<b>229.30</b>	<b>24.79</b>	<b>-</b>	<b>10.73</b>	<b>928.87</b>

**Note 17 : Other Current Liabilities**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Advances received from customers	1,301.42	(31.83)
Statutory payables	28.31	42.56
Payroll payables	3,253.65	3,023.96
Other payables	617.35	422.13
Employee benefit obligation - Gratuity liability	-	-
	<b>5200.74</b>	<b>3,456.82</b>

**Note 18 : Provisions : Current**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Provision for employee benefits		
Gratuity	14.94	3.48
Compensated absences and long service awards	-	-
Leave encashment	9.11	0.33
Provision for Income tax	19.04	-
Provision for other expenses	65.36	107.18
	<b>108.45</b>	<b>110.98</b>

**Note 19 : Revenue From Operations**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Revenue from sale of services	21,673.65	18,094.37
	<b>21,673.65</b>	<b>18,094.37</b>

**Note 20 : Other Income**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Interest income	13.84	41.76
Net foreign exchange gain / (loss)	(116.84)	29.93
Other income	3.19	13.33
	<b>(99.80)</b>	<b>85.01</b>

**Note 21 : Employee Benefits Expenses**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Salaries, incentives and allowances	17,447.38	15,335.72
Defined contribution plans (Contribution to provident fund and other funds)	81.17	74.74
Defined benefit plans (Gratuity and other benefits)	126.74	47.19
Staff welfare expenses	27.38	2.89
	<b>17,682.66</b>	<b>15,460.54</b>

**Note 22 : Finance Costs**

Particulars	₹ in Lakhs	
	As at	
	Mar 31, 2022	Mar 31, 2021
Interest	218.20	198.29
	<b>218.20</b>	<b>198.29</b>

**Note 23 : Other Expenses**

Particulars	As at		₹ in Lakhs
	Mar 31, 2022	Mar 31, 2021	
Rent	68.61	103.88	
Rates and taxes	44.27	32.88	
Power and fuel	38.09	23.73	
Communication expenses	51.39	48.59	
Software and licences	374.55	416.43	
Legal and professional fee	296.43	412.81	
Repairs and maintenance	6.20	6.39	
Consumables	18.62	19.60	
Insurance	24.65	20.02	
Advertisement and promo expenses	28.78	60.46	
Recruitment and training	36.10	22.74	
Travel	63.62	41.99	
General office expenses	38.65	38.23	
Auditor's remuneration			
Statutory audit fee	13.12	14.58	
Tax matters	-	18.77	
Group law matters	-	-	
Other services	31.64	14.24	
Others	12.47	20.53	
	<b>1,147.18</b>	<b>1,315.88</b>	

As per our report of even date attached

**For C. Ramachandram & Co**

Chartered Accountants

Firm's Registration No.: 002864S

Sd/-

**Premnath Degala**

Partner

Membership Number: 207133

Hyderabad, India

Date: May 26, 2022

For and on behalf of the Board of Directors

**XTGlobal Infotech Limited**

Sd/-

**Ramarao A Mullapudi**

Managing Director

DIN:02302179

Sd/-

**K Raghuram**

CFO

Hyderabad, India

Date: May 26, 2022

Sd/-

**Sreedevi Vuppuluri**

Whole-time Director

DIN:02448540

Sd/-

**G Shikha**

Group Secretary

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



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