

# XPRO INDIA LIMITED



Birla Building (2nd Floor),  
9/1, R. N. Mukherjee Road,  
Kolkata - 700 001, India

Tel : +91-33-30573700/30410900  
e-mail : xprocal@xproindia.com

September 6, 2017

National Stock Exchange of India Ltd.  
"Exchange Plaza",  
Bandra-Kurla Complex, Bandra (E),  
Mumbai 400 051

**Stock Symbol XPROINDIA(EQ)**

The Dy. General Manager  
Bombay Stock Exchange Limited  
Corporate Relationship Department  
1<sup>st</sup> Floor, New Trading Ring  
Rotunda Building, P J Towers  
Dalal Street, Fort  
Mumbai 400 001

**Stock Code No. 590013**

Dear Sir,

**Sub: Annual Report for the year 2016-17**

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the year 2016-17.

Thanking you,

Yours faithfully,  
For XPRO INDIA LTD

**S. C. JAIN**  
Company Secretary

Encl.: A/a



**XPRO INDIA LIMITED**

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**ANNUAL REPORT 2016/17**

**Board of Directors**

**Sri Sidharth Birla**

*Chairman*

**Smt. Madhushree Birla**

**Sri Amitabha Guha**

**Sri Ashok Kumar Jha**

**Ms Nandini Khaitan**

**Sri P. Murari**

**Sri Utsav Parekh**

**Sri S. Ragothaman**

**Sri C. Bhaskar**

*Managing Director & Chief Executive Officer*

**Company Secretary**

**Sri S.C. Jain**

**Senior Executives**

**Sri H. Bakshi**

*President & Chief Operating Officer*

**Sri V.K. Agarwal**

*Joint President & Chief Financial Officer*

**Sri N. Ravindran**

*Joint President (Marketing)*

**Sri Anil Jain**

*Sr.Vice President, Coex Division*

**Sri Radhey Shyam**

*Executive Vice President, Coex Division (RNJ & GRN)*

**Sri Sunil Mehta**

*Executive Vice President, Biax Division (Pithampur)*

**Sri S K Pal**

*Vice President (Operations), Biax Division Unit II (Barjora)*

**Registered Office**

Barjora-Mejia Road,  
P.O. Ghutgoria, Tehsil : Barjora,  
Distt : Bankura 722 202, West Bengal

*Tel. : +91-3241-257263/4*

*e-mail: cosec@xproindia.com*

*website: www.xproindia.com*

**Corporate Office**

1<sup>st</sup> Flr., 20/3, Main Mathura Road,  
Faridabad 121 006, Haryana

**Biax Division**

Barjora-Mejia Road,  
P.O. Ghutgoria, Tehsil : Barjora,  
Distt : Bankura 722 202, West Bengal

Plot No.78, Sector III,  
Industrial Area, Pithampur,  
Distt : Dhar 454 774, Madhya Pradesh

**Coex Division**

32, Udyog Vihar, Greater Noida,  
Gautam Budh Nagar 201 306, Uttar Pradesh

Plot E-90/1, MIDC Industrial Area,  
Ranjangaon, Distt. Pune 412 220, Maharashtra

**Registrar & Share Transfer Agents**

MCS Share Transfer Agent Limited,  
12/1/5, Manoharpukur Road, Ground Floor,  
Kolkata 700 026

**Auditors**

*Until end of the Annual General Meeting:*

M/s Deloitte Haskins & Sells  
Ahmedabad

*Proposed herein for Approval:*

M/s Walker Chandiok & Co. LLP  
New Delhi

**Company Identification Number**

L25209WB1997PLC085972

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **NOTICE**

#### **TO THE SHAREHOLDERS**

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Xpro India Limited will be held on Tuesday, September 5, 2017 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202 to transact the following business:

1. To consider and adopt the Directors' Report and the audited financial statements of the Company for the financial year ended March 31, 2017 and the Auditors' report thereon.
2. To appoint a Director in place of Smt Madhushree Birla (DIN: 00004224) who retires by rotation and being eligible, offers herself for reappointment.
3. **Appointment of Statutory Auditors:**

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

"RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Walker Chandio & Co. LLP, Chartered Accountants (Firm Registration No.001076N/N500013) be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s Deloitte Haskins and Sells LLP, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company's Financial Year 2017-18 to hold office from the conclusion of the 20th Annual General Meeting of the Company till the conclusion of the 25th Annual General Meeting on such remuneration plus service tax and out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

### **SPECIAL BUSINESS:**

To consider and, if thought fit, to pass with or without modification the following Resolutions:

#### **4. AS A SPECIAL RESOLUTION**

"RESOLVED that pursuant to the Articles of Association of the Company and provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, the Company hereby approves the re-appointment of Sri Sidharth Birla, Chairman in the whole time employment of the Company whose office shall not be liable to retirement by rotation under the Companies Act, 2013 for a period of three years with effect from March 1, 2017 to February 29, 2020 subject generally to the Rules as laid down by the Board, at remuneration by way of salary, commission, perquisites and other allowances as detailed herein below:

- i) Salary, commission (not exceeding 2% of the net profits), perquisites and other benefits/allowances (as per the rules of the Company) as may be decided by the Board of Directors from time to time subject in aggregate to a maximum of 5% of the net profits of the Company calculated in accordance with the provisions of Section 197 of the Companies Act, 2013 or any re-enactment thereof, as may be applicable; or
- ii) Where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Sri Sidharth Birla by way of salary, house rent allowance, special allowance and other benefits/allowances (as per the rules of the Company) as may be approved by the Board of Directors of the Company from time to time as minimum remuneration, within the limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 (as amended) or any re-enactment thereof, as may be applicable; whichever of (i) or (ii) is higher.

RESOLVED FURTHER that Sri Sidharth Birla shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified here-in-above in accordance with

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the provisions of Schedule V to the Companies Act, 2013 (as amended) and any statutory modifications or re-enactment thereof, if the Company has no profits or its profits are inadequate:

- i. contribution to provident fund to the extent it is not taxable under the Income Tax Act, 1961;
- ii. gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii. encashment of un-availed leave at the end of the tenure."

### 5. AS AN ORDINARY RESOLUTION

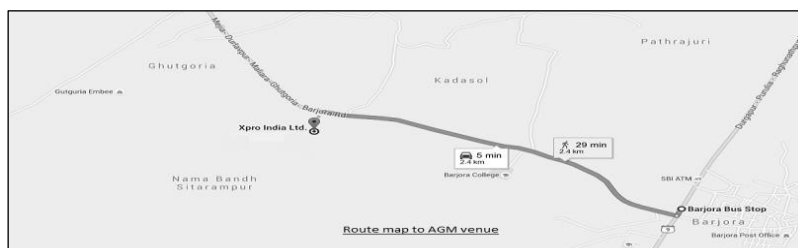
"RESOLVED that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable for the year 2017-18 to M/s Sushil Kumar Mantri & Associates, Cost Accountants (Firm Registration No. 101049) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to Rs.1,00,000/- (Rupees One Lakh) as also the payment of service tax as applicable and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

New Delhi  
May 19, 2017

By Order of the Board

Registered Office :  
Barjora-Mejia Road, P.O. Ghutgoria,  
Tehsil: Barjora, Distt.: Bankura  
West Bengal 722 202  
CIN: L25209WB1997PLC085972

S.C. JAIN  
Company Secretary  
e-mail: cosec@xproindia.com  
Tel.: +91-33-30573700  
website: www.xproindia.com



### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members of the Company will remain closed from August 30, 2017 to September 5, 2017 (both days inclusive).
4. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrar & Share Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026, quoting their folio numbers. **Further, please note that in the case of dematerialized shares any change(s) required in Address, Bank details, Bank Mandate, ECS Mandate, Power of Attorney and also requests for registration of Nomination, Transmission, etc., are to be intimated to your DP and not to the Company or our Registrars.**
5. Members holding shares in the same name(s) but under different Ledger Folios, are requested to apply for consolidation of such folios and send the relevant Share Certificates to the Company's Registrar and Share Transfer Agents at Kolkata as stated in Note No. 4 above for endorsement of the consolidated folio number.

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6. Members are requested to provide their e-mail ID to the Registrars, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026 (mcssta@rediffmail.com), if shares are held in physical form or to their respective Depository Participants if shares are held in Demat form.
7. Electronic copy of Annual Report for the year 2016-17 and Notice of the 20th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies are being sent in the permitted mode.
8. Members may also note that the Notice of the 20th Annual General Meeting and the Annual Report for year 2016-17 will also be available on the Company's website, [www.xproindia.com](http://www.xproindia.com), for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

9. **Voting through electronic means**

- I. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is pleased to provide members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the 20th Annual General Meeting (AGM) by remote e-voting. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The instructions for e-voting are as under:

- a) Log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- b) Click on "Shareholders" tab.
- c) Now Enter your User ID:
  - (i) a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (ii) Next enter the Image Verification as displayed and Click on Login.
- d) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- e) If you are a first time user, please follow the steps given below. Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat / Physical Form

PAN*	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department <b>(Applicable for both demat shareholders as well as physical shareholders)</b> * Members who have not updated their PAN with the Company/Depository Participant are requested to enter, in the PAN field, the first two letters of their name and the 8 digits of the Sequence Number, printed on the address label.  In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For Example, If your name is <i>Ramesh Kumar</i> with sequence number 1 then enter <i>RA00000001</i> in the PAN field.
DOB	Enter the Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records for the said demat account or folio.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. In case both the details are not recorded with the depository or company, please re-enter the User ID as mentioned in c(i) above in the Dividend Bank Details field.

- f) After entering these details appropriately, click on "SUBMIT" tab.
- g) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- h) For Members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.
  - i) Click on the EVSN against the Company's name for which you choose to vote i.e. XPRO INDIA LIMITED.
  - j) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - k) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
  - l) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "cancel" and accordingly modify your vote.
  - m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - n) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - o) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
  - p) Note for Non-Individual Shareholders and Custodians
    - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
    - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).  
You can also contact the helpdesk on the toll free number: 1800-200-5533.
- III. **The e-voting period commences on September 2, 2017 (9 a.m.) and ends on September 4, 2017 (5 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 30, 2017, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means. The facility for voting through ballot/polling paper shall also be made available at the venue of the 20th AGM and the members attending the same will be able to exercise their voting rights accordingly, provided they have not already voted through remote e-voting. Such members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of August 30, 2017.
- V. Sri K. C. Khowala, Practising Company Secretary (Membership No. ACS 4695 & CP No.2421) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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- VI. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, or a person duly authorised, who shall countersign the same and thereafter, the Chairman or the person so authorised, shall declare the results of the voting forthwith. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to the NSE immediately.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.
11. Members are hereby informed that the Company would transfer unpaid/unclaimed dividends, which remains unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 125(1) of the Companies Act, 2013. Details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such IEP Fund of the Central Government are as under:

<b>Financial Year</b>	<b>Date of Declaration</b>	<b>Due date for transfer to IEP Fund</b>
2009-10	July 22, 2010	August 28, 2017
2010-11	August 11, 2011	September 17, 2018
2011-12	July 26, 2012	September 1, 2019
2012-13	July 26, 2013	September 1, 2020

It may be noted that no claim shall lie against the Company in respect of individual amounts which were unclaimed and unpaid for a period of 7 years and transferred to the Fund on respective due dates indicated hereinabove. Members are advised to claim/encash dividend warrants before due dates for transfer of unclaimed dividend to the IEP Fund. However, unclaimed amount once transferred to IEP Fund after due date, can be claimed by members from the Authority constituted by the Central Government under section 125 of the Companies Act, 2013 in this behalf.

### **12. EXPLANATORY STATEMENT (Pursuant to Section 102(1) of the Companies Act, 2013/SEBI Regulations)**

#### **Item No. 2**

In terms of Section 149, 152 and other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, Independent Directors shall not be included in the total number of directors of the Company. Smt. Madhushree Birla shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Smt. Madhushree Birla, aged about 61 years, graduate from University of Ahmedabad, was first appointed on the Board of the Company in the year 2004. She has served as Director and Advisor of various Corporate Bodies at different times. She is presently Executive Director of iPro Capital Limited, renders professional advisory services and is also engaged in social work.

Smt. Birla is presently Director on the Boards of Alpha Capital Resources Pte. Ltd., Singapore, Intellipro Finance Pvt. Ltd., iPro Capital Ltd., and Market Café Foods Ltd. She chairs the Corporate Social Responsibility ("CSR") Committee of the Company.

Smt. Madhushree Birla holds 125 (neg.%) Equity Shares of the Company.

Except Smt. Madhushree Birla, being an appointee, and Sri Sidharth Birla who are related to each other, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution.



**Item No. 3**

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s Deloitte Haskins and Sells LLP, Chartered Accountants, the present Auditors of the Company complete their term as Auditors on the conclusion of the 20th Annual General Meeting of the Company.

In view of the above, Members will please note that as proposed by the Audit Committee and recommended by the Board of Directors of the Company, the appointment of M/s Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No.001076N/N500013) is being proposed as the Statutory Auditors of the Company as required under Section 139 of the Companies Act, 2013, to hold office for a period of 5 (Five) consecutive years from the conclusion of the 20th Annual General Meeting of the Company till the conclusion of the 25th Annual General Meeting.

The Board commends the Resolution at Item No.3 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.3 of the Notice.

**Item No. 4**

Sri Sidharth Birla was appointed as a Whole-time Director of the Company designated as Chairman since March 1, 2000. Sri Birla's term as Whole-time Director expired on February 28, 2017. The Remuneration & Nomination Committee as well as the Board of Directors at their meetings held on February 8, 2017 have unanimously approved the re-appointment of Sri Sidharth Birla in the whole time employment of the Company for a period of three years with effect from March 1, 2017 upto February 29, 2020 on the payment of remuneration as proposed in the resolution, subject to the approval of the members of the Company in General Meeting.

During Sri Sidharth Birla's long association with the Company as the Chairman, he has contributed greatly in the Company achieving its present position and particularly on matters relating to corporate governance, communicating with stakeholders, holding of high level reviews of strategy/plans and on matters relating to expansion, development and diversification of the Company's businesses.

Except, Sri Sidharth Birla, being an appointee, and Smt. Madhushree Birla, who are related, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

In accordance with the requirements of Schedule V to the Companies Act, 2013 a statement providing the required information for the re-appointment and payment of remuneration to Sri Sidharth Birla is given hereunder:

**I. General Information:**

- |  |  |
|--|--|
| 1 Nature of Industry   | Polymer Business (diversified)   |
| 2 Date or Expected date of commencement of commercial production   | The company has Manufacturing units at different locations where commercial production first commenced as per details below:<br>a) Barjora, West Bengal - 1991<br>b) Barjora Unit II, West Bengal - 2014<br>c) Pithampur, Madhya Pradesh - 2003<br>d) Greater Noida, Uttar Pradesh - 2003<br>e) Ranjangaon, Maharashtra – 2008 |
| 3 In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus | Not Applicable   |

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- 4 Financial performance based on given indicators      The net profit after tax, net sales and foreign exchange earned through exports (FOB Value) / deemed exports for last three years were as follows:

(in Rs. Crores)

<u>Year</u>	<u>Net Profits</u>	<u>Revenue</u>	<u>Exports</u>
2014-15	(13.91)	257.98	4.09
2015-16	(35.16)	274.27	4.11
2016-17	(12.15)	311.36	8.53

- 5 Foreign Investments or Collaborations, if any      Nil

### **II. Information about appointee:**

- 1 Background details      Sri Sidharth Birla an Industrialist aged about 60 years with experience in industry and business of over 39 years, is a Science Honors Graduate and holds a Master's Degree in Business Administration from IMEDE (now called IMD), Lausanne, Switzerland. He has also attended various management programs at the Harvard Business School, Boston, USA, including the Owner/President Management Program, Making Corporate Boards More Effective, etc.
- 2 Past remuneration      For the year 2016-17:  
Salary : Rs. 70.50 lacs  
Other Perquisites (incl. LTA/medical reimbursement): Rs. 5.65 lacs  
Contribution to PF & Superannuation: Rs. 9.06 lacs  
Encashment of unavailed leave at end of tenure: Rs.10.00 lacs
- 3 Recognition or Awards      - Past President of Federation of Indian Chambers of Commerce and Industry (FICCI).  
- Member, Board of Governors, Birla Institute of Technology & Science, Pilani  
- Member of the 19<sup>th</sup>, 21<sup>st</sup> and 22<sup>nd</sup> Council(s) of the Institute of Chartered Accountants of India (Nominee of Central Government).  
- Member, Executive Committee, Indian Chamber of Commerce, Kolkata
- 4 Job Profile and its Suitability      He has been appointed in a wholetime capacity to provide inputs on matters relating to corporate governance, communicating with stakeholders, holding of high level reviews of strategy/plans, besides his valuable advice and guidance to the senior management in setting the Company's strategic direction in a dynamic, economic environment including providing necessary assistance and suggestions in matters relating to expansion, development and diversification of the Company's businesses. He has been associated with the businesses of the Company since 1984. Considering his background, he is eminently suitable to hold the position of Chairman in the Company.
- 5 Remuneration proposed      As per details contained in the Notice for the Annual General Meeting.
- 6 Comparative remuneration with respect to Industry Standards      The proposed remuneration is in line with remuneration payable to the Directorial personnel holding similar stature/position in the Industry.

- |                              |  |
|------------------------------|--|
| 7 Any Pecuniary Relationship | Besides remuneration, Sri Sidharth Birla is promoter director of the Company where he and his family members directly hold 1.75% of the Equity Shares of the Company, and also have interest in promoter group companies holding 48.29% of the Equity Shares of the Company. |
|------------------------------|--|

**III. Other Information:**

- |   |  |
|---|--|
| 1 Reasons for loss or inadequate profit                             | The Company has been consistently earning profits since inception, barring the last few years, and has a strong net worth and effective capital. The loss incurred has been essentially due to generally depressed market conditions in India and globally, production cuts at major OEM customers, the depreciation in the rupee impacting input costs and price pressure in a depressed and competitive market. The prevailing conditions are seen as transient and with stabilization in markets together with completion of significant investments profitability is expected to be restored to adequate levels. Your approval is sought by special resolution as stipulated under Part II Section II Para (A) of Schedule V to the Companies Act, 2013. |
| 2 Steps taken/ proposed to be taken for improvement                 |  |
| 3 Expected Increase in productivity and profits in measurable terms |  |

**IV. Disclosures:**

The Remuneration details are given in the proposed resolution and Corporate Governance Report.

**Item No. 5**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Sushil Kumar Mantri & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

The Board of Directors recommends the Resolution for approval by the Members.

New Delhi  
May 19, 2017  
Registered Office :  
Barjora-Mejia Road, P.O. Ghutgoria,  
Tehsil: Barjora, Distt.: Bankura  
West Bengal 722 202  
CIN: L25209WB1997PLC085972

By Order of the Board  
  
S.C. JAIN  
Company Secretary  
e-mail: cosec@xproindia.com  
Tel.: +91-33-30573700  
website: www.xproindia.com

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

We present herewith our Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2017

### **FINANCIAL RESULTS**

	<b><u>FY 2017</u></b>	<b><u>(Rs. Lacs)</u></b> <b><u>FY 2016</u></b>
<b>Revenue (gross) from</b>		
- Units in operation	<b>338,01.18</b>	261,80.91
- Unit at Faridabad ( <i>closed on Nov.23, 2016</i> )	<b>10,86.80</b>	46,17.14
	<b>348,87.98</b>	307,98.05
<b>Resulted in a Profit/(Loss) before Depreciation and Tax from</b>		
- Units in operation	<b>10,59.78</b>	(478.20)
- Unit at Faridabad ( <i>closed on Nov.23, 2016</i> )	<b>(5,76.77)</b>	(82.88)
	<b>4,83.01</b>	( 5,61.08 )
Less:		
- Depreciation	<b>16,96.17</b>	17,79.77
<b>Profit / (Loss) Before Tax</b>	<b>( 12,13.16 )</b>	( 23,40.85 )
less : Provisions for		
- Income Tax	<b>1.85</b>	2.99
- Deferred Tax Asset ( <i>written off</i> )	<b>-</b>	10,10.00
<b>Profit / (Loss) After Tax</b>	<b>( 12,15.01 )</b>	( 33,53.84 )
add : Surplus brought forward	<b>( 2,02.38 )</b>	33,13.44
add : Extraordinary items	<b>-</b>	( 1,61.98 )
Balance available for appropriation	<b>( 14,17.39 )</b>	( 2,02.38 )
Which is appropriated as :		
- Surplus carried forward	<b>( 14,17.39 )</b>	( 2,02.38 )

The above tabulation also represents an analytical summary. Various steps to rationalize operations including by discontinuing units which are likely to remain unviable reflect the resolve of the Company towards upgrading its sustained long-term profitability.

The Directors regrettably are unable to recommend any Dividend.

### **REVIEW OF KEY BUSINESS MATTERS**

The business environment remained challenging through much of the year. Recovery in developed economies remained weak and uncertain. A moderate global recovery is expected in 2017. In this scenario the Indian economy is one of the fastest growing in the world with even better prospects this year based on a predicted good monsoon driving the economy. Policy actions late in 2016 curbed consumer activity restricting consumer liquidity and causing uncertainty in consumer sentiment; broad effects on consumer-led segments have been widely debated. However any negative effects have in all likelihood abated.

While India's overall economic numbers and prospects appear strong, capacity utilization across many industries remains sub-optimal and private investment has been notably absent. Many investments conceived and made in the last 3-5 years with rational estimations of demand (including investments made by the Company) faced stress due to the combined effects of lower demand and competitive pressures (including from abroad where relevant).

The Company, essentially being an OEM or a B-to-B supplier, sees both its demand and output as driven by the end-markets of its clients. Such market demand and related pricing are severally influenced by factors such as domestic

consumer pull and sentiment, production of electrical goods of a capital nature, and pricing strategies followed by foreign suppliers due to slackness in their own markets.

Nevertheless, the company increased aggregate production volumes to 24,926 MT, growing over 16%; gross sales were only 13% higher at Rs.349 Crores against Rs.308 Crores last year. Despite lower average realizations, increased volumes and cost/performance optimization helped begin a turnaround. Profit before depreciation was Rs.483.01 lacs against a loss before depreciation (before extraordinary items) of Rs.561.08 lacs in the previous year.

Performance details are dealt with in the annexed Managements' Discussion & Analysis Report. The Management is confident of maintaining the Company's track record of meeting rated outputs and of the competitiveness and quality of product offerings, as well as the robustness of its business model. Under typical reasonable conditions, operational performance capability is not a constraining factor to financial performance.

A careful analysis substantiates that implementation of strategic decisions in recent quarters towards rationalizing capacity, ramping up capacity utilization and addressing unviable units are yielding desired results. The summary of results in this report clearly bring out the positive profit swing in the operating units, as well as the aggregate effect of winding down and closing the unit at Faridabad. Any gains and cash flows from disposal of the property rendered surplus will most likely accrue in the current year, once due permissions are received.

As stated in our Report for the previous year the Management had commenced discussions with our consortium of Banks (led by State Bank of India) as well as with BKB Bank, Germany, the rescheduling the timing of re-payments of term loans acquired for its investments. This is necessitated to overcome the strained cash flow position on account of losses. The request was approved by the foreign lender last year. It is now also agreed upon by a significant majority of the Indian Banks (late in the financial year); one last Bank approval is awaited which we believe is being considered constructively. The rescheduling can only yield effect after all banks agree and documentation with the banking consortium is completed.

There was material progress in the tactical initiatives undertaken for revival and sustained performance. Production of coextruded films and sheets at Faridabad unit of Coex Division ceased during the year; the unit was closed with effect from November 23, 2016 in accordance with law and relevant procedures. Adequate capacity for sheets and films is available at other units to meet demand. Equipment is being shifted to other units or being disposed, as appropriate. Land and Buildings at Faridabad are being disposed and net proceeds are earmarked for reducing debt, for which formal approvals from the consortium of banks are awaited.

The Dielectric film line (Biax Division Barjora Unit II), which represents the largest investment of the Company, is successfully manufacturing the intended types of dielectric film, which have been well accepted and conform to international standards. Healthy volumes on sales and production have built up in recent months and this unit has commenced contributing substantially to the overall performance of the Company.

For general applications, Indian BOPP Films industry continues to have significant overcapacity, resulting in about 70% capacity utilisation. In the resulting price-based competition our marginal capacity for general products is at an obvious disadvantage to the main players. Production at the Pithampur Unit has been temporarily suspended since July 2015 following inundation and consequent damage due to heavy rainfall and flash floods. The standing costs of the unit to that extent depress the positive results from units in operation. Insurance claims are partly settled. Besides overhauling and upgrading the plant, consideration of other viable options have been kept open. The Company has serviced market requirements of this unit's products through its Barjora units.

Consumer durables, including refrigerators (the most significant client base for Coex Division) witnessed a revival and good growth barring the period of limited market liquidity. The Company remains the predominant supplier of sheets and liners to the white good industry. Production levels were maintained but value addition remained under pressures. The Company has expanded specialised cast film capacity to support widening of its markets.

Exports during the year were higher at Rs.853.22 lacs against Rs.411.64 lacs in the previous year.

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Implementation of GST should improve business growth prospects with the revival of customer confidence. The Management believes the Company is prepared for GST implementation but the detailed rules and procedures are still awaited so no definitive view can be expressed.

The Management focus continues on minimising gaps in capacity utilization and enhancing prices/value-addition commensurate with the investments. However, on a positive yet entirely reasonable note, given the true size of the market and our client OEM's capacities on the ground, the difficult conditions are viewed by us as temporary

### **DIRECTORS AND KEY MANAGEMENT PERSONNEL**

Smt. Madhushree Birla retires by rotation at the ensuing Annual General Meeting. Being eligible, she offers herself for re-appointment in terms of Section 149, 152 and other applicable provisions of the Companies Act, 2013 (hereinafter "the Act").

Sri Sidharth Birla was re-appointed by the Board as Chairman in whole time employment of the Company whose office shall not be liable to retirement by rotation under the Companies Act, 2013 for a period of three years with effect from March 1, 2017, on the recommendation of the Remuneration & Nomination Committee (subject to necessary approval of the shareholders).

During the year, five Board Meetings were convened and held as per details in the annexed Corporate Governance Report. The Independent Directors met separately on February 8, 2017 as required.

### **STATUTORY AND OTHER MATTERS**

Information as per the requirements of the Companies Act, 2013 ("the Act"), our report on Corporate Governance and the Managements' Discussion & Analysis Report form a part of this Report and are annexed hereto.

The extract of the Annual Return in Form MGT-9 is annexed herewith.

The Board has, on the recommendation of the Remuneration and Nominations Committee, framed a Policy for appointment and remuneration of Directors and Senior Managerial Personnel as well as criteria for determining independence and other relevant matters (policy and criteria annexed herewith). Pursuant to the provisions of the Act and SEBI Listing Regulations, 2015, the Board carried out annual evaluation of its performance, and of individual directors (including independent) as well as the evaluation of its Audit, Remuneration and Nominations, and Stakeholders Relationship Committees. The concerned Director did not participate in the meeting while he/she was being evaluated. A questionnaire was circulated to all Directors. The Remuneration and Nominations Committee also evaluated the performance of every Director. The evaluation of the Chairman and of the non-independent Directors was also carried out at the separate meeting of Independent Directors.

Information on Conservation of Energy, Technology absorption & foreign exchange earnings and outgo is furnished in annexure hereto.

The Company has formulated a Policy for determining material subsidiaries as required under Regulation 16(1)(c) of the SEBI Listing Regulations, 2015 (weblink: [www.xproindia.com/data/XILPolMatSubs.pdf](http://www.xproindia.com/data/XILPolMatSubs.pdf)). The Company has two wholly owned subsidiaries viz. Xpro Global Limited and Xpro Global Pte. Ltd., Singapore. Performance and Financial Position of the said Subsidiaries is annexed herewith in Form AOC-1 as required.

The Company has a system of review of business risks by Senior Executives at plants. The Audit Committee and the Board are informed about the identified risks, assessment thereof and minimization procedures and identification of risk elements which in the opinion of the Board may threaten existence of the Company.

The Company has an internal control system commensurate with its size of operations. The internal audit function is carried out by external agencies which report to the Chairman of the Audit Committee. During the course of internal audit the efficacy and adequacy of internal control systems of the Company is also evaluated. Based on the reports, corrective actions are taken and the controls strengthened.

The Company has not granted any loan or issued any guarantee or made any investment to which the provisions of Section 186 of the Act apply, except an inter-corporate deposit to Digjam Limited. Closing balance: Rs.11.22 lacs; previous year Nil; maximum outstanding at any point of time during the year: Rs.1.77 crores; previous year: Rs.2.62 crores. Further, the Company has not invited/accepted any Fixed Deposits under Chapter V of the Act and there are none outstanding as on March 31, 2017.

Transactions with related parties during the year were in the ordinary course of business on an arm's length basis. There are no such material related party transactions entered into by the Company which may have a potential conflict of interest with that of the Company and to which Section 188(1) of the Act applies. Accordingly Form AOC-2 is not required to be annexed. As required under provisions of the Act and Regulation 23 of the SEBI Listing Regulations, 2015, all Related Party Transactions are placed before the Audit Committee for approval or for omnibus approval as necessary. The Statement of all such transactions entered into is placed before the said Committee for review. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website (<http://www.xproindia.com/data/XILPolRelPartyTrans.pdf>).

There are no significant and material orders passed by the Regulators/Courts/Tribunals which impact the going concern status of the Company and its future operations.

The Audit Committee meets requirements of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations, 2015; details of its composition are furnished in the Corporate Governance Report. There was no instance during the year where the Board did not accept any recommendation of the Audit Committee.

The Company has a vigil mechanism for directors and employees to report genuine concerns in accordance with the Whistle Blower Policy; no employee is denied access to the Audit Committee in this regard. The said Policy provides for safe guards through Protected Disclosures against victimization of persons who use such mechanism, and is displayed on the Company's website. The details of the whistle blower policy are also annexed herewith.

Information required pursuant to Section 197(12) of the Act read with Rule 5 (as amended) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed. However, in terms of Section 136 of the Act, the Annual Report is being sent to members of the Company excluding the information in respect of employees of the Company pursuant to Rule 5(2) of the aforesaid Rules and which will be furnished on request. The aforesaid statement is also available for inspection by shareholders at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting.

The Company has set up a Committee to look into the complaints under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; no complaint relating to sexual harassment at the work place was received during the year.

The Company has constituted a Committee on Corporate Social Responsibility (CSR), the details of which are furnished in the Corporate Governance Report. While the statutory requirements on spending are not applicable to the Company in view of loss/inadequate profit, small steps have always been taken by the Company for social and inclusive development in its local areas; however given the relatively small size of the units and their geographical spread, it has not been practical to yet undertake any significant projects beyond these. The CSR Policy of the Company is annexed herewith.

Employees Stock Option ("ESOP") Schemes are implemented in accordance with SEBI Guidelines. Details of options granted earlier and presently outstanding along, with other particulars as required, are annexed hereto.

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

The CEO and CFO have certified the Financial Statements as per requirements of Regulation 17(8) of the SEBI Listing Regulations, 2015, which has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care, pursuant to Section 134(3)(c) of the Act, the Directors indicate that (i) in the

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preparation of the annual accounts the applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year; (iii) the Directors had taken proper and sufficient care 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; (iv) the Directors had prepared the annual accounts on a going concern basis; (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS' OBSERVATIONS**

The observations of Statutory Auditors and Secretarial Auditors are routine and in the nature of general disclosures.

### **AUDITORS**

M/s Deloitte Haskins & Sells, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 17<sup>th</sup> Annual General Meeting held on July 31, 2014 to hold office until the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company i.e. for a term of 3 years. As per Section 139 of the Act, and the Rules made thereunder, it is mandatory for the Company to rotate Statutory Auditors on completion of a maximum term permitted under the said Section.

Therefore, as proposed by the Audit Committee and recommended by the Board of Directors of the Company, the appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration No.001076N/N500013) is being proposed as the Statutory Auditors of the Company as required under Section 139 of the Companies Act, 2013, as the Statutory Auditors of the Company, to hold office for a period of 5 (Five) consecutive years from the conclusion of the 20<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 25<sup>th</sup> Annual General Meeting.

Pursuant to the provisions of Section 204 of the Act, the Company appointed Sri K. C. Khowala, Practicing Company Secretary, to undertake Secretarial Audit of the Company. The Report of Secretarial Auditors is annexed herewith.

Cost Audit for the year ended March 31, 2017 is being carried out by M/s Sushil Kumar Mantri & Associates, Cost Accountants. The Board, on recommendation by the Audit Committee, has appointed M/s Sushil Kumar Mantri & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the year ending March 31, 2017. In terms of Section 148 (3) of the Act their remuneration is required to be approved at the forthcoming Annual General meeting.

### **ACKNOWLEDGEMENTS**

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from all its Bankers, particularly the lead bank, State Bank of India, all concerned Government and other authorities and Shareholders. Relations with employees were generally cordial; we record our appreciation of contributions made by employees during the year.

**For and on behalf of the Board**

New Delhi  
May 19, 2017

**Sidharth Birla**  
Chairman



## **REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The Board has adopted its corporate governance obligations under relevant regulations, listing agreement and laws as well as best practices relating thereto. The Board believes that good governance is voluntary and self-disciplining, with the strongest impetus coming from Directors and the management itself, and should ultimately lead to a positive value proposition for all stakeholders. The management and organization at Xpro India Limited aims to be progressive, competent and trustworthy, creating and enhancing value for stakeholders and customers, while reflecting and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability.

### **THE BOARD OF DIRECTORS**

#### ***Composition***

The Board presently consists of 9 Directors, of whom 6 are independent, and a total of 8 are non-executive. Current regulations require that the Company should have at least one Woman Director and that at least 50% of the Directors should be independent; these criteria are met. Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. Our Board has 6 independent Directors viz. Sri Amitabha Guha, a Banker, Sri Ashok Kumar Jha (IAS retired, formerly Finance Secretary, Govt. of India), Ms Nandini Khaitan, Advocate, Sri P. Murari (IAS retired, formerly Secretary to the Govt. of India), Sri Utsav Parekh (Merchant Banker) and Sri S. Ragothaman (company director, formerly senior officer at ICICI).

Independent Directors are given a formal letter of appointment (copy available on Company's website) which, inter alia, explains their basic role, functions, duties and responsibilities. The Company has drawn up a Familiarization Program for Independent Directors with a view to familiarize them with the Company, their roles, rights and responsibilities, nature of industry where the company operates, company's business model etc. (relevant details of familiarization programs are disclosed on the Company's website at weblink: [www.xproindia.com/data/XLIDFmlrznProg.pdf](http://www.xproindia.com/data/XLIDFmlrznProg.pdf)). The Remuneration & Nomination Committee has laid down the criteria for performance evaluation of Independent Directors (Annexed herewith) and such evaluation is done by the Board (excluding the Director being evaluated) and based on the evaluation, the Board determines the continuation/extension of the term of Independent Director. Performance evaluation of Non-Independent Directors and the Board as a whole and Chairman of the Company is also done by the Independent Directors as per relevant regulations. The Board has also formulated a plan for orderly succession of Board members and the senior management. As a policy, and as per the Articles of the Company, the identities, positions, duties and responsibilities of the Chairman and Chief Executive Officer are kept separate and suitably defined. Accordingly the Chairman's position, even where whole-time, has been considered non-executive in nature as his role specified by the Board does not cover day-to-day or routine managerial tasks and responsibilities. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, directorships (public limited companies only) ("B"), membership and chairmanship ("M" & "Ch") of SEBI specified committees, sitting fees (including committees) and commission (if any) paid during the year, and shareholding in the Company as on March 31, 2017.

As required by law, the appointment(s) and remuneration(s) of any executive director(s) and of the Chairman (if whole-time) requires the approval of members; such approvals are for a period of not more than 5 years and, when eligible, they can be re-appointed at the end of the term. Independent Directors, as required under the Companies Act, 2013, are appointed for a term of upto 5 years in Annual General Meeting, and are eligible for re-appointment but cannot hold office for more than two consecutive terms (becoming eligible again after the expiry of three years

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from ceasing to be an independent director). All the other Directors retire every year and, when eligible, qualify for re-appointment. Nominees of Financial Institutions (if any) are not considered independent and do not usually retire by rotation. The Board has chosen not to, in the usual course, propose appointment or re-appointment of a Director or Executive Director who has completed 80 & 65 years of age respectively. Specified details are provided in the notice for any Directors' appointment or re-appointment.

Director / Category	Attendance	B / M / Ch	Fees/Commission (Rs.)	Shareholding
<b><u>Independent</u></b>				
Sri Amitabha Guha	3 / 5	5 / 6 / -	3,30,000	-
Sri Ashok Kumar Jha	5 / 5	5 / 4 / 1	3,60,000	-
Ms Nandini Khaitan	4 / 5	5 / - / -	2,50,000	-
Sri P. Murari	2 / 5	7 / 5 / 2	2,35,000	-
Sri Utsav Parekh	3 / 5	7 / 6 / 3	2,55,000	51,000 (0.44%)
Sri S. Ragothaman	3 / 5	9 / 6 / 3	2,90,000	54,493 (0.47%)
<b><u>Representing Promoters</u></b>				
Smt. Madhushree Birla	5 / 5	3 / - / -	2,50,000	125 (neg.%)
Sri Sidharth Birla	5 / 5	5 / - / -	Nil	2,01,875 (1.73%)
<b><u>Executive (Managing Director)</u></b>				
Sri C Bhaskar	5 / 5	5 / 3 / 1	Nil	32,581 (0.28%)

*Sri Sidharth Birla & Sri C Bhaskar are employed by the Company.*

### Responsibilities

The Board's fundamental concentration is on strategic issues and approval, policy and control, and delegation of powers. The Board has specified a schedule of major matters (covering those required under law or regulations) that are reserved for its consideration and decision, including, inter alia, review of corporate performance, reporting to shareholders, approving annual budget including capital budget, monitoring the implementation and effectiveness of the governance practices, appointing key executives and monitoring their remuneration, monitoring and managing potential conflicts of interest, ensuring integrity of Company's accounting and financial reporting system and that appropriate systems of control are in place, reviewing Board evaluation framework, setting up corporate cultural values and high ethical standard, treating all shareholders fairly and exercising objective independent judgment on corporate affairs.

The respective roles of the Board and management are clearly demarcated. The management is required to (a) provide necessary inputs and basis to support the Board in its decision making and evaluation process in respect of the Company's strategy, policies, targets and code of conduct; (b) manage day-to-day affairs of the company to best achieve targets and goals approved by the Board; (c) implement all policies and the code of conduct, as approved by the Board; (d) provide timely, accurate, substantive and material information, including on all financial matters and exceptions, if any, to the Board and/or its committees; (e) be responsible for ensuring strict and faithful compliance of all applicable laws and regulations; and (f) implement sound, effective internal control systems and the Risk Management Procedure framed by the Board. The Board has adopted a Code of Conduct for Directors and Senior Executives and laid down (i) a general Code of Conduct for employees; (ii) Policy for Prevention of Sexual Harassment at Work place; (iii) Whistle Blower Policy; and (iv) CSR Policy. The Board has also laid down a Code of Conduct to Regulate, Monitor and Report Trading by Employees and other Connected Persons, administered by the Compliance Officer. The Board requires the organization to endeavor to conduct business and develop relationships in a responsible, dignified and honest way and these codes aim to establish the policy framework. Management of the organization and conduct of affairs of the Company lie with the Managing Director & Chief Executive Officer, who heads the management team. The President & Chief Operating Officer holds operational responsibility for day-to-day activities of the divisions under his charge. The Joint President & Chief Financial Officer, heads the finance function discharging the responsibilities entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

**BOARD MEETINGS AND COMMITTEES**

Board meetings are normally held at Company offices, including at plants, and are typically scheduled well in advance. The Board meets at least once after the end of each quarter to, inter-alia, review all relevant matters and consider and approve quarterly financial results. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. Agenda for all meetings are prepared by the Secretary in consultation with the Chairman and papers are circulated to all directors in advance. Directors have access to the Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior officers are called to provide clarifications or presentations whenever required. To enable fuller and detailed attention to relevant matters, the Board from time to time delegates specified issues and matters to committees which report to it. However no matter which under law or the Articles may not be delegated by the Board, or requires its explicit approval, is left to the final decision of any committee. During the year the Board met 5 times on May 5, August 3, September 4, November 11, 2016 & February 8, 2017.

**Independent Directors' Meeting** held on February 8, 2017 to, inter alia, discuss matters prescribed under applicable company law & SEBI Regulations, was attended by Sri Amitabha Guha, Sri Ashok Kumar Jha, Ms. Nandini Khaitan, Sri P. Murari and Sri S. Ragothaman.

***Audit Committee***

The terms of reference of the Audit committee, as specified by the Board in writing, includes the whole as specified in the Companies Act and in regulations, including review of audit procedures and techniques, financial reporting systems, reviewing and approving related party transactions, scrutiny of inter-corporate loans and investments, review of the functioning of the Whistle Blower mechanism, review of Management discussion and analysis report, Management letters/Letters of internal control weakness from Auditors, internal Audit Reports relating to internal control weaknesses, internal control systems and procedures besides ensuring compliance with relevant regulatory guidelines. The committee members are all independent directors collectively having skills and requisite knowledge in finance, accounts and company law. The committee recommends the appointment of CFO, as and when required, external, internal and cost auditors and their fees and other payments and also takes an overview of the financial reporting process to ensure that the financial statements are correct, sufficient and credible. Any financial reports of the Company can be placed in the public domain only after review by the Audit committee. The reports of the statutory as well as internal auditors are regularly reviewed, along with comments and action-taken reports of management. The committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it may require. The committee comprises Sri S. Ragothaman (as its Chairman), Sri Utsav Parekh, Sri P. Murari and Sri Amitabha Guha, and is mandated to meet at least four times in a year to assess the final audited accounts and to review each quarter Un-audited Financial Results and the limited review reports before they are put up to the Board. The committee met 4 times during the year. The meeting on May 5, 2016 was attended by Sri S. Ragothaman, Sri P. Murari and Sri Utsav Parekh, that of August 3, 2016 by Sri Amitabha Guha and Sri Utsav Parekh, that of November 11, 2016 by Sri S. Ragothaman, Sri Utsav Parekh and Sri Amitabha Guha while the meeting of February 8, 2017 was attended by Sri S. Ragothaman, Sri P. Murari and Sri Amitabha Guha. The Chairman of the Audit Committee could not attend the last Annual General Meeting held on August 4, 2016 due to unavoidable circumstances.

***Remuneration & Nomination Committee***

The Remuneration & Nomination Committee (which discharges the functions of the Nomination and Remuneration Committee as envisaged under Sec.178 of the Companies Act, 2013 and SEBI Listing Regulations) comprises of a majority of independent directors. The Committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors and senior officers; remuneration of the Chairman is recommended by the Committee to the Board of the Company and compensation to other non-executive Directors is a subject only for the whole Board. The Committee has devised a policy on Board diversity and when required, makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further Directors to strengthen the Board. The Committee has also formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy for the remuneration of the Directors, Key Managerial Personnel and other employees as well as criteria for evaluation of Independent Directors and the Board (Remuneration Policy and the Evaluation criteria are annexed

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herewith). The Committee is also entrusted with discharging the functions of a Compensation Committee as envisaged in SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The committee comprises of Sri P. Murari, (Chairman), Sri Sidharth Birla, Sri Utsav Parekh and Sri Amitabha Guha. The committee meeting held on February 8, 2017 was attended by Sri P. Murari, Sri Sidharth Birla, and Sri Amitabha Guha.

All directors other than the Chairman and any executive director(s) are paid sitting fees for meetings of the Board or its committees attended: Rs.50,000 each per meeting of the Board, Rs.50,000 each per Independent Directors' Meeting, Rs.30,000 each per meeting of the Audit Committee, Rs.25,000 each per meeting of the Remuneration & Nomination Committee, Rs.30,000 each per meeting of Committee of Directors and Rs.5,000 each per meeting of the Stakeholders Relationship Committee. No fee is paid for meetings of the CSR Committee. The Board of Directors of the Company has approved payment of remuneration to Sri Sidharth Birla, Chairman, re-appointed with effect from March 1, 2017 for 3 years (subject to approval by the shareholders at the ensuing Annual General Meeting), by way of a Salary, commission (not exceeding 2% of net profits), perquisites and other benefits/allowances (as per the rules of the Company) as may be decided by the Board of Directors from time to time subject in aggregate to a maximum of 5% of the net profits of the Company calculated in accordance with the provisions of Section 197 of the Companies Act, 2013 or any re-enactment thereof, as may be applicable (in aggregate subject to minimum remuneration as per limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 or any re-enactment thereof, as may be applicable). Accordingly he is now paid a salary of Rs.8.00 lacs per month and other benefits/allowances as per rules of the Company. Members have approved the payment of remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, re-appointed with effect from January 1, 2015 for 3 years, comprising of salary, commission (not exceeding 2% of net profits), perquisites and other benefits/allowances as may be decided by the Board from time to time, subject in aggregate to a maximum of 5% of the net profits of the company as per relevant calculation (in aggregate subject to minimum remuneration upto Rs.10 lacs per month or such higher sum as may be permitted pursuant to an application to the Central Government or vide any statutory modification or re-enactment). Accordingly he is now paid a salary of Rs.6.20 lacs per month and other benefits & allowances as per rules of the Company. There are no severance fees (routine notice period not considered as severance fees) or other benefits.

### ***Stakeholders Relationship Committee***

The Committee is empowered to consider and resolve the grievances of security holders of the Company as well as to discharge all functions of the Board in connection with transfers and issue of certificates and record keeping in respect of the securities issued by the Company from time to time, as well as to oversee the performance of the Registrar and Share Transfer Agents. Any shareholder grievance is referred to this Committee in the first instance for earliest resolution of a problem. The Company has approximately 38,000 shareholders and with a view to expedite share transfers, the Registrar and Share Transfer Agents of the Company, MCS Share Transfer Agent Limited, has been authorised to effect share transfers/transmissions, etc. Sri S.C. Jain, Secretary, is the Compliance Officer under relevant regulations. The committee is chaired by Sri Utsav Parekh and includes Sri Amitabha Guha and Sri C. Bhaskar. The Company/RTA received 17 complaints/queries during the year from shareholders (directly or through regulatory bodies); as of March 31, 2017 (a) all complaints/queries were resolved and none were pending and (b) No share transfer applications were pending for registration.

### ***Committee of Directors***

A Committee of Directors comprising of Sri Sidharth Birla, Sri Ashok Kumar Jha, Sri Utsav Parekh and Sri C. Bhaskar attends to matters specified and/or delegated appropriately by the Board from time to time. The Committee meets as and when required to attend to urgent matters delegated to it. The committee met twice during the year. The meeting held on March 4, 2017 was attended by Sri Sidharth Birla, Sri Ashok Jha and Sri C Bhaskar, while the meeting of March 29, 2017 was attended by Sri Sidharth Birla and Sri Ashok Jha.

### ***Corporate Social Responsibility ("CSR") Committee***

The Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of the Companies Act, 2013 to (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the implementation of the said CSR Policy from time to time. The Committee comprises of Smt. Madhushree Birla, as Chairperson, Sri P. Murari and Sri C Bhaskar. Sri H. Bakshi, President & Chief Operating

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Officer of the Company is management invitee at the meetings of the CSR Committee. The Committee met on May 5, 2016, attended by all the members and the management invitee.

### SHAREHOLDER INFORMATION AND RELATIONS

The principal source of detailed information for shareholders is the Annual Report which includes, inter-alia, the Reports of the Directors and the Auditors, Audited Accounts, besides this report and Managements' Discussion & Analysis Report. The Management's statement on integrity and fair presentation of financial statements is provided to the Board as part of the accounts approval process. Shareholders are intimated through the print media about quarterly financial results, besides significant matters, within time periods stipulated from time to time by Stock Exchanges. Annual General Meetings of the Company are held at its Registered Office at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722 202, West Bengal. The last 3 AGMs were held at the Registered Office on July 31, 2014, August 14, 2015 & August 4, 2016. The next AGM shall be held at the Registered Office as per notice in this Annual Report and the Record Date will also be as per the notice. The last AGM was attended by Sri C Bhaskar. Special Resolutions were passed at the AGM held on July 31, 2014 for (a) re-appointment of Sri Sidharth Birla, Chairman, in the whole time employment of the Company with effect from March 1, 2014 and approval of Remuneration payable to him; (b) for alteration of Article 143 of Articles of Association of the Company; (c) Borrowing Powers of the Board u/s 180(1)(c) of the Companies Act, 2013; and (d) Creation of security upon Assets of the Company for securing loans from Banks/Financial Institutions etc. in terms of Section 180(1)(a) of the Companies Act, 2013 and at the AGM held on August 14, 2015 for (a) re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer of the Company with effect from January 1, 2015 and approval of Remuneration payable to him; (b) adoption of new Articles of Association of the Company; and (c) keeping of the Register of members etc. of the Company at RTA's Office. The Company keeps shareholders informed via advertisements in appropriate newspapers of all relevant dates and items requiring notice. M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 are the Registrars and Share Transfer Agents. The general address for correspondence by shareholders is the Company Secretary (Tel. (033) 30573700; extn.1267) at Birla Building (2nd Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; designated e-mail ID for grievance redressal is scjain@xproindia.com (of Compliance Officer) and mcssta@rediffmail.com (of Registrar and Share Transfer Agents). Shareholders may also write to the Registrars directly in matters relating to transfers etc. The Company publishes its quarterly results in English (usually The Financial Express - all editions) and relevant vernacular print media (usually Aaj Kal) and shall continue to do so, and hold its Annual General Meetings and pay dividends (if any) within time limits prescribed by law or regulations. The Company's web-site where relevant information including official news releases, if any, are displayed is at [www.xproindia.com](http://www.xproindia.com). No presentation has been made to institutional investors etc. The present financial year of the Company is April 1 to March 31. The Company's Equity Shares are listed at National Stock Exchange (Symbol: XPROINDIA, Series EQ) (necessary listing fee has been paid as due) and are also admitted for trading on the Bombay Stock Exchange under the category of "Permitted Securities" (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). 94.84% of the Company's paid up equity share capital has been dematerialized upto March 31, 2017. Of the 1,25,363 unclaimed shares held by 6207 shareholders lying in "Xpro India Limited - Unclaimed Suspense Account" maintained in dematerialized form, as required under Listing Regulations, 5 shareholders have during the year claimed 147 shares and the remaining 1,25,216 shares belonging to 6,202 shareholders remain unclaimed to the credit of this account. Voting rights on these shares shall remain frozen till rightful owner of such shares claims the shares. Shareholding distribution, pattern and high/low market price data are given below.

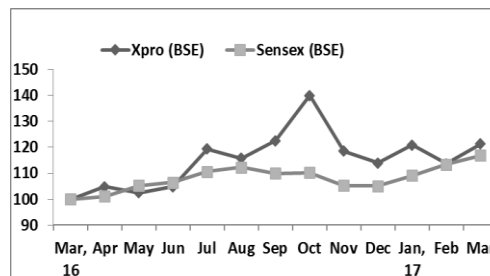
Type of Shareholder	Nos.	In % by amount	Nominal Value of Shareholding	Nos.	In % by amount
Banks, FI's, Insurance Companies	15	0.03			
Domestic Companies	387	53.00	Upto Rs.5,000	37,156	13.39
Mutual Funds (including UTI)	6	0.08	Rs.5,001 to Rs.20,000	926	8.15
Non-residents	124	0.76	Rs.20,001 to Rs.1,00,000	242	8.65
Resident individuals/others	37,844	46.13	Rs.1,00,001 and above	52	69.81
	<b>38,376</b>	<b>100.00</b>		<b>38,376</b>	<b>100.00</b>

Note: aggregate of Public shareholding: 49.96 %

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Share Price by Month	NSE		BSE	
	High	Low	High	Low
April 2016	47.90	40.00	50.00	<b>39.00</b>
May	45.75	40.25	49.70	40.00
June	45.60	<b>38.10</b>	44.35	40.40
July	53.80	42.00	55.00	41.00
August	53.45	45.75	53.75	43.05
September	60.85	46.15	60.00	45.05
October	59.70	49.25	59.30	49.60
November	<b>67.95</b>	43.10	<b>67.45</b>	43.15
December	52.45	43.60	53.00	44.00
January 2017	53.95	45.35	53.65	46.00
February	51.90	44.00	50.80	43.30
March	58.00	43.80	57.80	44.00
<b>During the Financial Year</b>	<b>67.95</b>	<b>38.10</b>	<b>67.45</b>	<b>39.00</b>

Equity Share Performance Compared to BSE Sensex  
(Based on Month-end Price / Sensex)



### COMMODITY RISKS/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is exposed to risks of fluctuations in prices of raw-materials and finished goods. The Company is also exposed to risks arising from fluctuations in exchange rates of the Euro/US\$ vis-à-vis the Rupee as a portion of the Company's payables and receivables are denominated in these currencies. The Company pro-actively manages these risks through inventory management, vendor development, tracking the currency parity scenario and suitable forward cover in consultation with the bankers to the Company. The robust marketing network backed by the reputation for quality and service helps mitigate the impact of price fluctuations on finished goods. The Company has in place a risk management frame-work for identification, monitoring and mitigation of such risks.

### MANDATORY AND NON-MANDATORY PROVISIONS

There have been no material transactions of the Company with its promoters, Directors or the management, their subsidiaries or relatives etc., except for transactions of routine nature as disclosed in the notes on accounts. Accordingly there have been no potential conflict(s) with the interests of the Company.

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. All mandatory requirements (except where not relevant or applicable) of the SEBI regulations have been adopted. Of the non-mandatory suggestions, those relating to a Chairman's Office, separate posts of Chairman & Managing Director/CEO, audit qualifications as well as reporting by Internal Auditors directly to Audit Committee have been adopted. Sending six-monthly information to each shareholder household has not been adopted. This Report also represents the Company's philosophy on corporate governance. Auditors' certification as required forms a part of this Annual Report.

For and on behalf of the Board

New Delhi  
May 19, 2017

Sidharth Birla  
Chairman

### AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES

I declare that the Company has received affirmation of compliance with "Code of Conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management personnel of the Company, to whom the same is applicable, for the financial year ended March 31, 2017.

New Delhi  
May 19, 2017

C. Bhaskar  
Managing Director & Chief Executive Officer

To the Members of Xpro India Limited

**INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter dated August 9, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Xpro India Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Managements' Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. 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 Listing Regulations.

**Auditor's Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), 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 and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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 Services Engagements.

**Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, except for regulation 18(1)(d) with regard to attendance at annual general meeting by the chairperson of the audit committee, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No.106189)

Delhi, May 19, 2017

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **MANAGEMENTS' DISCUSSION & ANALYSIS REPORT**

We have pleasure in submitting the Managements' Discussion & Analysis Report ("MDA") on the Company's businesses. We have included discussions on all specified matters, to the extent relevant or within boundaries that in our opinion are reasonably imposed by the Company's strategic and competitive position. A stagnant global trade, subdued investment and increasing global policy uncertainty marked a difficult year for the world economy. A moderate recovery is expected in 2017 with positive signs of accelerating activity and rising consumer and business confidence in recent months in advanced economies and a number of emerging market economies. The world however also faces anti-globalization and anti-immigration waves, leaving lingering uncertainties. Crude oil prices surged following agreement by OPEC and others to cut oil production with a high compliance level, even while oil demand remained firm.

Indian GDP growth slowed to about 7.1% during 2016-17 from 7.6% previous year despite recovery in agriculture sector following normal monsoon, while industrial production moderated with manufacturing sector registering contraction of 0.3% during April'16 to February'17 (against previous year growth of 2.3%). The slowdown reflected continued slump in investment, with excess production capacity dragging growth. Trade deficit declined following export growth (2.2%) and import contraction (3.8%). The implementation of seventh pay commission, passage of the GST Bill and demonetization were the notable events during the year. Inflation dropped below 4% following good monsoons and policy measures, despite strong recovery in prices of crude oil and other commodities. The demonetisation step in November 2016 disrupted for some time cash based economic activity and discretionary spend. The economic outlook for the coming year brightens with expectations of early revival and growth across sectors following normalisation in liquidity, increasing Government deregulation, GST, initiatives to boost private investment and steps being taken to reduce vulnerability to imported oil.

Domestic demand was particularly affected during the year due general liquidity constraints in the market, impacted further through demonetization and related restrictions which impacted the winter and wedding seasons severely. Global factors played their part in tempering demand. A modest improvement was witnessed in the domestic macro environment towards the end of the year. The low commodity prices in the early part of the year then saw an upward trend. The Rupee strengthened significantly in recent months benefitting from strong capital inflows, global liquidity and the expected improvement in the Indian economy.

Our performance reflected aggregate improvements, though moderated due to the temporary disruption. Total production during the year was 16% higher at 24,926 MT (21,465 MT previous year) (excluding films produced and sold prior to capitalization of the new production lines) while sales at Rs.348.88 Crores were about 13% higher. Unit sales realization were lower than expected; production costs were controlled with productivity enhancements, benefitting also from improved capacity utilization. Exports were higher at Rs.853.22 lacs (Rs.411.64 lacs previous year). Finance costs were higher at Rs.2381.61 lacs against Rs.2249.14 lacs in the previous year much of it on account of production capacity investments in recent years. Strategic initiatives taken and the stabilization of production levels at the new units, translated into improved financial results with an aggregate cash profit (after meeting costs of wind down and closure of the unit at Faridabad) of Rs.483.01 lacs, against a cash loss of Rs.561.08 lacs (excluding extraordinary loss Rs.161.98 lacs) in the previous year. Depreciation amounting to Rs.1696.17 (Rs.1779.77 lacs), resulted in a loss before Tax of Rs.1213.16 lacs (Rs.2502.83 lacs previous year).

The Company is the only indigenous producer of speciality Dielectric (Capacitor) films and the import-substitute products of the Company's highly sophisticated BOPP Dielectric (Capacitor) Film Unit located at Barjora, Distt. Bankura, (West Bengal) have been well received with the unit achieving substantial capacity utilization levels during the year.

In keeping with our strategic intent, the Faridabad unit of the Coex Division ceased production during the year and was closed with effect from November 23, 2016, in accordance with law and procedures. Accounts of all separating employees has been settled as stipulated. Some ex-employee workmen from the unit, have moved labour court for enhanced settlement, and their demands are being contested under legal advice. Adequate capacity for coextruded sheets and cast films is available at other units of the Company to more economically meet demand.



We believe all our businesses are backed by necessary skills and expertise; our core competency can be seen to lie in the extrusion field, particularly co-extrusion. Our market standing is generally representative of the competitiveness of our core operations and high quality of our products and services.

### Company and Industry Structure

Company operations are focused around our core competencies viz. Polymers Business, structured into 2 operating Divisions. Each operating division is kept self-sufficient managerially to perform its own duties and functions, with support provided at a corporate level as and when required. A summary of performance is given below.

POLYMERS BUSINESS <i>(net of inter-unit adjustments)</i>	2017		2016	
	Production MT	Sales Rs. Crores	Production MT	Sales Rs. Crores
Biax Division	5,305	119.36	5,172	113.89
Coex Division	19,621	229.52	16,473	194.09
	<b>24,926</b>	<b>348.88</b>	21,645	307.98

*(Production & Sales at Coex Division for the year ended March 31, 2016 exclude 75 MT produced during trials prior to capitalization of project)*

The industry structure in the field of polymers processing is spread wide, from miniscule to fairly large capacities. There is usually no direct thumb-rule in terms of “size vs. profitability”; it is possible for players to work out their own viable economics depending upon various factors, mainly a combination of product mix and market segment or niche. Supply chain linkages to clients play an additional role for some. Since polymers are freely available at prices synchronized to global prices, market focus besides technical and service competence has been the key to success. It is fair to say that the Company is a mid-sized player with significant strengths in its market segments, but remains subject to usual market pressures. In the overall, the Company’s operations are relatively capital intensive; raw material and power constitute the largest proportions of direct costs. We believe that opportunities are substantial both in terms of market growth and product diversity and that threats from replacement products are not significant. The main raw materials used by the Company are Thermoplastic Resins (such as Polypropylene, including special grades for dielectric films, Styrenic Polymers and LD/LLD Polyethylene, etc.).

We firmly recognize that total customer satisfaction is the key to our success. Our aim is to build sound customer relationships through creation of value for them, and in the process earn an equitable return for ourselves. Quality is built into products through appropriate manufacturing technology and work methods. Manufacturing at all units is carried out by suitably qualified personnel under strict quality standards. Continuous product development for specific applications and equipment up-gradation has helped us in proactively developing technically sustainable solutions with clear customer benefits. Quality Systems at Coex Division manufacturing units at Ranjangaon and Greater Noida are certified under relevant ISO 9001:2008 standards; those at Biax, Barjora have been recently renewed under ISO 9001:2015 standards. Similarly, the Environmental Management Systems at Coex Division’s Ranjangaon and Greater Noida Units are duly certified under ISO 14001:2004 standards while the Integrated Management System (IMS) covering Quality, Environmental Policies & Standards at Biax Division’s Barjora Units have been recently certified under ISO 14001:2015 standards. Manufacturing units also adopt and conform to specialised quality systems and methods as may be required by major customers.

### Biax Division

Biax Division manufactures a range of coextruded Biaxially Oriented Polypropylene (“BOPP”) Films and Dielectric Films on sophisticated, automated production lines, having multipurpose use in applications ranging from food packaging to specialized films for use in electronics, besides being used for print lamination, cigarette overwraps, adhesive tape etc. Flexible packaging in India continued to exhibit healthy growth rates, driven by increasing per capita consumption in India in line with changing consumption patterns for packaged food & other convenience products and trends in retail. BOPP films constitute a significant and growing input into this space with the indigenous consumption growing around 12-14% annually as compared to 5-6% worldwide, encouraging sizable investment by existing players and new entrants, notwithstanding periodic business cyclicality and downturn. Current BOPP capacity in India is 741,000 MTPA and a further 2,50,000-3,00,000 MTPA capacity can in all likelihood be expected over the next 2-3 years. With volatile export markets, and creation of substantial capacity (even though presently under-

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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utilized across the industry), domestic markets for BOPP Packaging Films remained competitive. Our focus however remains dedicated within our core strengths to special products and niche markets, largely thin films for specialized electrical applications, which together with consistent high quality and service standards enabled us to maintain reasonable capacity utilization. Several customers in sophisticated segments have upgraded their processes and equipment thus requiring upgraded film products. Our strategic intent for BOPP films remains directed towards thin and dielectric films. Total production during the year was higher at 5,305 MT (against 5,172 MT last year). The new and highly sophisticated Bruckner Dielectric film line is manufacturing the intended types of dielectric film which have been well accepted and conform to international standards. An import substitute, the products have brought substantial benefits to the Indian capacitor manufacturing units, while already contributing substantially to the overall performance of the Company. A broad portfolio of standard grade and high temperature grade dielectric films ranging from 3.7 micron to 12 microns has enabled us to reach a domestic market share of over 40% besides export opportunities. Development of hazy film, semi rough films and ultra-thin films is in advanced stage. Production at the Pithampur Unit has been temporarily suspended since July 2015 following inundation and consequent damage due to heavy rainfall and flash floods. Insurance claims are in process. Overhauling and upgradation of the plant, besides other options, are being examined. The Company has adequate capacity for production of Di-electric Films at other Units of the Company to meet current market requirements.

### **Coex Division**

Coex Division manufactures coextruded sheets, thermoformed refrigerator liners and coextruded cast films. Our products are usually custom-made to customer needs and based on various polymers including ABS, Polystyrene, PP and PE. Applications for our product range are wide, including sheets for refrigerator liners, disposable containers, automotive parts, etc. Cast films are high clarity films including stretch wrap and cling, specially formulated films for medical disposables, hygiene films, and others for packaging. The growth seen in the last quarter of the previous year following relief in some macro-economic challenges, (inflation and oil prices in particular), and interest rate cuts helped revive consumer sentiment despite challenges of a below-normal monsoon, continued into the year and the industry witnessed good growth till October. The consumer durables segment was however hard hit with de-growth in November-December. However, with the easing of liquidity position, and the ample availability of credit (demand for white goods drove credit expansion during the year), the market bounced back by February-March to unexpected demand levels. The growth seen in the last quarter has given rise to expectations of a return to market stability. The long-term growth remains promising with the low penetration of refrigerators continuing to attract more global players to the country offering us new potential markets. We continue to be the leading supplier of sheets and liners to the white goods industry through consistent focus on product quality, development and superior service, which have also been recognized by major customers. In the cast films segment, our focus has been on special films and continuous innovation. Within our major market segments for cast films, the tyre industry witnessed good growth on the back of improving automobile industry sales and growth in replacement demand, and introduction of safeguard duties on tyre imports. The hygiene segment continues to exhibit consistent growth in excess of 20% per annum. The new Cast Film capacity at Ranjangaon, to meet growing requirements, and towards our long term strategic goals, has been operating satisfactorily, and steps are being taken to enhance the production capabilities further. However, overall volumes in cast films were about 12% lower than previous year due to phasing out uneconomic film production at Faridabad and the time-consuming process of technical approvals of films from the new line at Ranjangaon by some customers. Reflecting overall market circumstances, the total production of sheets, including as liners, (adjusted for inter-unit transfers) and cast films at this division at 19,621 MT during the year was nearly 20% higher than during the previous year (16,473 MT). In keeping with strategic direction, focus at Faridabad unit was on production of only cast films till the closure of the unit in November 2016.

### **OTHER MATTERS**

#### ***Environment and Safety***

We firmly believe that safe and healthy working conditions in factories and other premises are as necessary and important as production, productivity and quality. Our policy requires conduct of activities to take foremost account of health and safety of all concerned, besides conservation of natural resources and protection of the environment to the extent possible.

**Human Resources**

Employees represent our greatest asset and potential. It is only through motivated, creative and business-minded employees that we can achieve our aims. Involvement, commitment, teamwork and updating of skills and knowledge are integral to our objectives of advancing a professional, productive culture. Permanent employment is 307, of which officers and staff account for 227 and workmen for the balance (last year 373 and 229 respectively).

**Others**

Barring any unforeseeable or extraordinary disruptive policy actions, there are no further or typical areas of risks or concerns outside the usual course of business, or the state of the economy in general, foreseeable at this time. Our primary manufacturing processes (including extrusion) are well established and our focus remains on process and efficiency improvements, and product & application development to provide a competitive edge. Internal control systems have been found to be adequate and are continuously reviewed for improvements. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence. We have taken all care to comply with applicable laws and regulations. Overall financial performance due to the various circumstances described could not fully reflect the acceptable operational performance. The Company continues its initiatives towards operational improvements with a special emphasis on quality, control of overheads and broad-basing of markets, while focusing on managing uncertainties in a proactive manner. Positive policy actions towards growth, control on inflation and ease in doing business together with the largely expected rebound and early forecasts of normal monsoon are expected to translate into improved market sentiment boosting domestic consumption while improving export competitiveness. However, the external environment, including weak global growth (and resulting pressures generated by imports competing with our products), potential financial market volatility and slow investment recovery, for the time being continues to remain challenging. Progress on implementation of GST is being keenly monitored and necessary steps are being taken to ensure readiness within our internal systems and the required legal interface. It is eminently possible that GST introduction could lead to some initial disruption and logistical complexities in marketing and distribution. In the overall our outlook continues to remain one of cautious optimism. Our sincere thanks are due to all employees and teammates whose dedicated and hard work allowed results to be achieved. We are grateful to all our Bankers and all concerned Authorities for their continued support, and to all our customers for their faith and confidence. We remain committed to fullest customer satisfaction.

**CAUTIONARY STATEMENT**

Statements in this Report which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable securities laws or regulations. Actual future results could differ materially from any expressed or implied. Additional important factors that could make a difference to the Company's operations and results include global and Indian demand-supply conditions, effects of any extraordinary policy actions, finished goods prices, feedstock availability and prices, power tariffs, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax and tariff regimes, economic policies and developments within India and countries with which the Company conducts business besides other factors including but not limited to natural events, litigation and labour matters.

**For and on behalf of the Management Team**

New Delhi  
May 19, 2017

**C. Bhaskar**  
*Managing Director & Chief Executive Officer*

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### Annexure to the Directors' Report

#### FORM NO. MGT - 9: EXTRACT OF ANNUAL RETURN

Financial Year ended on March 31, 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L25209WB1997PLC085972
ii)	Registration Date	November 26, 1997
iii)	Name of the Company	XPRO INDIA LIMITED
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered Office and contact details	Barjora - Mejia Road, P.O - Ghutgoria, Tehsil : Barjora, Dist.: Bankura 722 202, West Bengal e-mail: cosec@xproindia.com Tel.: +91-3241-257263/4
vi)	Whether listed Yes/No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 e-mail: mcssta@rediffmail.com Tel.: +91-33-4072 4051/2/3

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Thermoplastic Films / Sheets / Liners (manufacture of semi-finished plastic products)	222 2220 22201	98.8 %

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1	Xpro Global Limited "Birla Building", 2 <sup>nd</sup> Floor, 9/1, R N Mukherjee Road, Kolkata - 700 001, West Bengal	U36900WB2001PLC093098	Subsidiary Company	100%	2(87)
2	Xpro Global Pte. Ltd. 4 Shenton Way, #28-01, SGX Centre II, Singapore - 68807	201103090K	Subsidiary Company	100%	2(87)

#### IV. SHAREHOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Shareholding:

Category of Shareholders	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
a. Indian									
a) Individual/HUF	204236	-	204236	1.75	204236	-	204236	1.75	Nil
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corporate	5630050	-	5630050	48.29	5630050	-	5630050	48.29	Nil
e) Bank(s)/FI									
f) Any other									
Sub-total (A)(1):	5834286	-	5834286	50.04	5834286	-	5834286	50.04	Nil

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Category of Shareholders	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b. Foreign									
a) NRIs-Individuals									
b) Others – Individuals									
c) Bodies Corporate									
d) Bank(s)/FI									
e) Any other									
Sub-total (A)(2):									
Total shareholding of Promoters [A=(A)(1)+(A)(2)]	5834286	-	5834286	50.04	5834286	-	5834286	50.04	Nil
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI	6953	2730	9683	0.08	6953	2730	9683	0.08	Nil
b) Banks/FI	805	2391	3196	0.03	805	2391	3196	0.03	Nil
c) Central Govt.									
d) State Govt(s)									
e) VC Funds									
f) Insurance Cos.									
g) FIs									
h) Foreign VC Funds									
i) Others									
Sub-total (B)(1):	7758	5121	12879	0.11	7758	5121	12879	0.11	Nil
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	506077	36987	543064	4.66	511606	36987	548593	4.71	0.05
ii) Overseas									
b) Individuals									
i) Individual share- holders holding nominal share capital upto Rs.1 Lac	2540690	551298	3091988	26.52	2606333	540995	3147328	26.99	0.47
ii) Individual share- holders holding nominal share capital in excess of Rs.1 Lac	1575027	15000	1590027	13.64	1514164	15000	1529164	13.12	(0.52)
c) Others									
10. Directors & Relatives	385982	-	385982	3.31	369210	-	369210	3.17	(0.14)
11. NRIs	71122	241	71363	0.61	88722	64	88786	0.76	0.15
12. Trust	643	3905	4548	0.04	133	3905	4038	0.04	Nil
13. Xpro India Limited Unclaimed Suspense Account	125363	-	125363	1.08	125216	-	125216	1.07	(0.01)
Sub-total (B)(2):	5204904	607431	5812335	49.85	5215384	596951	5812335	49.85	Nil
Total Public Shareholding [B=(B)(1)+(B)(2)]	5212662	612552	5825214	49.96	5223142	602072	5825214	49.96	Nil
C. Held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	11046948	612552	11659500	100.00	11057428	602072	11659500	100.00	Nil

### (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Sri Sidharth Kumar Birla	201875	1.73	Nil	201875	1.73	Nil	Nil
2	Smt. Madhushree Birla	125	0.00	Nil	125	0.00	Nil	Nil
3	Sri Sudarshan Kumar Birla	553	0.01	Nil	553	0.01	Nil	Nil
4	Sri Sudarshan Kumar Birla (HUF)	156	0.00	Nil	156	0.00	Nil	Nil
5	Smt. Sumangala Birla	1527	0.01	Nil	1527	0.01	Nil	Nil
6	Birla Eastern Limited	18400	0.16	Nil	18400	0.16	Nil	Nil
7	Birla Holdings Ltd.	166650	1.43	Nil	166650	1.43	Nil	Nil
8	Central India General Agents Limited	275000	2.36	Nil	275000	2.36	Nil	Nil
9	Intellipro Finance Pvt Ltd	2270000	19.47	Nil	2270000	19.47	Nil	Nil
10	iPro Capital Limited	2900000	24.87	Nil	2900000	24.87	Nil	Nil
11	Mineral Oriental Ltd.	-	-	-	-	-	-	-
12	Nathdwara Investment Co Ltd	-	-	-	-	-	-	-
13	Janardhan Trading Co. Ltd.	-	-	-	-	-	-	-

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### (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year				
	Changes during the year:				
	Date	Reason			
	-	-			
	At the end of the year				

No change during the year

### (iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sharad Kanayalal Shah					
	At the beginning of the year		275000	2.36		
	Changes during the year:		No Change during the year			
	At the end of the year				275000	2.36
2	Nirmala Devi Jammur					
	At the beginning of the year		212000	1.82		
	Changes during the year:		No Change during the year			
	At the end of the year				212000	1.82
3	Anil Jain					
	At the beginning of the year		185500	1.59		
	Changes during the year:		No Change during the year			
	At the end of the year				185550	1.59
4	Meenakshi Birla					
	At the beginning of the year		191772	1.64		
	Changes during the year:					
	Date	Reason				
	8/4/2016	Market Sale	-5044	-0.04	186728	1.60
	23/9/2016	Market Sale	-6728	-0.06	180000	1.54
	4/11/2016	Market Sale	-5000	-0.04	175000	1.50
	At the end of the year				175000	1.50
5	Mita Dipak Shah					
	At the beginning of the year		155000	1.33		
	Changes during the year:		No Change during the year			
	At the end of the year				155000	1.33
6	Roopa Corporate Services Pvt. Ltd.					
	At the beginning of the year		117588	1.01		
	Changes during the year:		No Change during the year			
	At the end of the year				117588	1.01
7	Anna Mary Mathew					
	At the beginning of the year		107065	0.92		
	Changes during the year:		No Change during the year			
	At the end of the year				107065	0.92
8	Jagdish Amritlal Shah					
	At the beginning of the year		81674	0.70		
	Changes during the year:		No Change during the year			
	At the end of the year				81674	0.70
9	Varsha Sharad Shah					
	At the beginning of the year		62059	0.53		
	Changes during the year:		No Change during the year			
	At the end of the year				62059	0.53
10	Vasusri Jhaver					
	At the beginning of the year		52448	0.45		
	Changes during the year:		No Change during the year			
	At the end of the year				52448	0.45

### (v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sri Sidharth Kumar Birla				
	At the beginning of the year	201875	1.73		
	Changes during the year:				
	At the end of the year			201875	1.73

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	Smt. Madhushree Birla				
	At the beginning of the year	125	0.00		
	Changes during the year:	No Change during the year			
	At the end of the year			125	0.00
3	Sri Utsav Parekh				
	At the beginning of the year	51000	0.44		
	Changes during the year:	No Change during the year			
	At the end of the year			51000	0.44
4	Sri S. Ragothaman				
	At the beginning of the year	54493	0.47		
	Changes during the year:	No Change during the year			
	At the end of the year			54493	0.47
5	Sri C. Bhaskar				
	At the beginning of the year	32581	0.28		
	Changes during the year:	No Change during the year			
	At the end of the year			32581	0.28
6	Sri Vinay Kumar Agarwal				
	At the beginning of the year	0	0.00		
	Changes during the year:				
	At the end of the year				
7	Sri Sayar Chand Jain				
	At the beginning of the year	5	0.00		
	Changes during the year:	No Change during the year			
	At the end of the year			5	0.00

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,25,96,78,147	-	-	
ii) Interest due but not paid	1,32,94,094	-	-	
iii) Interest accrued but not due	32,09,307	-	-	
Total (i+ii+iii)	2,27,61,81,548	-	-	2,27,61,81,548
Change in Indebtedness during the financial year				
- Addition	8,20,92,167	5,00,00,000	-	
- Reduction	10,35,08,912	3,00,00,000	-	
Net Change	(2,14,16,745)	2,00,00,000	-	(14,16,745)
Indebtedness at the end of the financial year				
i) Principal Amount	2,15,90,96,206	2,00,00,000	-	
ii) Interest due but not paid	8,91,49,659	-	-	
iii) Interest accrued but not due	65,18,938	-	-	
Total (i+ii+iii)	2,25,47,64,803	2,00,00,000	-	2,27,47,64,803

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

(1) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sri Sidharth Birla (WTD)	Sri C. Bhaskar (MD & CEO)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	80,50,000	77,95,000	1,58,45,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	5,64,541	90,127	6,54,668
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
	- others	-	-	-
5.	Others - tax exempt Medical Reimbursement / Leave Travel Assistance	-	35,000	35,000
	Total (A)	86,14,541	79,20,127	1,65,34,668
	Ceiling as per the Act			2,40,00,000

(Note: Excludes contribution to Provident and Superannuation Funds in accordance with Schedule V to the Act)

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### (2) Remuneration to other directors:

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	<b>Independent Directors</b>	<b>Sri Amitabha Guha</b>	<b>Sri Ashok Kumar Jha</b>	<b>Ms. Nandini Khaitan</b>	<b>Sri P. Murari</b>	<b>Sri Utsav Parekh</b>	<b>Sri S. Ragothaman</b>	
	Fee for attending Board / Committee Meetings	3,30,000	3,60,000	2,50,000	2,35,000	2,55,000	2,90,000	17,20,000
	Commission	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-
	<b>Total B (1)</b>							<b>17,20,000</b>
2.	<b>Other Non-Executive Directors</b>	<b>Smt Madhushree Birla</b>						
	Fee for attending Board / Committee Meetings	2,50,000						2,50,000
	Commission	-						-
	Others	-						-
	<b>Total B (2)</b>							<b>2,50,000</b>
	<b>Total (B) = (1+2)</b>							<b>19,70,000</b>
	<b>Total Managerial Remuneration (A+B)</b>							<b>1,85,04,668</b>
	<b>Overall Ceiling as per the Act</b>							<b>3,09,00,000</b>

### (3) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(Rs.)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Sri S C Jain (Company Secretary)	Sri V K Agarwal (CFO)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	26,78,500	40,76,600	67,55,000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	36,043	37,290	73,333
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit	-	-	-
	- others	-	-	-
5.	Others - Tax exempt Medical Reimbursement / Leave Travel Assistance	55,000	15,000	70,000
	<b>Total (C)</b>	<b>27,69,543</b>	<b>41,28,890</b>	<b>68,98,433</b>

(Note: Excludes tax-exempt contribution to Provident and Superannuation Funds)

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment /Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
A. COMPANY					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					



**Annexure to the Directors' Report**

**POLICY ON REMUNERATION TO EXECUTIVE DIRECTORS & SENIOR MANAGEMENT**

This Policy concerns the remuneration and other terms of employment for the Company's Executive Directors and Senior Management (Key Management Personnel and others one level below the Board).

**a) Guiding principles:**

The objective of this remuneration policy is to outline a framework to support that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent executives of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance.

The Remuneration & Nominations Committee (RNC) of the Board (equivalent to the Nomination & Remuneration Committee in the Companies Act, 2013) determines individual remuneration packages for executive Directors and, where relevant, other senior non-director management personnel, taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee consults with the Chairman of the Board as it deems appropriate. Remuneration of the Chairman is recommended by the Committee to the Board of the Company.

**b) Remuneration:**

**A. Base Compensation (fixed salaries):**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

**B. Variable salary:**

The RNC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

**C. Severance pay:**

There are, in the usual course, no severance fees (routine notice period not considered as severance fees) or other severance benefits.

**c) Role of the Remunerations & Nominations Committee:**

The Remuneration & Nominations Committee (RNC), of the Board discharges the functions of the Nomination and Remuneration Committee as envisaged under Sec.178 of the Companies Act, 2013. The RNC is responsible for:

- a) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this policy;
- b) advising the Board on issues concerning principles for remuneration, remuneration and other terms of employment for Executive Directors & Senior Executives;
- c) recommending to the Board, candidates and terms of employment for EDs and senior executives
- d) monitoring and evaluating programs for variable remuneration;
- e) monitoring and evaluating the application of this Policy; and
- f) monitoring and evaluating current remuneration structures and levels in the Company.

The RNC is also responsible for overseeing the Company's share option schemes and any long term incentive plans, which includes determination and recommendation to the Board of the eligibility for benefits.

**d) Authority to decide on deviations from this Policy:**

The Board of Directors may, in any individual or collective case, deviate from this Policy if there are, in its absolute discretion, particular reasons to do so.

**e) Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. No such amendment or modification will be however binding on the Employees unless the same is notified to the Employees in writing.

### **Annexure to the Directors' Report**

#### **Criteria for Evaluation of Independent Directors and the Board**

The Company's Governance Code provides for review of the overall functioning of the Board and which has been regularly carried out by the Board. The Companies Act, 2013 mandates performance evaluation of the Independent Directors by the Board, inter alia, to determine renewal/extension of tenure. The Act also provides for the Remuneration & Nominations Committee to evaluate every director's performance.

As required under Clause 49 of the Equity Listing Agreement, as amended, the Remuneration & Nomination Committee has laid down the following criteria for performance evaluation of Independent Directors as well as of the Board:

1. Broad understanding of the Company's business including financial, marketing, strategic plans and key issues;
2. Special skills/expertise contributing to the overall effectiveness and diversity of the Board;
3. Making measured and balanced contributions to Board discussions and deliberations after taking into consideration the interests of all stakeholders;
4. Standards of propriety;
5. Assisting the Company in implementing best Corporate Governance practices.

It is expected that while evaluating the Independent Directors on the aforesaid criteria, the Board will be able to record their relative satisfaction and also decide whether to extend or continue the term of appointment of the Independent Director. However, subject to applicable laws, the evaluation details shall be confidential.

Further, the important criteria for evaluating the Board may be:

1. Spread of talent and diversity in the Board;
  2. Contribution to effective Corporate Governance and transparency in the Company's operations;
  3. Deliberations/decisions on the Company's strategies, policies and plans and provision of guidance to the Executive Management.
  4. Monitoring the implementation of the strategies and the executive management's performance;
  5. Dialogue with the management.
-

**Annexure to the Directors' Report**

**Information as per Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014**

**A. CONSERVATION OF ENERGY :**

- i) The steps taken or impact on conservation of energy:  
 Energy conservation receives priority attention on an on-going basis throughout the Company, and continuous efforts are made to conserve and optimize use of energy with continuous monitoring, regular maintenance and improved operating techniques. Some specific steps taken include:
  - Maintenance of near unity Power Factor; Installation of capacitors to improve PF
  - Optimised fuel consumption by timely replacement of burner nozzle
  - Process cooling water system rationalization and use of closed loop chilling systems
  - Use of direct drives and energy efficient motors to minimize mechanical losses
  - Use of natural lighting, wherever feasible; Replacing of conventional lamps with energy efficient lighting
  - Use of natural turbo-vents
  - System validation and optimization of blower speeds in AHU units
  - Central water treatment plant and regeneration of resins
  - Centralised compressed air systems
 New project equipment added recently at substantial capital investment are all for equipment and processes designed to conserve and consume lower power per unit output;
- ii) The steps taken by the Company for utilising alternate sources of energy:  
 Use of Solar energy sources for general lighting applications is being evaluated
- iii) The capital investment on energy conservation equipment:  
 Financial impact not separately quantified

**B. TECHNOLOGY ABSORPTION :**

- a) The efforts made towards technology absorption:  
 High technology Dielectric Film products developed through indigenous technology for specialized products promoting 'Make in India' concept;  
 Constant monitoring of process, technology and product upgradation globally and to offer similar products through in-house R&D as well as through progressive manufacturing activities;  
 Continuous improvements being made in quality control methods and testing facilities;  
 Regular interaction with foreign equipment designers and manufacturers and major raw material suppliers for improvements in processing and operating parameters;
- b) The benefits derived include:
  - Import substitution;
  - Development of new products to expand range offering a competitive edge in the market;
  - Improved product quality, cost reduction and customer satisfaction;
  - Competitive advantage;
  - Improved work practices & productivity, cost reduction & enhanced quality;
  - Market expansion.
- c) No fresh technology has been imported during the last three years;
- d) The expenditure on Research & Development:
  - Recurring expenditure: estimated at Rs. 15 lacs per annum

**C. FOREIGN EXCHANGE EARNINGS & OUTGO**

	<u>2016-2017</u>	<u>2015-2016</u>
Total foreign exchange used	<b>50,97,33,114</b>	53,25,75,797
Total foreign exchange earned	<b>8,53,22,035</b>	4,11,64,390

Rs.

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

### **Annexure to the Directors' Report**

#### **Form No. AOC-1**

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

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

#### Part "A": Subsidiaries

(Rs.)

1.	Sl. No.	1		2	
2.	Name of the subsidiary	Xpro Global Limited		Xpro Global Pte. Ltd.	
3.	Reporting period for the subsidiary concerned	Year ended March 31, 2017	Year ended March 31, 2016	Year ended March 31, 2017	Year ended March 31, 2016
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupee	Indian Rupee	Singapore \$	Singapore \$
5.	Share capital	52,50,000	52,50,000	18,39,000	18,39,000
6.	Reserves & surplus	22,16,567	12,95,152	4,21,212	8,65,100
7.	Total assets	3,94,37,811	1,19,96,002	23,09,892	27,61,605
8.	Total Liabilities	3,19,71,244	54,50,850	49,680	57,505
9.	Investments	-	-	-	-
10.	Turnover	8,04,43,696	1,03,71,823	-	4,03,893
11.	Profit before taxation	13,99,636	3,81,713	(3,06,704)	1,05,443
12.	Provision for taxation	4,78,221	1,20,572	1,068	4,915
13.	Profit after taxation	9,21,415	2,61,141	(3,07,772)	1,00,528
14.	Proposed Dividend	Nil	Nil	Nil	Nil
15.	% of shareholding	100	100	100	100

#### Notes:

- a. Names of subsidiaries which are yet to commence operations: None
- b. Names of subsidiaries which have been liquidated or sold during the year: None

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

**New Delhi**  
**May 19, 2017**

**S. C. Jain**  
Company Secretary

**V. K. Agarwal**  
Joint President &  
Chief Financial Officer

**C. Bhaskar**  
Managing Director &  
Chief Executive Officer

**Annexure to the Directors' Report**

**WHISTLE BLOWER POLICY**

**1. Preface**

- a. The Company has adopted its Corporate Governance Regulations under relevant Regulation, Listing Agreement and Company Law as well as best practices relating thereto. The Board believes that the good governance is voluntary and self-disciplining, with the strongest impetus coming from Directors and the management itself. The management and organization at Xpro India Limited aims to be progressive, competent and trustworthy, while reflecting and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Towards this end, the Company has formulated the Code of Conduct for Directors and Senior Management ("the Code"), which lays down the principles and standards that should govern the actions of the Company and their employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Code cannot be undermined. This policy requires the employees to report violations, i.e., Every employee of the Company shall promptly report to the management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company.
- b. Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter alia, provides for a mandatory requirement for all listed companies to establish a vigil mechanism called 'Whistle Blower Policy' for directors, stakeholders, employees and their representatives bodies to freely communicate their concerns about illegal or unethical practices/behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.
- c. Under the Companies Act, 2013 every listed company is required to establish a vigil mechanism for directors and employees to report genuine concerns.
- d. Accordingly, this Whistle Blower Policy ("the Policy") has been formulated with a view to provide a mechanism for employees of the Company to approach the Audit Committee of the Company.

**2. Definitions**

The definitions of some of the key terms used in this Policy are given below. Capitalized terms not defined herein shall have the meaning assigned to them under the Code/Company's Rules.

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreement with the Stock Exchanges.
- b. "Employee" means every employee of the Company and their representative bodies including Directors of the Company.
- c. "Investigators" mean those persons authorised, appointed, consulted or approached by the Audit Committee and include the auditors of the Company and the police.
- d. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- e. "Company" means Xpro India Limited and its subsidiaries.
- f. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. "Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

**3. Scope**

1. This Policy is an extension of the Code of Conduct for Directors & Senior Management, Code of Best Practices for the Board and Rules and Regulations of the Company. The Whistle Blower's role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
2. Whistle Blowers should not act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Audit Committee or the Investigators.
3. Protected Disclosure will be appropriately dealt with by the Audit Committee.

**4. Eligibility**

All Employees of the Company are eligible to make Protected Disclosures under the Policy. The Protected Disclosures may be in relation to matters concerning the Company or its subsidiaries. Any such disclosures shall be made within a reasonable time from the occurrence of the alleged violation and in any case, not later than six months from alleged occurrence.

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### **5. Disqualifications**

- a. While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- b. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.
- c. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company/Audit Committee would reserve its right to take/recommend appropriate disciplinary action.

### **6. Procedure**

- a. All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company. The contact details of the Chairman of the Audit Committee are as under:

*Sri S. Ragothaman,  
C3, Golden Gate Apartments,  
2nd Floor, T. Nagar,  
33, Habibullah Road,  
Chennai - 600 017*

- b. Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Whistle Blower.
- c. The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Whistle Blower. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigator appointed for this purpose.
- d. Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.
- e. The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Anonymous disclosures will not be entertained by the Audit Committee as it would not be possible for it to interview the Whistle Blowers.

### **7. Investigation**

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator, as directed by Audit Committee, who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c. Any member of the Audit Committee who may have a conflict of interest in respect of the matter under investigation/the protected disclosure, should recuse himself and the other members of the Committee shall deal with the matter.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

**8. Protection**

No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.

- 7. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Whistle Blowers are cautioned that their identity may become known for reasons outside the control of Audit Committee (e.g. during investigations carried out by Investigators).
- 8. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 9. Any violation of the above protection should be reported to the Chairman of the Audit Committee who shall cause the same to be investigated and recommend appropriate action, if required, to the management.

**9. Investigators**

- a. Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- b. Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- c. Investigations will be launched only after a preliminary review which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct, and
  - ii. either the allegation is supported by information specific enough to be investigated, or matters that do not meet this standard may be worthy of management review, but investigation itself should not be undertaken as an investigation of an improper or unethical activity.

**10. Decision**

If an investigation leads the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall direct the management of the Company to take such disciplinary or corrective action as the Audit Committee deems fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

**11. Reporting**

The Investigator shall submit a report to the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

**12. Retention of documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of three years.

**13. Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **Annexure to the Directors' Report**

**Particulars pursuant to Section 197(12) of the Companies Act, 2013**  
**read with rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:**

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year:
- |   |   |        |
|---|---|--------|
| i) Sidharth Birla ( <i>Chairman</i> )                 | : | 27 : 1 |
| ii) C. Bhaskar ( <i>Managing Director &amp; CEO</i> ) | : | 30 : 1 |
- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
- |   |   |     |
|---|---|-----|
| i) Sidharth Birla ( <i>Chairman</i> )                 | : | 4.4 |
| ii) C. Bhaskar ( <i>Managing Director &amp; CEO</i> ) | : | 5.8 |
| iii) V. K. Agarwal ( <i>Chief Financial Officer</i> ) | : | 7.9 |
| iv) S. C. Jain ( <i>Company Secretary</i> )           | : | 6.9 |
- c) The percentage increase in the median remuneration of employees in the financial year : 7.0
- d) The number of permanent employees on the rolls of company: 307 (*as on March 31, 2017*)
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:
- Average increase in remuneration during the last financial year for employees other than managerial personnel is 8.7% and 5.8% for managerial personnel.
- f) If remuneration is as per the remuneration policy of the company: Yes

(Note: for the purposes of the above, Sitting fees paid to the Directors and leave encashment have not been considered as remuneration)

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### **Annexure to the Directors' Report**

#### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors, to:

1. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company
2. recommend the amount of expenditure to be incurred on such activities and
3. monitor the implementation of the said CSR Policy from time to time.

The Committee comprises of Smt. Madhushree Birla, as Chairperson, Sri P. Murari (Independent Director) and Sri C Bhaskar as Members. Sri H. Bakshi, President & Chief Operating Officer of the Company shall be management invitee at the CSR Committee meetings.

Having regard to the Company's size and scope, small steps have been always taken at unit level for social and inclusive development in the local area; however, given the relatively small size and geographical spread, it has not been practical to undertake directly any significant project outside these. The Company thus adopted a policy to support external bodies including relevant bodies, NGOs or Government Relief Funds selected by the Committee, including through financial contribution to them.

The Committee will focus on activities in areas, excluding those undertaken in pursuance of normal business of the Company, selected from those identified and prescribed under the Companies Act, 2013 (Annexure) with greater participation in the areas of health and social welfare, efforts towards reducing child mortality, promotion of education & social responsible behaviour, and employment enhancing vocational skills.



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The Company will endeavour to spend, in every financial year, an amount considered appropriate by the Board, *inter-alia* keeping in view the benchmark of 2% of the average net profits of the Company during the 3 immediately preceding financial years. Surplus, if any, arising out of CSR projects shall be ploughed back and will not form part of the business profit of the Company.

Annexure to CSR Policy:

AREAS PRESCRIBED UNDER THE COMPANIES ACT, 2013:

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of the river Ganga;
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. rural development projects;
- xi. slum area development.

### Annexure to the Directors' Report

Pursuant to the applicable requirements of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, following disclosures are made in connection with the Employees Stock Option Schemes of the Company:

Sl	Description	ESOP - 2009
a.	Options Granted	457500
b.	Date of Grant	1/4/2010
c.	Exercise Price per option (Rs.) (Each option is equivalent to one equity share of the face value of Rs.10/- each)	30.85
d.	Pricing Formula	The Exercise Price, as approved by the shareholders, shall be the average closing price of the Company's shares on the National Stock Exchange in the immediate preceding 7-day period prior to the date of grant discounted by such percentage not exceeding 75% to be determined by the Compensation Committee subject to a minimum exercise price of Rs.10 per share
e.	Vesting Period	30% of entitlement on expiry of 1 year from grant of Option; Further 30% of entitlement on expiry of 2 years from grant of Option; and the balance 40% of entitlement on expiry of 3 years from grant of Option

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Sl	Description	ESOP - 2009
f.	Options vested	457500
g.	Options exercised	252000
h.	Options lapsed/surrendered/forfeited	35000
i.	Variations of terms of options	None
j.	Money realized by exercise	Rs.77,74,200
k.	Options in force	
	- Vested	170500
	- Unvested	Nil
l.	Details of options granted to Senior Management Personnel:	
	Sri Amitabha Ghosh	* 35,000
	Sri Haigreve Khaitan	* 35,000
	Sri P. Murari	* 35,000
	Sri Utsav Parekh	* 35,000
	Sri S. Ragothaman	* 35,000
	Sri C. Bhaskar	* 50,000
	Sri H. Bakshi	* 40,000
	Sri Vinay Agarwal	* 25,000
	Sri S.C. Jain	* 25,000
	Sri Anil Jain	* 25,000
	Sri Manmohan Krishan	* 25,000
	Sri N. Ravindran	* 25,000
	Sri U.K. Saraf	* 25,000
	Sri Sunil Mehta	10,000
	<i>* denotes employee granted options amounting to 5% or more of total options granted during respective year; None of the employees were granted Options equal to or exceeding 1% of the Issued Capital of the Company</i>	
m.	Diluted EPS	Rs. (10.36)
n.	Fair value of the options	Rs. 17.00
o.	The employee compensation costs has been calculated using the intrinsic value-based method of accounting for options granted and amounted to Rs. Nil for the financial year 2016-17. Had the compensation cost been determined in the manner consistent with the fair value approach, the Company's Net Loss for the year would be unchanged and proforma basic and diluted earnings per share would remain Rs.(10.42) and Rs.(10.36). (ESOP-2009 issued at the market price prevailing on the date of the grant plus applicable taxes)	
p.	Description of the method and significant assumptions used during the year to estimate the fair values of the options	<p>The fair value of each option is estimated using the Black Scholes Option Pricing Model after applying the following key assumptions on a weighted average basis:</p> <p>a) Risk-free interest rate: 6.6%</p> <p>b) Expected Life: 7.1 years</p> <p>c) Expected volatility: 0.40</p> <p>d) The Price of the underlying share in market at the time option grant Rs. 30.85</p>

For and on behalf of the Board

New Delhi  
May 19, 2017

Sidharth Birla  
Chairman

**Annexure to the Directors' Report**

**SECRETARIAL AUDIT REPORT**

**FORM NO. MR - 3**

**For the Financial Year ended March 31, 2017**

*[Pursuant to section 204(1) of the Companies Act, 2013 and*

*Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,  
The Members,  
Xpro India Limited  
Barjora - Mejia Road,  
P.O - Ghutgoria, Tehsil : Barjora,  
Dist.: Bankura 722 202  
West Bengal

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (There were no events / instances during the Audit Period which attract the applicability of the Regulations);
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (There were no events / instances during the Audit Period which attract the applicability of the Regulations);
  - (g) 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;

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (There were no events / instances during the Audit Period which attract the applicability of the Regulations); and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (There were no events / instances during the Audit Period which attract the applicability of the Regulations);
- vi) All other laws applicable to the company in general. However, no Industry specific law is applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India
- (b) The Listing Agreement entered into by the Company with National Stock Exchange

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

### **I further report that**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. There was no change in the composition of the Board of Directors during the period under review.
- 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, if any, as part of the minutes.

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

**I further report that** the Company had transferred amount of Unpaid Dividend for the Financial Year 2008-09 as required u/s 125(2)(a) of the Companies Act, 2013 to IEPF by depositing the same in Punjab National Bank, Kolkata on September 1, 2016. However, the Company could not file particulars of the amount transferred in prescribed Form IEPF-1 as Ministry of Corporate Affairs (MCA) notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from September 7, 2016 and no transitional provisions were made therein for filing Form IEPF-1 for offline payment cases. After repeatedly taking up the matter with IEPF Authority, MCA vide their General Circular No. 02/2017 dated 20/04/2017, have issued clarifications for online generation of challan for offline payment cases without additional filing fees and the same is being done by the Company accordingly.

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

Place: Kolkata  
Date: April 24, 2017

**K. C. Khowala**  
Company Secretary in practice  
ACS No. 4695  
CP No. 2421

**“Annexure A”**

**(To the Secretarial Audit Report of M/s Xpro India Limited for the financial year ended March 31, 2017)**

To,  
The Members,  
Xpro India Limited  
Barjora - Mejia Road,  
P.O - Ghutgoria, Tehsil : Barjora,  
Dist.: Bankura 722 202  
West Bengal

Our Secretarial Audit Report for the financial year ended March 31, 2017 of even date is to be read along with this letter.

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

Place: Kolkata  
Date: April 24, 2017

**K. C. Khowala**  
Company Secretary in practice  
ACS No. 4695  
CP No. 2421

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XPRO INDIA LIMITED**

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

We have audited the accompanying standalone financial statements of XPRO INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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.

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

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    1. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
    2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
    4. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as provided to us by the Management.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No.106189)

New Delhi, May 19, 2017

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF XPRO INDIA LIMITED**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report 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 Xpro India Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 Act.

#### **Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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 of the financial statements, whether due to fraud or error.

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

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

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



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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No.106189)

New Delhi, May 19, 2017

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF XPRO INDIA LIMITED**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed /conveyance deed provided to us and Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations received by the Company from lenders, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date except for the followings:

Particulars of the land and building	Gross Block (as at the balance sheet date) (Rs.)	Net Block (as at the balance sheet date) (Rs.)	Remarks
Freehold land at Faridabad, Haryana.	3,66,252	3,66,252	The said land was acquired by the Company under the Scheme of Demerger.
Freehold land and building at Kolkata	48,357	34,529	The said land was acquired by the Company under the Scheme of Demerger.

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except for the followings:

<b>Particulars of the land and building</b>	<b>Gross Block (<i>as at the balance sheet date</i>) (Rs.)</b>	<b>Net Block (<i>as at the balance sheet date</i>) (Rs.)</b>	<b>Remarks</b>
Leasehold land at Barjora, West Bengal.	31,24,436	31,24,436	The lease deed is yet to be executed though possession has been taken by the Company.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
  - (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes except for the following:

**XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

Statute	Nature of Dues	Forum where matter is pending	Period to which the matter pertains	Amount involved (Rs.)	Amount unpaid (Rs.)
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	1991-96	89,48,306	81,48,306
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	1992-94	1,71,26,750	1,71,26,750
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2004-07	48,75,598	48,75,598
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2004-07	21,44,779	21,44,779
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2012-14	19,91,549	19,91,549
Sales Tax Act	Entry Tax	Supreme Court	2002-03	11,34,138	11,34,138
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2008-09	19,38,001	19,38,001
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2009-10	11,20,419	11,20,419
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2010-11	11,72,865	11,72,865
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2011-12	11,17,382	10,33,578
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2010-11	10,59,407	10,59,407
Sales Tax Act	UP Trade Tax	Commissioner of Sales Tax	2004-05	4,26,250	85,250
Sales Tax Act	Sales Tax Demand	Deputy Commissioner (Appeal), Durgapur	1996-2011	35,06,466	31,17,914
Sales Tax Act	Sales Tax Demand	Madhya Pradesh Commercial Tax Appeal Board, Bhopal	2010-11	1,56,999	1,14,049
Sales Tax Act	Sales Tax Demand	Office of appellate authority, commercial tax department, Madhya Pradesh	2013-14	90,973	68,223
Sales Tax Act	Entry Tax	Kolkata High Court	2013-14	1,91,59,424	1,91,59,424
Central Excise Act	Excise Duty	Directorate General of Central Excise Intelligence	2013-15	22,62,127	22,62,127
Sales Tax Act	Sales Tax Demand	Deputy Commissioner of Sales Tax, Greater Noida- UP	2014-15	74,83,992	71,09,792

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings, based on the agreements/restructuring agreements, to financial institutions and banks except for defaults in repayment of Rs.3,72,00,000 to Allahabad Bank which is outstanding for a period of 1-275 days as at March 31, 2017 pending restructuring. The Company has not borrowed from Government and also the Company has not issued debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by term loans during the year for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, subject to approval by special resolution at the ensuing annual general meeting of the company.

- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No.106189)

New Delhi, May 19, 2017

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### **BALANCE SHEET**

As at March 31, 2017

	Note No.	March 31, 2017 Rs.	March 31, 2016 Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
- Share capital	3	11,65,95,000	11,65,95,000
- Reserves and surplus	4	57,67,59,165	69,82,59,684
		<u>69,33,54,165</u>	<u>81,48,54,684</u>
<b>Non-current Liabilities</b>			
- Long-term borrowings	5	1,53,31,01,400	1,35,48,75,606
- Other long-term liabilities	6	6,57,002	6,57,002
- Long-term provisions	7	3,36,65,092	2,42,96,186
		<u>1,56,74,23,494</u>	<u>1,37,98,28,794</u>
<b>Current Liabilities</b>			
- Short-term borrowings	8	43,76,06,295	45,20,81,469
- Trade payables	9	-	-
a) total outstanding dues of micro & small enterprises		-	-
b) total outstanding dues of creditors other than micro & small enterprises		47,69,26,104	40,72,62,149
- Other current liabilities	10	37,22,06,437	52,42,97,887
		<u>1,28,67,38,836</u>	<u>1,38,36,41,505</u>
		<u>3,54,75,16,495</u>	<u>3,57,83,24,983</u>
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
- Fixed assets			
- Tangible assets	11(a)	2,27,12,08,638	2,49,15,68,825
- Intangible assets	11(b)	1,75,08,590	1,87,63,945
- Capital work-in-progress		40,47,382	48,41,262
		<u>2,29,27,64,610</u>	<u>2,51,51,74,032</u>
- Non-current investments	12	70,89,000	70,89,000
- Deferred tax assets (net)	13	-	-
- Long-term loans and advances	14	15,47,28,229	13,57,94,982
- Other non-current assets	15	1,93,47,090	1,36,88,380
		<u>2,47,39,28,929</u>	<u>2,67,17,46,394</u>
<b>Current Assets</b>			
- Inventories	16	31,43,40,986	29,85,02,027
- Trade receivables	17	54,71,05,265	36,93,43,190
- Cash and cash equivalents	18	6,81,86,306	5,45,16,504
- Short-term loans and advances	19	10,09,63,172	16,66,37,594
- Other current assets	20	4,29,91,837	1,75,79,274
		<u>1,07,35,87,566</u>	<u>90,65,78,589</u>
		<u>3,54,75,16,495</u>	<u>3,57,83,24,983</u>

The accompanying notes are an integral part of the financial statements

**In terms of our report attached**  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

**Kartikeya Raval**  
Partner

**S. C. Jain**  
Company Secretary

**V. K. Agarwal**  
Joint President &  
Chief Financial Officer

**C. Bhaskar**  
Managing Director &  
Chief Executive Officer

**New Delhi**  
**May 19, 2017**

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

### **STATEMENT OF PROFIT AND LOSS**

For the Year ended March 31, 2017

	Note No.	<b>March 31, 2017</b> Rs.	<b>March 31, 2016</b> Rs.
<b>Income</b>			
- Gross revenue from operations	22	<b>3,48,87,98,143</b>	3,07,98,05,161
less: excise duty		<b>37,52,32,528</b>	33,70,66,769
- Net revenue from operations		<b>3,11,35,65,615</b>	2,74,27,38,392
- Other income	23	<b>3,89,09,416</b>	3,21,77,876
		<b>3,15,24,75,031</b>	2,77,49,16,268
<b>Expenses</b>			
- Cost of materials consumed	24	<b>2,10,83,04,098</b>	1,91,93,02,291
- Changes in inventories of finished goods & work-in-progress	25	<b>1,74,93,802</b>	9,16,068
- Employee benefits expense	26	<b>25,84,29,570</b>	22,61,66,741
- Finance costs	27	<b>23,88,88,997</b>	22,49,13,597
- Depreciation and amortisation expense	11	<b>16,96,17,038</b>	17,79,76,591
- Other expenses	28	<b>48,10,57,446</b>	45,97,26,165
		<b>3,27,37,90,951</b>	3,00,90,01,453
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(12,13,15,920)</b>	(23,40,85,185)
Extraordinary items	34	-	1,61,98,161
<b>Profit/(Loss) before tax</b>		<b>(12,13,15,920)</b>	(25,02,83,346)
Tax expense/(benefit)			
- Deferred tax		-	10,10,00,000
- Short provisions for tax pertaining to earlier years (net)		<b>1,84,599</b>	2,99,131
Net Tax expense/(benefit)		<b>1,84,599</b>	10,12,99,131
<b>Profit/(Loss) for the year</b>		<b>(12,15,00,519)</b>	(35,15,82,477)
<b>Earnings per equity share</b> (of Face Value Rs.10/- each)	39		
- Total			
- Basic (Rs.)		<b>(10.42)</b>	(30.15)
- Diluted (Rs.)		<b>(10.36)</b>	(30.00)
- Excluding Extraordinary item			
- Basic (Rs.)		<b>(10.42)</b>	(28.76)
- Diluted (Rs.)		<b>(10.36)</b>	(28.62)

The accompanying notes are an integral part of the financial statements

**In terms of our report attached**  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

**Kartikeya Raval**  
Partner

**S. C. Jain**  
Company Secretary

**V. K. Agarwal**  
Joint President &  
Chief Financial Officer

**C. Bhaskar**  
Managing Director &  
Chief Executive Officer

**New Delhi**  
**May 19, 2017**

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### **CASH FLOW STATEMENT**

For the Year ended March 31, 2017

	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>A. Cash flow from Operating Activities</b>		
Loss before extraordinary items and tax	(12,13,15,920)	(23,40,85,185)
Adjustments:		
Depreciation and amortization expense	16,96,17,038	17,79,76,591
Finance Costs	23,88,88,997	22,49,13,597
Interest income	(87,52,873)	(1,31,71,610)
Bad Debts written off	4,79,806	1,939
Liability/Provisions no longer required written back	(24,09,183)	(23,48,502)
Loss on Sale/Discard of Fixed Assets	(1,47,931)	5,12,833
Net unrealized Exchange Fluctuation Loss/(Gain)	(3,65,165)	(3,08,591)
<b>Operating Profit/(Loss) before Working Capital changes</b>	27,59,94,769	15,34,91,072
Adjustments for (increase)/decrease in Working Capital:		
Trade Receivables	(17,87,41,020)	3,15,32,135
Loans & advances and other assets	2,23,26,779	(9,67,617)
Inventories	(1,58,38,959)	94,15,852
Trade payables, other liabilities and provisions	6,99,38,909	(5,06,42,596)
	17,36,80,478	14,28,28,846
Cash flow from extraordinary item	-	(1,36,24,473)
<b>Cash Generated from Operations</b>	17,36,80,478	12,92,04,373
Direct Taxes refund	1,57,23,077	85,81,308
<b>Net Cash Flow from/(used in) Operating activities</b>	18,94,03,555	13,77,85,681
<b>B. Cash flow from Investing Activities</b>		
Capital expenditure on Fixed Assets (including capital advances)	(1,34,87,141)	(11,64,84,913)
Inter-corporate deposits (Net)	-	50,00,000
Unrealized Foreign Exchange Fluctuation Gain/(Loss)	4,30,24,062	(5,92,79,989)
Bank balances not considered as cash and cash equivalent	(46,52,043)	10,99,53,475
Proceeds from Sale of Fixed Assets	2,65,78,096	23,74,480
Interest Received	89,63,617	1,39,37,468
<b>Net Cash Flow from/(used in) Investing Activities</b>	6,04,26,591	(4,44,99,479)
<b>C. Cash flow from Financing Activities</b>		
Proceeds from long term borrowings	50,02,145	32,72,77,844
Repayment of long term borrowings	(7,11,08,912)	(27,45,27,765)
Net proceeds/(repayment) of short term borrowings	(3,44,75,174)	7,39,78,406
Proceeds from other short term borrowings	5,00,00,000	-
Repayments of other short term borrowings	(3,00,00,000)	-
Finance Costs (including borrowing cost capitalized)	(15,97,23,801)	(22,34,80,070)
Unclaimed Dividend Paid	(5,06,645)	(6,44,204)
<b>Net Cash Flow from/(used in) Financing activities</b>	(24,08,12,387)	(9,73,95,789)
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	90,17,759	(41,09,587)
Cash and Cash Equivalents at the beginning of the year	1,24,73,705	1,65,83,292
Cash and Cash Equivalents at the end of the year (refer Note 18)	2,14,91,464	1,24,73,705

Notes:

The accompanying notes are an integral part of the financial statements.

**In terms of our report attached**

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Kartikeya Raval**  
Partner

**New Delhi**  
**May 19, 2017**

**S. C. Jain**  
Company Secretary

**V. K. Agarwal**  
Joint President &  
Chief Financial Officer

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

**C. Bhaskar**  
Managing Director &  
Chief Executive Officer

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **Notes to the Financial Statements**

#### **1. Company Overview:**

Xpro India Limited ("the Company") is a public company incorporated as "Biax Films Limited" on November 26, 1997 under the Companies Act, 1956; the present name was adopted w.e.f. September 22, 1998. Equity shares of the Company are listed on National Stock Exchange and are admitted for trading on Bombay Stock Exchange. Organized into operating divisions for operational convenience, the Company is engaged mainly in the business of Polymers Processing at multiple locations and is the leading manufacturer in India of Coextruded Plastic Sheets, Thermoformed Liners and Speciality Films (including Dielectric Films and special purpose BOPP Films).

#### **2. Significant Accounting Policies**

##### **2.1 Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act").

The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the previous year.

##### **2.2 Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates as are recognised in the periods in which the results are known / materialise.

##### **2.3 Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation/amortization and impairment losses, if any. Cost comprises of freight, duties, taxes, interest and other incidental expenses related to acquisition and installation.

Fixed assets acquired and put to use for project purposes are capitalized when the project is ready for intended use and all costs and revenues till then are capitalized with the project cost. Projects under which tangible fixed assets are not yet ready for their intended use are carried as capital-work-in-progress at cost comprising direct cost, related incidental expenses and attributable interest.

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortised over the balance period of such long term asset or liability, by the recognition as income or expense in each of such periods.

##### **2.4 Depreciation/Amortization**

Depreciation on tangible fixed assets has been provided on the Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Certain Plant & Machinery are considered as continuous process plants based on technical evaluation. Depreciation on addition/disposal is provided pro-rata with reference to date of addition/disposal. Leasehold lands and development expenses thereof are amortized over the period of lease. Software is amortized over a period of six years. Technical know-how fees are amortized over the life of the plant from the date of commencement of commercial production using such know-how.

##### **2.5 Impairment**

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset/cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discounting factor.



**2.6 Investments**

Long term Investments are stated at cost less provision for diminution in value other than temporary, if any.

**2.7 Inventories**

Inventories include stock-in-transit/bonded warehouses and with others for manufacturing / processing / replacement. Inventories are valued at lower of cost and net realizable value. Cost is determined on the weighted average method. Finished goods and process stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition, and excise duty, as applicable.

**2.8 Revenue Recognition**

- (i) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- (ii) Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the customer. Sales include excise duty but exclude sales tax and value added tax.
- (iii) Interest: Time pro-rated revenue is recognized taking into account the amount outstanding and rate applicable.
- (iv) Others: Wherever it is not possible to determine the quantum of accrual with reasonable certainty, e.g. Insurance & other claims, refund of Customs Duty and export incentives these continue to be accounted for on cash basis.

**2.9 Borrowing Cost**

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalization of such asset are added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

**2.10 Foreign Currency Transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing at time of transaction. Monetary items denominated in foreign currencies and outstanding at the year-end are translated at year-end rates. Exchange differences arising on settlement of short-term monetary items at rates different from those at which they were initially recorded are recognized as income or as expenses in the year in which they arise.

The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Accordingly the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases accumulated in a "Foreign Currency Monetary Item Translation Difference Account" in the enterprise's financial statements and amortised over the balance period of such long term asset or liability, by the recognition as income or expense in each of such periods.

**2.11 Research & Development ('R&D')**

Revenue expenditure on R&D is charged to Statement of Profit and Loss account under respective heads of account and fixed assets utilized for R&D are capitalised and depreciated in accordance with the policy.

**2.12 Government Grants, Subsidies and Export Incentives**

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/subsidies will be received. Grants relating to Fixed Assets are deducted from the gross value of the Fixed Assets and those of the nature of Project Capital Subsidy are credited to Capital Subsidy Reserves & other Government grants including export incentives are credited to Statement of Profit & Loss or deducted from the related expenses. Other Government grants/subsidies are recognised as income over the period necessary to match them with the cost for which they are intended to compensate, on a systematic basis.

**2.13 Employee benefits**

Contributions to Provident Fund and Superannuation Fund, which are defined contribution schemes, are made to government administered/approved Provident Fund(s) and an LIC administered fund respectively, and are charged to the

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Statement of Profit and Loss as incurred. The Company has no further obligations beyond its monthly contributions to these funds. Provision for gratuity and compensated absence, under LIC administered fund(s), which are in the nature of defined benefit plans, are provided based on valuations, as at the balance sheet date, carried out by an independent actuary. Termination benefits are recognized as expense as and when incurred.

### **2.14 Leases**

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognized as expense in the statement of Profit and Loss on a straight-line basis.

### **2.15 Taxation**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### **2.16 Employees Stock Option Plan**

The accounting value of stock options representing the excess of the market price on the date of grant over the exercise price of the shares granted under "Employees' Stock Option Scheme" of the Company, is amortized as "Deferred employees compensation" on a straight-line basis over the vesting period in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

### **2.17 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities, if any, are not recognized in the accounts but are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

### **2.18 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of 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 based on the available information.

### **2.19 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

### **2.20 Operating Cycle**

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

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### 3. Share Capital

	<u>March 31, 2017</u> Rs.	<u>March 31, 2016</u> Rs.
<b><u>Authorized</u></b>		
1,50,00,000 Equity Shares of Rs.10 each (March 31, 2016: 1,50,00,000)	<b>15,00,00,000</b>	15,00,00,000
2,00,00,000 Unclassified Shares of Rs.10 each (March 31, 2016: 2,00,00,000)	<b>20,00,00,000</b>	20,00,00,000
<b><u>Issued, subscribed &amp; fully paid share capital</u></b>		
1,16,59,487 Equity Shares of Rs.10 each (March 31, 2016: 1,16,59,487)	<b>11,65,94,870</b>	11,65,94,870
<b><u>Share Capital Suspense</u></b>		
13 Equity Shares of Rs.10 each (March 31, 2016: 13)	<b>130</b>	130
	<b>11,65,95,000</b>	11,65,95,000

**3.1** Share Capital Suspense comprises of 12 equity shares pending to be allotted as fully paid up to some non-resident equity shareholders without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000 and 1 equity share of Rs.10 pending to be allotted as fully paid to a non-resident share holder by way of bonus share in terms of RBI regulations.

**3.2** The Company has issued only one class of shares referred to as equity shares having a par value of Rs.10. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets after distribution of all preferential amounts.

**3.3** Shareholder(s) holding more than 5% shares in the Company as on March 31, 2017 are:

- i) IntelliPro Finance Private Limited : 22,70,000 shares; 19.47% (*previous year: 22,70,000 shares; 19.47%*) and
- ii) iPro Capital Limited: 29,00,000 shares; 24.87% (*previous year: 29,00,000; 24.87%*).

**3.4** Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	<u>2016-17</u>	<u>2015-16</u>
Number of shares outstanding at the beginning of the year	1,16,59,500	1,16,59,500
Shares issued & allotted on exercise of employee options during the year	-	-
Number of shares outstanding at the end of year	1,16,59,500	1,16,59,500

### **3.5 Employees' Stock Option Scheme(s)**

Employees' Stock Option Scheme - 2009 ("ESOP 2009"), approved by the Shareholders of the Company in their meeting held on July 23, 2009, provides for 457500 stock options representing one equity share each. The grant date of the scheme is April 1, 2010. All options were granted at Rs.30.85 per share (market price at the time of grant). A compensation committee comprising independent members of the Board of Directors administers the Scheme.

30% of the options granted vest with the eligible employees on the expiry of one year, another 30% on the expiry of two years and the balance 40% on the expiry of three years from the date of grant.

Information about options outstanding:

	<u>2016-17</u>	<u>2015-16</u>
Options outstanding, beginning of the year	<b>1,70,500</b>	1,70,500
Options Exercised	-	-
Options lapsed/surrendered/forfeited	-	-
Options outstanding, end of the year	<b>1,70,500</b>	1,70,500
Of which:		
Vested but not exercised	<b>1,70,500</b>	1,70,500
Not vested	-	-

	<u>March 31, 2017</u> Rs.	<u>March 31, 2016</u> Rs.
<b>4. <u>Reserves and Surplus</u></b>		
Capital Subsidy Reserve	<b>60,50,000</b>	60,50,000
Securities Premium Reserve	<b>3,74,47,950</b>	3,74,47,950
General Reserve	<b>67,50,00,000</b>	67,50,00,000
Surplus		
Opening Balance	<b>(2,02,38,266)</b>	33,13,44,211
add: Loss for the year transferred from Statement of Profit and Loss	<b>(12,15,00,519)</b>	(35,15,82,477)
Closing Balance	<b>(14,17,38,785)</b>	(2,02,38,266)
<b>Reserves &amp; Surplus (Total)</b>	<b>57,67,59,165</b>	69,82,59,684

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### 5. Long-term Borrowings

	March 31, 2017		March 31, 2016	
	Rs.		Rs.	
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
<b>Secured</b>				
Term loans (from Banks)	<b>1,53,31,01,400</b>	<b>20,83,88,511</b>	1,35,48,75,606	45,27,21,072
	<b>1,53,31,01,400</b>	<b>20,83,88,511</b>	1,35,48,75,606	45,27,21,072

Note: Amounts stated under "current maturities" above are disclosed under the head "other current liabilities" (note 10)

During the current year ended March 31, 2017, the Company obtained reschedulement for repayment of loans borrowed from State Bank of India, State Bank of Hyderabad (merged with State Bank of India), State Bank of Patiala (merged with State Bank of India), Punjab National Bank and Bremer Kreditbank AG ('BKB Bank'); the disclosures of the above amounts as at March 31, 2017 have been made duly considering the rescheduled terms.

The classification of loans between current liabilities and non-current portion and current maturities is based on reschedulement under respective agreements.

- a. Term Loan from State Bank of India, outstanding Rs.3,95,65,564 (previous year: Rs.4,44,65,564), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.3,00,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.10,00,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.12,00,000 each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12,50,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- b. Term Loan from Punjab National Bank, outstanding Rs.9,50,00,000 (previous year: Rs.9,60,00,000), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.7,25,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.24,00,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.28,75,000 each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30,00,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- c. ECB from Bremer Kreditbank AG ('BKB Bank') (formerly known as KBC Bank Deutschland AG), in the nature of term loan, outstanding €7,938,018.72; equivalent to Rs.55,85,18,993 (previous year: €7,938,018.72; equivalent to Rs.60,15,43,055), carrying interest linked to Euribor has been rescheduled (subject to conditions precedent), is now repayable in 14 semi-annual instalments of €567,001.34 each, along with interest, commencing from April 2017, is secured by hypothecation of specified Dielectric Film Line and slitter at Barjora and is insured under Hermes export credit guarantee.
- d. Term Loan from State Bank of India, outstanding Rs.20,49,00,000 (previous year: Rs.22,08,00,000) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.15,50,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.51,75,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.62,00,000 each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64,75,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term;
- e. Term Loan from State Bank of Patiala, outstanding Rs.15,84,00,000 (previous year: Rs.17,00,00,000) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.12,00,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.40,00,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.48,00,000 each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50,00,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- f. Term Loan from State Bank of Hyderabad, outstanding Rs.16,40,00,000 (previous year: Rs.17,59,50,000) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.12,50,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.41,50,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.49,75,000 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51,75,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable

- assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- g. Term Loan from Allahabad Bank, outstanding Rs.15,00,00,000 (previous year: Rs.14,89,97,855), carrying interest linked to the bank's Base Rate, is repayable in 17 quarterly instalments of Rs.84,00,000 and last instalment of Rs.72,00,000 commencing from September 2016, and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future of the Company's unit situated at Ranjangaon and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- h. Corporate Loan from State Bank of India outstanding Rs.5,21,00,000 (previous year: Rs.5,79,00,000) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.4,00,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.13,25,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.15,75,000 each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16,50,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- i. Corporate Loan from State Bank of Hyderabad, outstanding Rs.14,85,00,000 (previous year: Rs.15,00,00,000), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.11,25,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.37,50,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.45,00,000 each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47,00,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- j. Corporate Loan from State Bank of India, outstanding Rs.3,61,00,000 (previous year: Rs.3,65,00,000), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.2,75,000 each starting from April 2017; (ii) 4 quarterly instalments of Rs.9,25,000 each starting from April 2018; (iii) 12 quarterly instalments of Rs.11,00,000 each starting from April 2019 & (v) 16 quarterly instalments of Rs.11,50,000 each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- k. Corporate Loan from Allahabad Bank, outstanding Rs.9,70,00,000 (previous year: Rs.10,00,00,000), carrying interest linked to the bank's Base Rate is repayable in 5 equal instalments of Rs.30,00,000 each starting from March 2016, followed by 12 instalments of Rs.60,00,000 each and last instalment of Rs.1,30,00,000 and is secured by ranking pari passu first charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future, of the Coex Division of the Company situated at Faridabad and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- l. Working Capital Term Loan from State Bank of India, outstanding Rs.1,50,00,000 (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3,75,000 each starting from April 2017; (ii) 8 quarterly instalments of Rs.5,75,000 each starting from April 2018; (iii) 4 quarterly instalments of Rs.6,75,000 each starting from April 2020; & (iii) 8 quarterly instalments of Rs.7,75,000 each starting from April 2021, is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- m. Working Capital Term Loan from State Bank of Patiala, outstanding Rs.1,37,47,500 (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3,52,500 each starting from April 2017 (ii) 8 quarterly instalments of Rs.5,28,750 each starting from April 2018; (iii) 4 quarterly instalments of Rs.6,16,875 each starting from April 2020 & (iv) 8 quarterly instalments of Rs.7,05,000 each starting from April 2021 is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- n. Working Capital Term Loan from Punjab National Bank, outstanding Rs.28,27,500 (previous year: Rs. Nil), carrying interest linked to the bank's MCLR has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.72,500 each starting from April 2017; (ii) 8 quarterly instalments of Rs.1,08,750 each starting from April 2018; (iii) 4 quarterly instalments of Rs.1,26,875 each starting from April 2020 & (iv) 8 quarterly instalments of Rs.1,45,000 each starting from April 2021 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and

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future (excluding specified Dielectric Film Line and slitter which are exclusively charged to BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders;

- o. Car Loan(s) of Rs.58,30,354 (previous year: Rs.54,40,204) carrying interest linked to the bank's Base Rate, repayable in 36 monthly installment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles.

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>6. Other Long Term Liabilities</b>		
Others	<b>6,57,002</b>	6,57,002
	<b>6,57,002</b>	6,57,002
<b>7. Long Term Provisions</b>		
Provisions for employee benefits		
Provision for Gratuity (Note 26)	<b>3,36,65,092</b>	2,38,68,106
Provision for Leave Encashment (Note 26)	-	4,28,080
	<b>3,36,65,092</b>	2,42,96,186
<b>8. Short Term Borrowings</b>		
<b>Loans repayable on Demand</b>		
<b>Secured Loans</b>		
Working Capital Loans and Cash Credit Accounts with Banks	<b>41,12,97,972</b>	43,44,06,991
Overdraft accounts with Banks	<b>63,08,323</b>	1,76,74,478
	<b>41,76,06,295</b>	45,20,81,469
<b>Unsecured Loans</b>		
From Related Parties (Note 33)	<b>1,00,00,000</b>	-
Others	<b>1,00,00,000</b>	-
	<b>2,00,00,000</b>	-
	<b>43,76,06,295</b>	45,20,81,469
a. Working Capital loans are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Company, present and future, wherever situated.		
b. Overdraft against term deposits is secured by way of pledge of Term Deposit Receipts with the bank(s).		
<b>9. Trade Payables</b>		
Trade payables for goods and services	<b>32,44,34,686</b>	27,77,78,094
Acceptances	<b>15,24,91,418</b>	12,94,84,055
	<b>47,69,26,104</b>	40,72,62,149
There are no dues to Micro and Small Enterprises (determined to the extent such parties have been identified on the basis of information available with the Company, as at March 31, 2017) which require disclosure under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the Auditors.		
<b>10. Other Current Liabilities</b>		
Current maturities of long term debt (Note 5)	<b>20,83,88,511</b>	45,27,21,072
Interest accrued and due on borrowings	<b>8,91,49,659</b>	1,32,94,094
Interest accrued but not due on borrowings	<b>65,18,938</b>	32,09,307
Unclaimed dividends	<b>32,78,562</b>	37,85,207
Payable towards purchase of Capital Goods	<b>39,46,556</b>	1,28,81,851
Advance from Customers	<b>56,10,079</b>	49,60,095
Advance against sale of Fixed Assets	<b>2,59,50,000</b>	-
Security Deposit Received	<b>6,17,337</b>	20,39,393
Statutory dues	<b>2,86,31,526</b>	3,14,06,868
Others	<b>1,15,269</b>	-
	<b>37,22,06,437</b>	52,42,97,887

**11. Fixed Assets**

**a. Tangible assets**

Rs.

	Gross Value			Depreciation / Amortisation				Net Value				
	As of April 1, 2016	Additions	Reclassified as Assets held for Sale	Disposal	As at March 31, 2017	Upto April 1, 2016	For the Year	Eliminated on reclassification as asset held for sale	Deduction / Adjustment	Upto March 31, 2017	As on March 31, 2017	As on March 31, 2016
Freehold Land	77,76,198	-	77,76,198	-	-	-	-	-	-	-	-	77,76,198
Leasehold Land	9,33,48,862	-	-	-	9,33,48,862	1,52,65,486	16,32,208	-	-	1,68,97,694	7,64,51,168	7,80,83,376
Buildings	48,87,83,981	9,13,617	2,75,31,354	-	46,21,66,244	7,03,90,688	1,47,71,345	1,30,38,734	-	7,21,23,299	39,00,42,945	41,83,93,293
Plant & Equipment	3,20,33,76,252	34,78,983	-	4,30,24,062	3,16,38,31,173	1,25,29,19,019	14,42,10,230	-	-	1,39,71,29,249	1,76,67,01,924	1,95,04,57,233
Furniture & Fixtures	3,16,47,729	3,34,610	-	-	3,19,82,339	1,86,04,409	17,60,890	-	-	2,03,65,299	1,16,17,040	1,30,43,320
Vehicles	3,23,43,585	79,20,390	-	31,53,750	3,71,10,225	1,31,24,057	42,03,232	-	26,74,060	1,46,53,229	2,24,56,996	1,92,19,528
Computers	1,57,68,787	6,61,983	-	9,500	1,64,21,270	1,36,29,780	10,25,884	-	9,025	1,46,46,639	17,74,631	21,39,007
Equipment & Fittings	1,08,17,408	4,64,958	-	-	1,12,82,366	83,60,538	7,57,894	-	-	91,18,432	21,63,934	24,56,870
Total	3,88,38,62,802	1,37,74,541	3,53,07,552	4,61,87,312	3,81,61,42,479	1,39,22,93,977	16,83,61,683	1,30,38,734	26,83,085	1,54,49,33,841	2,27,12,08,638	2,49,15,68,825
Previous Year	3,69,98,56,317	18,95,41,419	-	55,34,934	3,88,38,62,802	1,21,58,36,601	17,91,04,999	-	26,47,623	1,39,22,93,977	2,49,15,68,825	

**b. Intangible assets**

	Gross Value					Depreciation / Amortisation					Net Value	
	As of April 1, 2016	Additions	Reclassified as Assets held for Sale	Disposal	As at March 31, 2017	Upto April 1, 2016	For the Year	Eliminated on reclassification as asset held for sale	Deduction / Adjustment	Upto March 31, 2017	As on March 31, 2017	As on March 31, 2016
Software	28,32,382	-	-	-	28,32,382	27,05,435	1,26,947	-	-	28,32,382	-	1,26,947
Technical knowhow	3,48,38,250	-	-	-	3,48,38,250	1,62,01,252	11,28,408	-	-	1,73,29,660	1,75,08,590	1,86,36,998
<b>Total</b>	<b>3,76,70,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,76,70,632</b>	<b>1,89,06,687</b>	<b>12,55,355</b>	<b>-</b>	<b>-</b>	<b>2,01,62,042</b>	<b>1,75,08,590</b>	<b>1,87,63,945</b>
<i>Previous Year</i>	<i>3,76,70,632</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,76,70,632</i>	<i>1,74,61,407</i>	<i>14,45,280</i>	<i>-</i>	<i>-</i>	<i>1,89,06,687</i>	<i>1,87,63,945</i>	

(i) Capital work-in-progress includes (previous year figures in italics) Leasehold Land: Rs.31,24,436 (Rs.31,24,436); Plant & Machinery: Rs.6,66,175 (Rs.17,16,825); Furniture & Fixtures: Rs.2,56,771 (Rs.Nil).

Borrowing cost capitalized during the year as fixed assets: Rs. Nil (Rs. 77,27,854)

Some assets of which the Company is the beneficial owner are pending for transfer in the name of the Company and for which necessary steps are being taken.

(ii) As stipulated in AS-28 on Impairment of Assets, the Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

(iii) The Company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in line with Companies (Accounting Standards) Amendment Rules 2009 relating to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009. Accordingly, exchange differences on all long term monetary items, with retrospective effect from April 01, 2007 are: (a) To the extent such items are used for the acquisition of a depreciable asset, added to / deducted from the cost of the asset and depreciated over the balance life of the asset. As a result deletion of an amount of Rs. 4,30,24,062 has been made (*Previous Year addition of Rs.5,92,79,989*) to Gross Block of fixed assets, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

(iv) Of the total depreciation for the previous year shown above, Rs.25,73,688 has been included under the head 'Extraordinary Items' and thus not included under the head 'Depreciation and Amortisation Expense' in the Statement of Profit and Loss.

(v) Buildings includes Rs.72,500 being cost of 1000 shares of face value Rs.10/- each held in Biria Buildings Limited.

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	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>12. <u>Non-Current Investments</u></b>		
<b><u>Trade Investments</u></b> (valued at cost)		
<b>Unquoted equity instruments</b>		
<b>Investment in wholly owned subsidiary companies</b>		
10,00,000 equity shares of Xpro Global Limited of Rs.10/- each	52,50,000	52,50,000
(Out of above 9,50,000 equity shares of Rs. 10/- each partly paid up Rs. 5/- each)		
50,000 fully paid equity shares of Xpro Global Pte. Ltd. (@ SGD 1 each)	18,39,000	18,39,000
	<b>70,89,000</b>	<b>70,89,000</b>
<b>13. <u>Deferred Tax Assets (net)</u></b>		
<b>Deferred tax assets</b>		
Expenses deductible on Payment basis	1,04,00,000	74,00,000
Carry forward of losses	9,30,00,000	8,25,00,000
	<b>10,34,00,000</b>	<b>8,99,00,000</b>
<b>Deferred tax liabilities</b>		
Difference between book and tax depreciation	10,34,00,000	8,99,00,000
<b>Net Deferred Tax Assets</b>	-	-
<i>Deferred tax asset on account of unabsorbed depreciation and business loss has been recognized to the extent it can be realized against reversal of deferred tax liability.</i>		
<b>14. <u>Long-Term Loans and Advances</u></b>		
<b>Unsecured, considered good</b>		
Capital Advances	21,12,000	16,05,521
Security Deposits	2,14,49,911	2,17,30,329
Credit for MAT entitlement	2,42,26,754	2,42,26,754
Deposit with Government departments	30,30,346	35,51,265
Balance with Central Excise	10,18,15,000	8,14,51,541
Others	20,94,218	32,29,572
	<b>15,47,28,229</b>	<b>13,57,94,982</b>
<b>15. <u>Other Non-current Assets</u></b>		
VAT Subsidy (under Maharashtra Package Scheme of Incentives)	1,93,47,090	1,36,88,380
	<b>1,93,47,090</b>	<b>1,36,88,380</b>
<b>16. <u>Inventories</u></b>		
Raw materials	15,65,07,339	12,82,83,301
Work-in-progress	5,69,35,204	5,66,68,131
Finished Goods	6,94,96,499	8,72,57,374
Stores, Spares and Packing Material	3,14,01,944	2,62,93,221
	<b>31,43,40,986</b>	<b>29,85,02,027</b>
Raw Materials includes goods in transit: Rs.Nil (previous year: Rs.2,72,17,513)		
<b>17. <u>Trade receivables</u></b>		
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from due date	8,42,017	12,66,243
Others	54,62,63,248	36,80,76,947
	<b>54,71,05,265</b>	<b>36,93,43,190</b>



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	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>18. <u>Cash and cash equivalents</u></b>		
Cash on hand	4,37,507	7,58,441
Balance with banks in Current Accounts	2,10,53,957	1,17,15,264
Total Cash & Cash Equivalents (As per AS-3 Cash flow Statements) (A)	2,14,91,464	1,24,73,705
Other Balance with Banks		
Fixed Deposits (with original maturity more than three months)	3,75,11,427	3,73,66,692
In earmarked accounts		
Unpaid Dividend Accounts	32,78,562	37,85,207
Balances held as margin money	59,04,853	8,90,900
Total – Other bank balances (B)	4,66,94,842	4,20,42,799
Total – Cash and Cash equivalents (A + B)	6,81,86,306	5,45,16,504
Term Deposits pledged with bank(s) for overdraft & other facilities - Rs.3,62,73,862 (Previous year: Rs. 3,73,66,692)		
<b>19. <u>Short Term Loans and Advances</u></b>		
<b>Unsecured, considered good</b>		
Prepaid expenses	55,60,930	58,74,249
Security deposits	1,10,000	-
Advances to Suppliers	72,62,215	1,18,59,253
Loans to employees	14,90,658	22,20,320
Advance Income Tax (Net of provisions)	78,10,344	2,37,18,020
Balance with Government authorities	7,77,36,466	12,19,54,019
Other loans and advances	9,92,559	10,11,733
	10,09,63,172	16,66,37,594
<b>20. <u>Other Current Assets</u></b>		
Interest accrued on Fixed Deposits	15,48,759	17,59,503
Employees benefits ( <i>Compensated absences</i> ) (Note 26)	24,91,091	-
VAT refund due ( <i>under Maharashtra Package Scheme of Incentives</i> )	1,06,88,000	1,45,74,476
Fixed assets held for sale (Note 38)	2,22,68,818	-
Others (from related parties: Rs.57,57,491; <i>previous year: Nil</i> )	59,95,169	12,45,295
	4,29,91,837	1,75,79,274
<b>21. <u>Contingent Liabilities and Commitments</u> (to the extent not provided for)</b>		
<b>Contingent Liabilities</b>		
Claims against the Company, not acknowledged as debt	2,50,208	2,50,208
Sales Tax, Excise & Customs matters under appeal	5,54,21,908	4,68,35,068
Entry tax under appeal	1,91,59,424	1,35,21,285
Others	15,77,366	20,42,794
Bills discounted	1,99,35,725	3,53,85,974
(In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote)		
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	46,21,748	17,00,444
Unpaid portion of subscribed Equity Capital in subsidiary	47,50,000	47,50,000

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	2016 - 17 Rs.	2015 - 16 Rs.
<b>22. Revenue from Operations</b>		
Sale of products	3,41,57,93,722	3,03,68,99,267
Other Operating Revenues	7,30,04,421	4,29,05,894
Gross Revenue from Operations	3,48,87,98,143	3,07,98,05,161
less: Excise Duty	37,52,32,528	33,70,66,769
Net Revenue from Operations	3,11,35,65,615	2,74,27,38,392
<b>Additional Details of Products Sold</b>		
Finished Goods		
Thermoplastic Films/Sheets/Liners	3,41,88,93,973	3,04,00,09,466
Others	6,99,04,170	3,97,95,695
	3,48,87,98,143	3,07,98,05,161
<b>23. Other Income</b>		
Net Gain/(Loss) on foreign currency transactions	33,59,826	-
Excess provisions and unclaimed balances in respect of earlier years written back	24,09,183	23,48,502
Interest income		
From Banks	29,06,065	58,50,705
On Income Tax refund	22,94,366	25,16,891
From Others	35,52,442	48,04,014
Insurance claims received	80,46,680	8,37,644
VAT refund (under Maharashtra Package Scheme of Incentives)	1,41,19,234	1,26,31,611
Profit on sale of fixed assets (net)	1,47,931	-
Miscellaneous income	20,73,689	31,88,509
	3,89,09,416	3,21,77,876
<b>24. Cost of Materials Consumed</b>		
Inventories at the beginning of the year	12,82,83,301	13,94,00,936
add: Purchases during the year	2,15,79,36,693	1,93,24,63,134
	2,28,62,19,994	2,07,18,64,070
less: Sales and Transfers	2,14,08,557	2,42,78,478
	2,26,48,11,437	2,04,75,85,592
less: Inventories at the end of the year	15,65,07,339	12,82,83,301
Cost of Raw Materials Consumed	2,10,83,04,098	1,91,93,02,291
<b>Details of Materials Consumed</b>		
Thermoplastic Resins	2,09,77,69,593	1,91,02,94,230
Others	1,05,34,505	90,08,061
	2,10,83,04,098	1,91,93,02,291
<b>25. Changes in Inventories of Work-in-Progress and Finished Goods</b>		
<b>Inventories at the end of the year</b>		
Work-in-Progress	5,69,35,204	5,66,68,131
Finished Goods	6,94,96,499	8,72,57,374
	12,64,31,703	14,39,25,505
<b>Inventories at the beginning of the year</b>		
Work-in-Progress	5,66,68,131	5,20,75,392
Finished Goods	8,72,57,374	9,27,66,181
	14,39,25,505	14,48,41,573
<b>Net (increase)/decrease</b>	1,74,93,802	9,16,068
<b>26. Employee Benefits Expense</b>		
Salaries, Wages, Bonus, etc.	21,28,81,346	18,79,60,929
Contribution to Provident and other Funds	2,88,12,436	2,16,96,502
Employees Welfare	1,67,35,788	1,65,09,310
	25,84,29,570	22,61,66,741

Effective 2007-08 the Company adopted Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits. The Company has defined benefit plans for gratuity to eligible employees, contributions for which are made to Life Insurance Corporation of

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India, who invest the funds as per IRDA guidelines. The details of these defined benefit plans recognized in the financial statements are as under: (Rs. in lacs)

	Gratuity		Compensated absence		
	2016-17	2015-16	2016-17	2015-16	
<b>a. Reconciliation of opening and closing balances of the present value of defined benefit obligation</b>					
Obligation at the beginning of the year	786.67	712.88	269.59	245.62	
Current Service Cost	40.87	40.63	17.26	27.54	
Interest Cost	51.13	58.53	17.52	20.17	
Actuarial (gain)/loss	60.72	(0.84)	15.16	1.56	
Benefits paid	(196.38)	(24.53)	(65.38)	(25.30)	
<b>Obligation at the end of the year</b>	<b>743.01</b>	<b>786.67</b>	<b>254.15</b>	<b>269.59</b>	
<b>b. Reconciliation of opening and closing balances of fair value of plan assets</b>					
Plan assets at the beginning of the year, at fair value	547.99	529.78	265.31	244.13	
Expected Return on Plan Assets	37.32	43.02	20.60	20.11	
Actuarial gain/(loss)	12.34	(8.01)	24.20	1.93	
Contribution made	3.65	3.37	1.86	0.83	
Benefits paid	(194.94)	(20.17)	(32.91)	(1.69)	
<b>Plan assets at the end of the year, at fair value</b>	<b>406.36</b>	<b>547.99</b>	<b>279.06</b>	<b>265.31</b>	
<b>c. Liability recognized in Balance Sheet</b>					
Obligation at the end of the year	743.01	786.67	254.15	269.59	
Less : Plan assets at the end of the year, at fair value	406.36	547.99	279.06	265.31	
<b>Liability recognized in Balance Sheet</b>	<b>336.65</b>	<b>238.68</b>	<b>(24.91)</b>	<b>4.28</b>	
<b>d. Net cost of employer expense for the year</b>					
Current Service cost	40.87	40.63	17.26	27.54	
Interest on cost	51.13	58.53	17.52	20.17	
Expected return on plan assets	(37.32)	(43.02)	(20.60)	(20.11)	
Actuarial losses (gains)	48.38	7.17	(9.03)	(0.37)	
<b>Total expense recognized in Statement of Profit &amp; Loss</b>	<b>103.06</b>	<b>63.31</b>	<b>5.15</b>	<b>27.23</b>	
<b>e. Assumptions</b>					
Discount Rate (p.a.)	6.50%	8.21%	6.50%	8.21%	
Expected Rate of Return on plan assets (p.a.)	8.25%	8.25%	8.25%	8.25%	
Expected rate of increase in compensation levels (p.a.)	6.00%	6.00%	6.00%	6.00%	
<b>f. Experience Adjustment</b>					
	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
<b>Gratuity</b>					
Defined Benefit Obligation at the end of the year	743.01	786.67	712.88	631.19	574.94
Plan Assets at the end of the year	406.36	547.99	529.78	459.84	413.35
Funded Status – Surplus/(Deficit)	(336.65)	(238.68)	(183.10)	(171.35)	(161.59)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	60.72	(0.84)	27.76	(14.32)	44.59
Experience Adjustment on Plan Assets - Gain/(Loss)	12.34	(8.01)	39.79	(0.62)	5.71
<b>Compensated Absence</b>					
Defined Benefit Obligation at the end of the year	254.15	269.59	245.62	251.48	232.02
Plan Assets at the end of the year	279.06	265.31	244.13	231.40	211.93
Funded Status – Surplus/(Deficit)	24.91	(4.28)	(1.49)	(20.08)	(20.09)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	15.16	1.56	11.96	(7.86)	19.23
Experience Adjustment on Plan Assets - Gain/(Loss)	24.20	1.93	0.01	0.40	1.80
<b>g. The Contribution expected to be made by the Company during the next financial year has not been ascertained.</b>					
<b>h. The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.1,15,68,486 (Previous year Rs.1,23,04,560) for Provident Fund contributions, Rs.41,93,891 (Previous Year Rs.29,01,080) for Superannuation Fund contributions and Rs.7,53,062 (Previous year Rs.7,14,533) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</b>					

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	2016 - 17 Rs.	2015 -16 Rs.
<b>27. Finance Costs</b>		
Interest expenses	22,06,89,835	20,81,96,862
Other borrowing cost	1,81,99,162	1,67,16,735
	<b>23,88,88,997</b>	<b>22,49,13,597</b>
<b>28. Other Expenses</b>		
Consumption of Stores, Spares and Packing Material	7,04,41,119	6,54,24,511
(Increase)/decrease of Excise Duty on inventory	18,59,162	12,16,447
Power & Fuel	24,42,22,842	24,14,99,184
Processing Charges	66,99,576	63,06,914
Repairs to:		
- Buildings	26,67,912	7,92,795
- Plant & Machinery	1,88,88,746	1,80,95,330
- Others	39,67,500	29,88,622
Communication	32,50,793	31,93,176
Director's Fees	19,70,000	20,95,000
Insurance	65,44,340	62,64,051
Loss on sale of fixed assets (net)	-	5,12,831
Payment to Auditors (refer note a. below)	17,83,957	14,32,505
Professional & Legal	44,19,471	52,58,294
Rates & Taxes	47,62,160	68,84,154
Rent (refer note b. below)	53,12,001	43,84,901
Travelling	1,12,45,800	83,39,656
Bad Debts written off	4,79,806	1,939
Brokerage, Rebate, Discount & Commission	62,38,444	47,45,812
Freight, Forwarding & Shipment Charges (Net)	4,48,29,158	3,70,06,599
Other Selling Expenses	12,61,165	21,54,245
Rejection & Damages (Net)	1,60,844	1,78,138
Exchange fluctuation	-	20,84,767
Miscellaneous expenses	4,00,52,650	3,88,66,294
	<b>48,10,57,446</b>	<b>45,97,26,165</b>
a. Payment to Auditors		
- As Auditors	8,50,000	8,50,000
- For other services	4,50,000	1,91,000
- Reimbursement of expenses	4,83,957	3,91,505
	<b>17,83,957</b>	<b>14,32,505</b>
(Amount paid to a firm in which some of the partners of the Statutory Auditors are partners: Rs.Nil (previous year: Rs.14,75,000)		
b. The Company is lessee under various operating leases, none of which are non-cancellable.		
<b>29. As at March 31, 2017, Company's current liabilities are greater than its current assets. This is viewed by the Company as temporary since, with improving markets and results, the Company expects to continue to earn operating profit and positive cash flow from operations. The Company has taken up with its Term Lenders to reschedule payments accordingly.</b>		
<b>30. Foreign Currency Transactions</b>		
a. Imports (CIF Value)		
Raw materials	48,56,64,264	44,31,64,752
Spares	98,09,868	28,57,488
Capital Goods	13,14,000	7,83,36,153
	<b>49,67,88,132</b>	<b>52,43,58,393</b>
b. Expenditure (on payment basis)		
Interest	90,62,819	81,22,414
Others	38,82,163	94,990
	<b>1,29,44,982</b>	<b>82,17,404</b>
c. Earnings		
Export of Goods (FOB Value)	8,53,22,035	4,11,64,390

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### 31. Foreign Exchange Exposure

The Company periodically avails Foreign Exchange Contracts to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions.

Forward contracts outstanding for payables at year-end: 6 nos. for US\$388,680 (Rs.2,54,97,408); [Previous year: Nil]

Expenditure on account of premium on foreign exchange contracts to be recognized in the Statement of Profit & Loss for the subsequent period aggregates to Rs.2,46,766 [Previous year: Rs.Nil]

Foreign exchange currency exposures that have not been hedged by a derivative instrument or otherwise at year-end: Payables: US\$201,860 (Rs.1,32,42,016) & €2,356 (Rs.1,65,789); [Previous year: US\$665,733 (Rs.4,45,51,009) & € Nil (Rs.Nil)];

Receivables: US\$177,639 (Rs.1,13,86,659) & €111,156 (Rs.75,70,835); [Previous year: US\$ Nil (Rs. Nil) & €60,791 (Rs.45,08,284)];

Loans (including finance costs): €8,057,020 (Rs.56,68,91,918); [Previous year: €7,979,811 (Rs.60,47,10,109)];

### 32. Details of Consumption of Imported and Indigenous Items

	<u>2016-17</u>		<u>2015-16</u>	
	Rs.	%	Rs.	%
a. Raw Materials				
Imported	45,38,14,704	21.53	38,21,87,658	19.91
Indigenous	1,65,44,89,394	78.47	1,53,71,14,633	80.09
	<u>2,10,83,04,098</u>	<u>100.00</u>	<u>1,91,93,02,291</u>	<u>100.00</u>
b. Stores, Spares and Packing Material				
Imported	76,68,785	10.89	24,83,956	3.79
Indigenous	6,27,72,334	89.11	6,29,40,555	96.21
	<u>7,04,41,119</u>	<u>100.00</u>	<u>6,54,24,511</u>	<u>100.00</u>

### 33. Related Party Disclosures (as per AS 18)

#### A. List of Related Parties

##### i) Parties where control exists:

Wholly owned subsidiaries:

- a) Xpro Global Limited;
- b) Xpro Global Pte. Ltd., Singapore;

##### ii) Promoters:

- a) IntelliPro Finance Private Limited;
- b) iPro Capital Limited;
- c) Central India General Agents Limited;
- d) Sri Sidharth Birla, Chairman;
- e) Smt. Madhushree Birla, Director;

##### iii) Key Management Personnel:

Sri C. Bhaskar, Managing Director & Chief Executive Officer;

##### iv) Enterprises over which Key Managerial Personnel are able to exercise significant influence:

- a) Digjam Limited (formerly Digjam Textiles Limited);
- b) Market Café Foods Limited

#### B. Transactions with Related Parties: (Previous year figures in italics)

##### i) With related parties referred to in A(i)(a) above:

- Expenses recovered: Rs.30,09,776 (Rs.Nil); [Amount due at the year end: Rs.30,09,776 (Rs.Nil)]

##### ii) With related parties referred to in A(ii) above:

- Remuneration (including Sitting fees): Rs.91,84,986 (Rs.79,45,514);

- Aggregate of short-term inter-corporate deposits received from time to time (from iPro Capital Limited): Rs.2,00,00,000 (Rs.5,00,00,000) and re-paid: Rs.1,00,00,000 (Rs.5,00,00,000); Outstanding amount at year end: Rs.1,00,00,000 (Rs.Nil);

- Aggregate of short-term inter-corporate deposits received from time to time (from Central India General Agents Limited): Rs.2,00,00,000 (Rs.Nil) and re-paid: Rs.2,00,00,000 (Rs.Nil); Outstanding amount at year end: Rs.Nil (Rs.Nil);

- Interest paid on inter-corporate deposits (to iPro Capital Limited): Rs.2,60,823 (Rs.31,13,425);

- Interest paid on inter-corporate deposits (to Central India General Agents Limited): Rs.1,34,794 (Rs.Nil);

- Expenses incurred and reimbursement received (from iPro Capital Limited): Rs.Nil (Rs.1,07,794);

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- iii) With related parties referred to in A(iii) above:  
 - Remuneration (including leave encashment): Rs.88,98,127 (Rs.84,12,559)
- iv) With related party referred to in A(iv) above:  
 a) Digjam Limited: Aggregate of short term intercorporate deposits given from time-to-time: Rs.1,50,00,000 (Rs.2,00,00,000); Deposits repaid from time-to-time: Rs.1,50,00,000 (Rs.2,50,00,000); Outstanding amount at year end: Rs.Nil (Rs.Nil);  
 Interest received: Rs.18,82,192 (Rs.37,89,517); Expenses incurred and realised: Rs.17,68,681 (Rs.7,39,784); Expenses reimbursed: Rs.3,574 (Rs.Nil); Amount due at the year end: Rs.27,47,715 (Rs.Nil)
- b) Market Café Foods Limited: Purchases: Rs.Nil (Rs.21,351); Purchase of fixed assets: Rs.2,03,895 (Rs.Nil)
- C. The above include following individual transactions in excess of 10% of the respective totals:  
 (i) Remuneration (including leave encashment) paid to Sri Sidharth Birla & Sri C. Bhaskar: Rs.89,34,986 (Rs.77,45,514); & Rs.88,98,127 (Rs.84,12,559) respectively;
- D. No Balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than as stated above;

### 34. Extraordinary items:

Extraordinary items, in the previous year, represents the extraordinary loss (Rs.1,61,98,161) due to damages attributable to heavy rains and flash floods at the Pithampur Unit of Biax Division in July 2015. Insurance claim of Rs.67,94,332 has been received and accounted for; further claims are in process and will be accounted for upon settlement.

### 35. Segment Accounting in terms of AS 17 issued by the Institute of Chartered Accountants of India

The Company operates in a single business segment i.e. Polymers Business and mainly in a single geographic segment i.e. India in the context of Accounting Standard 17, on Segment Reporting issued by the Institute of Chartered Accountants of India, hence there are no reportable segments.

### 36. Disclosure on Specified Bank Notes (SBNs)

The details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below, as required in terms of Ministry of Corporate Affairs, Notification No. GSR 308(E) dated March 30, 2017:

(in Rs.)			
Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	7,81,000	1,65,383	9,46,383
(+) Permitted receipts	-	18,75,608	18,75,608
(-) Permitted payments	-	12,58,351	12,58,351
(-) Amount deposited in Banks	7,81,000	-	7,81,000
Closing cash in hand as on 30.12.2016	-	7,82,640	7,82,640

\* The term 'SBNs' (Specified Bank Notes) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November 2016.

37. The Company has given short term inter-corporate deposits to Digjam Limited, a Company in which Directors are interested, aggregating to Rs.1,50,00,000 (Previous Year:Rs.2,00,00,000). Aggregate repayment received from time to time: Rs.1,50,00,000 (Previous Year: Rs.2,00,00,000). The maximum amount due at any time during the year was Rs.1,77,47,715 (Previous Year: Rs.2,62,04,823).

	2016 - 17 Rs.	2015 -16 Rs.
38. <b>Fixed assets held for Sale</b>		
Freehold Land	77,76,198	-
Factory Buildings	1,44,92,620	-
	<b>2,22,68,818</b>	<b>-</b>

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### 39. Earnings per Share (EPS)

#### a. Total

The numerators and denominators used to calculate Basic and Diluted Earnings per share:

For the year ended:	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Profit/(Loss) attributable to Equity Shareholders (Rs.)	<b>(12,15,00,519)</b>	(35,15,82,477)
Weighted average number of equity shares for Basic EPS	<b>1,16,59,500</b>	1,16,59,500
Dilutive impact of employee stock options	<b>62,952</b>	60,628
Weighted average number of equity shares for Diluted EPS	<b>1,17,22,452</b>	1,17,20,128
Nominal Value of Equity Share (Rs.)	<b>10</b>	10
EPS (Rs.)		
- Basic	<b>(10.42)</b>	(30.15)
- Diluted	<b>(10.36)</b>	(30.00)

#### b. Excluding extraordinary item

The numerators and denominators used to calculate Basic and Diluted Earnings per share:

For the year ended:	<u>March 31, 2017</u>	<u>March 31, 2016</u>
Profit/(Loss) attributable to Equity Shareholders (Rs.)	<b>(12,15,00,519)</b>	(35,15,82,477)
Less extraordinary item	-	1,61,98,161
Profit/(Loss) attributable to Equity Shareholders excluding extraordinary item (Rs.)	<b>(12,15,00,519)</b>	(33,53,84,316)
Weighted average number of equity shares for Basic EPS	<b>1,16,59,500</b>	1,16,59,500
Dilutive impact of employee stock options	<b>62,952</b>	60,628
Weighted average number of equity shares for Diluted EPS	<b>1,17,22,452</b>	1,17,20,128
Nominal Value of Equity Share (Rs.)	<b>10</b>	10
EPS (Rs.)		
- Basic	<b>(10.42)</b>	(28.76)
- Diluted	<b>(10.36)</b>	(28.62)

40. Previous year's figures have been regrouped/reclassified as necessary.

For and on behalf of the Board

**Sidharth Birla**  
Chairman

<p><b>New Delhi</b> <b>May 19, 2017</b></p>	<p><b>S. C. Jain</b> Company Secretary</p>	<p><b>V. K. Agarwal</b> Joint President &amp; Chief Financial Officer</p>	<p><b>C. Bhaskar</b> Managing Director &amp; Chief Executive Officer</p>
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## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XPRO INDIA LIMITED**

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

We have audited the accompanying consolidated financial statements of XPRO INDIA LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally



accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 4,17,47,703 as at March 31, 2017, total revenues of Rs. 8,04,43,696 and net cash inflows amounting to Rs. 34,04,777 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 these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries referred in the Other Matters paragraph 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 the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and a subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India, internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary company incorporated in India.

## **XPRO INDIA LIMITED : ANNUAL REPORT 2016/17**

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- iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and the other auditors by the Management of the respective Group entities.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No.106189)

New Delhi, May 19, 2017

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### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF XPRO INDIA LIMITED**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Xpro India Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is a company incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 respective 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.

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

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, 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 of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the subsidiary company, which is a company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India.

**Meaning of Internal Financial Controls Over Financial Reporting**

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

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

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

**Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, which is a company incorporated in India, 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, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based solely on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No. 117365W)

**Kartikeya Raval**  
Partner  
(Membership No.106189)

New Delhi, May 19, 2017

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### CONSOLIDATED BALANCE SHEET

As at March 31, 2017

	March 31, 2017 Rs.	March 31, 2016 Rs.
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' Funds</b>		
- Share capital	11,65,95,000	11,65,95,000
- Reserves and surplus	57,93,96,944	70,04,19,936
	<u>69,59,91,944</u>	<u>81,70,14,936</u>
<b>Non-current Liabilities</b>		
- Long-term borrowings	1,53,31,01,400	1,35,48,75,606
- Other long-term liabilities	6,57,002	6,57,002
- Long-term provisions	3,36,65,092	2,42,96,186
	<u>1,56,74,23,494</u>	<u>1,37,98,28,794</u>
<b>Current Liabilities</b>		
- Short-term borrowings	43,76,07,645	45,20,81,469
- Trade payables		
a) total outstanding dues of micro & small enterprises	-	-
b) total outstanding dues of creditors other than micro & small enterprises	49,89,60,624	40,94,81,003
- Other current liabilities	37,87,11,715	52,74,64,473
- Short-term provisions	4,70,000	1,22,915
	<u>1,31,57,49,984</u>	<u>1,38,91,49,860</u>
	<u>3,57,91,65,422</u>	<u>3,58,59,93,590</u>
<b><u>ASSETS</u></b>		
<b>Non-current Assets</b>		
- Fixed assets		
- Tangible assets	2,27,12,08,638	2,49,15,68,825
- Intangible assets	1,75,08,590	1,87,63,945
- Capital work-in-progress	40,47,382	48,41,262
	<u>2,29,27,64,610</u>	<u>2,51,51,74,032</u>
- Deferred tax assets (net)	-	-
- Long-term loans and advances	15,47,28,229	13,57,94,982
- Other Non-current assets	1,93,47,090	1,36,88,380
	<u>2,46,68,39,929</u>	<u>2,66,46,57,394</u>
<b>Current Assets</b>		
- Inventories	31,45,83,215	29,85,23,827
- Trade receivables	57,49,32,157	37,29,37,339
- Cash and cash equivalents (Note 5)	8,18,42,495	6,55,83,490
- Short-term loans and advances	10,09,85,565	16,67,12,266
- Other current assets	3,99,82,061	1,75,79,274
	<u>1,11,23,25,493</u>	<u>92,13,36,196</u>
	<u>3,57,91,65,422</u>	<u>3,58,59,93,590</u>

The accompanying notes are an integral part of the financial statements

**In terms of our report attached**

For **Deloitte Haskins & Sells**

Chartered Accountants

**Kartikeya Raval**

Partner

New Delhi

May 19, 2017

**S. C. Jain**

Company Secretary

**V. K. Agarwal**

Joint President &  
Chief Financial Officer

**For and on behalf of the Board**

**Sidharth Birla**

Chairman

**C. Bhaskar**

Managing Director &  
Chief Executive Officer

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2017

	March 31, 2017 Rs.	March 31, 2016 Rs.
<b>Revenue</b>		
- Gross revenue from operations (Note 6)	3,56,87,15,956	3,08,98,81,361
less: excise duty	<u>37,52,32,528</u>	<u>33,70,66,769</u>
- Net revenue from operations	3,19,34,83,428	2,75,28,14,592
- Other income	<u>3,94,35,299</u>	<u>3,28,77,392</u>
	<u>3,23,29,18,727</u>	<u>2,78,56,91,984</u>
<b>Expenses</b>		
- Cost of materials consumed	2,10,83,04,098	1,91,93,02,291
- Purchase of stock-in-trade (Note 7)	6,32,95,973	61,91,909
- Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,72,73,373	9,16,068
- Employee benefits expense	26,05,02,430	22,61,66,741
- Finance costs	23,90,31,056	22,50,26,703
- Depreciation and amortization expense	16,96,17,038	17,79,76,591
- Other expenses (Note 9)	<u>49,51,17,747</u>	<u>46,37,09,710</u>
	<u>3,35,31,41,715</u>	<u>3,01,92,90,013</u>
<b>Profit/(Loss) before extraordinary item and tax</b>	(12,02,22,988)	(23,35,98,029)
Extraordinary item (Note 8)	-	1,61,98,161
<b>Profit/(Loss) before tax</b>	(12,02,22,988)	(24,97,96,190)
Tax expense/(benefit)		
- Current Tax	4,70,000	1,22,915
- Deferred tax	-	10,10,00,000
- Short provisions for tax pertaining to earlier years (net)	1,93,888	3,01,704
Net Tax expense/(benefit)	<u>6,63,888</u>	<u>10,14,24,619</u>
<b>Profit/(Loss) after tax</b>	<u>(12,08,86,876)</u>	<u>(35,12,20,809)</u>
<b>Earnings per equity share</b> (Face Value of Rs.10/- each) (Note 13)		
- Total		
- Basic (Rs.)	(10.37)	(30.12)
- Diluted (Rs.)	(10.31)	(29.97)
- Excluding Extraordinary item		
- Basic (Rs.)	(10.37)	(28.73)
- Diluted (Rs.)	(10.31)	(28.59)

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Kartikeya Raval

Partner

New Delhi

May 19, 2017

S. C. Jain  
Company Secretary

V. K. Agarwal  
Joint President &  
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla  
Chairman

C. Bhaskar  
Managing Director &  
Chief Executive Officer

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### CONSOLIDATED CASH FLOW STATEMENT

For the Year ended March 31, 2017

	March 31, 2017	March 31, 2016
	Rs.	Rs.
<b>A. Cash flow from Operating Activities</b>		
Loss before extraordinary items and tax	(12,02,22,988)	(23,35,98,029)
Adjusted for:		
Depreciation and Amortization expense	16,96,17,038	17,79,76,591
Finance Costs	23,90,31,056	22,50,26,703
Interest income	(91,16,376)	(1,36,41,126)
Bad Debts written off	4,79,806	1,939
Liability/Provisions no longer required written back	(24,09,183)	(23,48,502)
Loss on Sale/Discard of Fixed Assets	(1,47,931)	5,12,833
Net unrealized Exchange Fluctuation Loss/(Gain)	(5,07,263)	3,93,589
<b>Operating Profit/(Loss) before Working Capital changes</b>	27,67,24,159	15,43,23,998
Adjustments for (increase)/decrease in Working Capital:		
Trade Receivables	(20,29,21,484)	3,29,10,931
Loans & advances and other assets	2,23,26,779	(9,44,902)
Inventories	(1,60,59,388)	94,15,852
Trade payables, other liabilities and provisions	9,64,56,393	(5,11,19,721)
	17,65,26,459	14,45,86,158
Cash flow from Extraordinary item	-	(1,36,24,473)
<b>Cash Generated from Operations</b>	17,65,26,459	13,09,61,685
Direct Taxes Refund	1,52,44,856	84,55,821
<b>Net Cash Flow from/(used in) Operating activities</b>	19,17,71,315	13,94,17,506
<b>B. Cash flow from Investing Activities</b>		
Capital expenditure on Fixed Assets (including capital advances)	(1,34,87,141)	(11,64,84,913)
Inter-corporate deposits (Net)	-	50,00,000
Unrealized Foreign Exchange Fluctuations Gain/(Loss)	4,30,24,062	(5,92,79,989)
Bank Balances not considered as cash and cash equivalents	(38,36,470)	10,91,28,556
Proceeds from Sale of Fixed Assets	2,65,78,096	23,74,480
Interest Received	93,27,120	1,44,06,984
<b>Net Cash Flow from/(used in) Investing Activities</b>	6,16,05,667	(4,48,54,882)
<b>C. Cash flow from Financing Activities</b>		
Proceeds from long term borrowings	50,02,145	32,72,77,844
Repayment of long term borrowings	(7,11,08,912)	(27,45,27,765)
Net proceeds/(repayment) of short term borrowings	(3,44,75,174)	7,39,78,406
Proceeds from other short term borrowings	5,00,00,000	-
(Repayment) of other short term borrowings	(3,00,00,000)	-
Finance Costs (including borrowing cost capitalized)	(15,98,65,860)	(22,35,93,176)
Unclaimed Dividend Paid	(5,06,645)	(6,44,204)
<b>Net Cash Flow from/(used in) Financing activities</b>	(24,09,54,446)	(9,75,08,895)
<b>Net increase/(decrease) in Cash and Cash equivalents</b>	1,24,22,536	(29,46,271)
Cash and Cash Equivalents at the beginning of the year	1,58,85,542	1,88,31,813
Cash and Cash Equivalents at the end of the year (refer note 5)	2,83,08,078	1,58,85,542

Notes:

The accompanying notes are an integral part of the financial statements.

**terms of our report attached**

**For Deloitte Haskins & Sells**

Chartered Accountants

**Kartikeya Raval**

Partner

**New Delhi**

**May 19, 2017**

**S. C. Jain**

Company Secretary

**V. K. Agarwal**

Joint President &  
Chief Financial Officer

**For and on behalf of the Board**

**Sidharth Birla**

Chairman

**C. Bhaskar**

Managing Director &  
Chief Executive Officer

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### Notes to the Consolidated Financial Statements

1. These Consolidated financial statements comprise the financial statements of Xpro India Limited and its following subsidiaries as on March 31, 2017

	<u>Name of Subsidiary</u>	<u>% Shareholding</u>	<u>Country of Incorporation</u>
a.	Xpro Global Limited	100	India
b.	Xpro Global Pte. Ltd.	100	Singapore

2. Principles of Consolidation:

The consolidated financial statements relate to Xpro India Limited ("the Company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Accounting Standard-21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
  - ii. The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Separate Financial Statements.
3. Other Significant Accounting Policies:
- These are same as set out in Note 2 ("Significant Accounting Policies") to the standalone Financial Statements of the Company.
4. In view of insignificant transactions of the above named two subsidiary companies, notes involving material items are stated hereunder. These are to be read together with the Notes to the standalone Financial Statements of the Company.

	<u>March 31, 2017</u>	<u>March 31, 2016</u>
	Rs.	Rs.
5. <b><u>Cash and cash equivalents</u></b>		
Cash on hand	4,58,646	7,70,858
Balance with banks in Current Accounts	2,78,49,432	1,51,14,684
Total Cash & Cash Equivalents (As per AS-3 Cash flow Statements) (A)	2,83,08,078	1,58,85,542
Other Balance with Banks		
Fixed Deposits (with original maturity more than three months)	4,43,51,002	4,50,21,841
In earmarked accounts		
Unpaid Dividend Accounts	32,78,562	37,85,207
Balances held as margin money	59,04,853	8,90,900
Total – Other bank balances (B)	5,35,34,417	4,96,97,948
Total – Cash and Cash equivalents (A + B)	8,18,42,495	6,55,83,490

Term Deposits pledged with bank(s) for overdraft & other facilities - Rs.3,75,11,427 (Previous year: Rs.3,73,66,692)

	<u>2016 - 17</u>	<u>2015 - 16</u>
	Rs.	Rs.
6. <b><u>Revenue from Operations</u></b>		
Sale of products	3,41,57,93,722	3,03,68,99,267
Sale of traded goods	7,99,17,813	96,72,307
Other Operating Revenues	7,30,04,421	4,33,09,787
Gross Revenue from Operations	3,56,87,15,956	3,08,98,81,361
less: Excise Duty	37,52,32,528	33,70,66,769
Net Revenue from Operations	3,19,34,83,428	2,75,28,14,592
7. <b><u>Purchase of stock-in-trade</u></b>		
Purchase of stock-in-trade	6,32,95,973	61,91,909

8. **Extraordinary item:**

Extraordinary items, in the previous year, represents the extraordinary loss (Rs.1,61,98,161) due to damages attributable to heavy rains and flash floods at the Pithampur Unit of Biax Division in July 2015. Insurance claim of Rs.67,94,332 has been received and accounted for; further claims are in process and will be accounted for upon settlement.

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

	2016 - 17 Rs.	2015 - 16 Rs.
<b>9. Other Expenses</b>		
Consumption of Stores, Spares and Packing Materials	7,04,41,119	6,54,24,511
(Increase)/decrease of Excise Duty on inventory	18,59,162	12,16,447
Power & Fuel	24,42,22,842	24,14,99,184
Processing Charges	66,99,576	63,06,914
Repairs to:		
- Buildings	26,67,912	7,92,795
- Plant & Machinery	1,88,88,746	1,80,95,330
- Others	39,67,500	29,88,622
Communication	32,50,793	31,93,176
Advertising & Sponsorship	21,06,000	14,18,355
Director's Fees	21,50,340	22,78,821
Insurance	65,44,340	62,64,051
Loss on sale of fixed assets	-	5,12,831
Miscellaneous	4,08,65,875	3,89,05,529
Payment to Auditors (refer note (i) below)	17,83,957	14,32,505
Professional & Legal	56,27,347	54,09,212
Rates & Taxes	47,62,160	68,84,154
Rent (refer note (ii) below)	53,12,001	43,84,901
Travelling	1,30,77,821	89,30,892
Bad Debts written off	4,79,806	11,408
Brokerage, Rebate, Discount & Commission	1,12,43,173	60,39,304
Freight, Forwarding & Shipment Charges (Net)	4,51,24,337	3,70,91,636
Other Selling Expenses	38,82,096	23,66,227
Rejection & Damages (Net)	1,60,844	1,78,138
Exchange fluctuation	-	20,84,767
	<b>49,51,17,747</b>	<b>46,37,09,710</b>
i) Payment to Auditors		
- As Auditors	8,50,000	8,50,000
- For other services	4,50,000	1,91,000
- Reimbursement of expenses	4,83,957	3,91,505
	<b>17,83,957</b>	<b>14,32,505</b>
[Amount paid to a firm in which some of the partners of the Statutory Auditors are partners: Rs.Nil (previous year Rs.14,75,000)]		
ii) The Company is lessee under various operating leases, none of which are non-cancellable.		
<b>10. Contingent Liabilities and Commitments</b> (to the extent not provided for)		
<b>Contingent Liabilities</b>		
Claims against the Company, not acknowledged as debt	2,50,208	2,50,208
Sales Tax, Excise & Customs matters under appeal	5,54,21,908	4,68,35,068
Entry tax under appeal	1,91,59,424	1,35,21,285
Others	15,77,366	20,42,794
Bills discounted	1,99,35,725	3,53,85,974
(In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote)		
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	46,21,748	17,00,444
<b>11.</b> As at March 31, 2017, the Company's current liabilities are greater than its current assets. This is viewed by the Company as temporary since, with improving markets and results, the Company expects to continue to earn operating profit and positive cash flow from operations. The Company has taken up with its Term Lenders to reschedule payments accordingly.		



## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### 12. Related Party Disclosures (as per AS 18)

#### A. List of Related Parties

- i) Promoters:
  - a) IntelliPro Finance Private Limited;
  - b) iPro Capital Limited;
  - c) Central India General Agents Limited;
  - c) Sri Sidharth Birla, Chairman;
  - d) Smt. Madhushree Birla, Director;
- ii) Key Management Personnel:
  - Sri C. Bhaskar, Managing Director & Chief Executive Officer;
- iii) Enterprises over which Key Managerial Personnel are able to exercise significant influence:
  - a) Digjam Limited (*formerly Digjam Textiles Limited*);
  - b) Market Café Foods Limited

#### B. Transactions with Related Parties: (*Previous year figures in italics*)

- i) With related parties referred to in A(i) above:
  - Remuneration (including Sitting fees): Rs.91,84,986 (*Rs.79,45,514*);
  - Aggregate of short-term inter-corporate deposits received from time to time (*from iPro Capital Limited*): Rs.2,00,00,000 (*Rs.5,00,00,000*) and re-paid: Rs.1,00,00,000 (*Rs.5,00,00,000*); Outstanding amount at year end: Rs.1,00,00,000 (*Rs.Nil*);
  - Aggregate of short-term inter-corporate deposits received from time to time (*from Central India General Agents Limited*): Rs.2,00,00,000 (*Rs.Nil*) and re-paid: Rs.2,00,00,000 (*Rs.Nil*); Outstanding amount at year end: Rs.Nil (*Rs.Nil*);
  - Interest paid on inter-corporate deposits (*to iPro Capital Limited*): Rs.2,60,823 (*Rs.31,13,425*);
  - Interest paid on inter-corporate deposits (*to Central India General Agents Limited*): Rs.1,34,794 (*Rs.Nil*);
  - Expenses incurred and reimbursement received (*from iPro Capital Limited*): Rs.Nil (*Rs.1,07,794*);
- ii) With related parties referred to in A(ii) above:
  - Remuneration (including leave encashment): Rs.88,98,127 (*Rs.84,12,559*)
- iii) With related party referred to in A(iii) above:
  - a) Digjam Limited: Aggregate of short term intercorporate deposits given from time-to-time: Rs.1,50,00,000 (*Rs.2,00,00,000*); Deposits repaid from time-to-time: Rs.1,50,00,000 (*Rs.2,50,00,000*); Outstanding amount at year end: Rs.Nil (*Rs.Nil*); Interest received: Rs.18,82,192 (*Rs.37,89,517*); Expenses incurred and realised: Rs.17,68,681 (*Rs.7,39,784*); Expenses reimbursed: Rs.3,574 (*Rs.Nil*); Amount due at the year end: Rs.27,47,715 (*Rs.Nil*);
  - b) Market Café Foods Limited: Purchases: Rs.Nil (*Rs.21,351*); Purchase of fixed assets: Rs.2,03,895 (*Rs.Nil*);

#### C. The above include following individual transactions in excess of 10% of the respective totals:

- (i) Remuneration (including leave encashment) paid to Sri Sidharth Birla & Sri C. Bhaskar: Rs.89,34,986 (*Rs.77,45,514*); & Rs.88,98,127 (*Rs.84,12,559*) respectively;

#### D. No Balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than as stated above;

### 13. Earnings per Share (EPS)

#### a. Total:

The numerators and denominators used to calculate Basic and Diluted Earnings per share:

For the year ended:	March 31, 2017	March 31, 2016
Profit/(Loss) attributable to Equity Shareholders (Rs.)	<b>(12,08,86,876)</b>	(35,12,20,809)
Weighted average number of equity shares for Basic EPS	<b>1,16,59,500</b>	1,16,59,500
Dilutive impact of employee stock options	<b>62,952</b>	60,628
Weighted average number of equity shares for Diluted EPS	<b>1,17,22,452</b>	1,17,20,128
Nominal Value of Equity Share (Rs.)	<b>10</b>	10
EPS (Rs.)		
- Basic	<b>(10.37)</b>	(30.12)
- Diluted	<b>(10.31)</b>	(29.97)

## XPRO INDIA LIMITED : ANNUAL REPORT 2016/17

### b. Excluding extraordinary items:

The numerators and denominators used to calculate Basic and Diluted Earnings per share:

For the year ended:	March 31, 2017	March 31, 2016
Profit/(Loss) attributable to Equity Shareholders (Rs.)	(12,08,86,876)	(35,12,20,809)
Less extraordinary item (Rs.)	-	(1,61,98,161)
Profit/(Loss) attributable to Equity Shareholders excluding extraordinary item (Rs.)	(12,08,86,876)	(33,50,22,648)
Weighted average number of equity shares for Basic EPS	1,16,59,500	1,16,59,500
Dilutive impact of employee stock options	62,952	60,628
Weighted average number of equity shares for Diluted EPS	1,17,22,452	1,17,20,128
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)		
- Basic	(10.37)	(28.73)
- Diluted	(10.31)	(28.59)

14. Additional Information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of the entity in the	Net assets (i.e. total assets minus total liabilities)		Share of profit or loss	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)
Parent: Xpro India Limited	98.60	68,62,65,165	100	(12,15,00,519)
Subsidiaries:				
<u>Indian</u>				
1. Xpro Global Limited	1.07	74,66,567	Negligible	9,21,415
<u>Foreign</u>				
1. Xpro Global Pte. Limited	0.33	22,60,212	Negligible	(3,07,772)

15. **Disclosure on Specified Bank Notes (SBNs)**

The details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below, as required in terms of Ministry of Corporate Affairs, Notification No. GSR 308(E) dated March 30, 2017:

Particulars	SBNs*	Other Denomination Notes	(in Rs.) Total
Closing cash in hand as on 08.11.2016	8,03,000	1,66,062	9,69,062
(+) Permitted receipts	-	18,95,608	18,95,608
(-) Permitted payments	-	12,58,351	12,58,351
(-) Amount deposited in Banks	8,03,000	-	8,03,000
Closing cash in hand as on 30.12.2016	-	8,03,319	8,03,319

\* The term 'SBNs' (Specified Bank Notes) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8th November 2016.

16. The Company has given short term inter-corporate deposits to Digjam Limited, a Company in which Directors are interested, aggregating to Rs.1,50,00,000 (Previous Year:Rs.2,00,00,000). Aggregate repayment received from time to time: Rs.1,50,00,000 (Previous Year: Rs.2,00,00,000). The maximum amount due at any time during the year was Rs.1,77,47,715 (Previous Year: Rs.2,62,04,823).
15. Previous year's figures have been regrouped/reclassified as necessary.

For and on behalf of the Board

Sidharth Birla  
Chairman

New Delhi  
May 19, 2017

S. C. Jain  
Company Secretary

V. K. Agarwal  
Joint President &  
Chief Financial Officer

C. Bhaskar  
Managing Director &  
Chief Executive Officer

## XPRO INDIA LIMITED

Registered Office: Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202, India  
CIN: L25209WB1997PLC085972

### Proxy Form

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

Name of the member(s):			
Registered address:			
E-mail Id:			
Folio No./Client Id:		DP ID:	

I/We, being the member(s) of ..... shares of the above named company, hereby appoint:

1. Name:			E-mail Id:		
Address:					
Signature:				or failing him/her	

2. Name:			E-mail Id:		
Address:					
Signature:				or failing him/her	

3. Name:			E-mail Id:		
Address:					
Signature:					

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 5<sup>th</sup> day of September, 2017 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202, India and at any adjournment thereof in respect of such resolutions as are indicated (by tick [ v ] mark) below:

Resolution No.	1	2	3	4	5	All
----------------	---	---	---	---	---	-----

Signed this ..... Day of ..... 2017.

Signature of proxy holder(s)

Signature of shareholder

Affix  
Revenue  
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Cut Here

## XPRO INDIA LIMITED

Registered Office: Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202, India  
CIN: L25209WB1997PLC085972

### ATTENDANCE SLIP

[To be presented at the entrance]

20<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY ON TUESDAY, SEPTEMBER 5, 2017

Folio No./DP ID No. & Client ID No. ....

Name of the Member ..... Signature .....

Name of the Proxy holder ..... Signature .....

## Annexure to the Directors' Report

Particulars of Employees pursuant to the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Details of Top Ten Employees in terms of remuneration drawn:

Name	Designation of the Employee	Remuneration Received (Rs.)	Qualifications	Experience (Years)	Date of commencement of Employment	Age (Years)	Last Employment held
Sri Sidharth Birla	Chairman	89,56,000	B. Sc.(Hons), M.B.A.	39	01/03/2000	59	Cimmco Birla Limited
Sri C. Bhaskar	MD & CEO	88,98,127	B.Tech.(Chem), PGDM (IIM-C), MIMA, FIPPI	38	01/01/1984	61	VXL India Limited
Sri H. Bakshi	President & COO	64,98,707	B.Tech.(Chem), Dip.Ind Safety	39	25/01/1993	61	Ceat Limited
Sri N. Ravindran	Joint President (Marketing)	48,80,840	B.Sc., MSc., PGDM (IIM-A)	30	01/07/1995	55	Bata India Limited
Sri V.K. Agarwal	Joint President & CFO	45,72,650	B.Com., FCA, ACS	30	11/02/2008	51	Wire & Wireless
Sri U. K. Saraf	Joint President, Coex Division (FBD & GRN)	42,25,000	B.Com., ACA	40	01/12/2000	64	Cimmco Birla Limited
Sri Anil Jain	Executive Vice President, Coex Division (RNJ)	39,26,301	B.Com., ACA	32	08/03/1995	57	Usha Telehoist Limited
Sri S.C. Jain	Company Secretary	30,84,623	M.Com., LLB, FCS	50	15/12/1997	66	Marshall, Sons & Co. (India) Limited
Sri Sanjoy Kumar Pal	Vice President (Operations), Biax Division Unit II	26,59,460	B.E. (Chem), M.B.A. (Fin)	29	10/10/2011	51	Jindal Polyfilms Limited
Sri Radhey Shyam	Executive Vice President, Coex Division (FBD & GRN)	24,64,641	Dip. Mech Eng.	36	08/08/2016	55	Amber Enterprises India Private Limited

- ii. a) Employed for the year and in receipt of remuneration in aggregate not less than Rs.1,02,00,000/- p.a. : None  
b) Employed for part of the year and in receipt of remuneration in aggregate not less than Rs.8,50,000/- p.m.: None

Notes:

- Remuneration includes Salary, Housing, Medical Reimbursement, Leave Travel Assistance, Company's Contribution to Provident & Superannuation Funds and other perquisites, Leave encashment and commission, if any.
- Appointment of Sri Sidharth Birla and Sri C. Bhaskar are contractual and of others are non-contractual.
- Sri Sidharth Birla and Smt. Madhushree Birla are related and others are not related to any Director of the Company.
- No employee of the Company, in receipt of remuneration in excess of the highest paid Director, together with his spouse and dependent children holds more than 2% of the Equity Shares of the Company.

**For and on behalf of the Board**

New Delhi  
May 19, 2017

**Sidharth Birla**  
Chairman