

Xpro India Limited

Birla Building (2nd Floor)
9/1 R.N. Mukherjee Road
Kolkata 700 001, India.
+91 (033) 4082 3700/2220 0600 ; xprocal@xproindia.com



June 28, 2024

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

BSE Limited
Corporate Relationship Department
1st Floor, New Trading Ring
Rotunda Building, P J Towers
Dalal Street, Fort, Mumbai 400 001

Stock Symbol: XPROINDIA(EQ)

Stock Code No. 590013

Dear Sir/Madam,

Sub: Annual General Meeting Notice and Annual Report for the Financial Year ended March 31, 2024

Please find enclosed herewith Annual Report of the Company for the Financial Year ended March 31, 2024 together with the Notice dated May 28, 2024 convening the 27th Annual General Meeting of the Company on July 29, 2024 through Video Conferencing (VC)/Other Audio Visual Means (OAVM), in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For **XPRO INDIA LIMITED**

Kamal Kishor Sewoda
Company Secretary

xproindia

Xpro India Limited

Annual Report 2023/24

Xpro India Limited : Annual Report 2023/24

Board of Directors

Sri Sidharth Birla (DIN: 00004213)

Chairman

Sri K. Balakrishnan (DIN: 00034031)

Smt. Madhushree Birla (DIN: 00004224)

Sri Amitabha Guha (DIN: 02836707)

Sri Ashok Kumar Jha (DIN: 00170745)

Sri Bharat Jhaver (DIN: 00379111)

Ms. Nandini Khaitan (DIN: 06941351) #

Sri Manoj Mohanka (DIN: 001285930) *

Ms. Suhana Murshed (DIN: 08572394)

Sri Utsav Parekh (DIN: 00027642)

Sri S. Ragothaman (DIN: 00042395)

Sri C. Bhaskar (DIN: 00003343)

Managing Director & Chief Executive Officer

w.e.f. February 1, 2024

* w.e.f. September 1, 2023

Company Secretary

Sri Kamal Kishor Sewoda (ACS 37954)

Senior Executives

Sri H. Bakshi

Sr. President & Chief Operating Officer

Sri V.K. Agarwal

President (Finance) & Chief Financial Officer

Sri N. Ravindran

Jt. President (Marketing) & Chief Marketing Officer

Sri Sunil Mehta

Executive Vice President, Coex Division (GRN)

Sri Radhey Shyam

Executive Vice President, Coex Division (RNJ)

Sri Sanjay Kumar Patodia

Executive Vice President, Biax Division

Sri Bibhu Ranjan Saha

Executive Vice President (Commercial), Biax Division

Sri Satish M. Agarwal

Vice President (Commercial), Coex Division (RNJ)

Sri Amit Kumar

Vice President (Marketing)

Sri Madhu Babu Yenike

Vice President (Works), Coex Division (GRN)

Sri Amit Ghosh

Vice President (QA & Customer Support), Biax Division

Registered Office

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

Tel.: +91-9775301701

e-mail: cosec@xproindia.com

website: www.xproindia.com

Delhi Office

1218, DLF Tower B,
Jasola District Centre,
New Delhi 110 025

Biax Division

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

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

M/s Link Intime India Pvt. Ltd.,
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai 400 083
mt.helpdesk@linkintime.co.in

Auditors

M/s Walker Chandiok & Co. LLP
New Delhi

Company Identification Number

L25209WB1997PLC085972

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NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Xpro India Limited will be held on Monday, July 29, 2024 at 10.30 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) 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, 2024 and the Auditors' report thereon.
2. To declare a dividend of INR 2.00 per ordinary share of the face value of INR 10 each, of the Company for the financial year ended March 31, 2024.
3. To appoint a Director in place of Smt. Madhushree Birla (DIN: 00004224) who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

To consider and, if thought fit, to accord assent/dissent to the following Resolutions:

4. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to 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), remuneration payable for the financial year 2024-25 to M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Firm Registration No. 00175) appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2024-25, amounting to INR 1,20,000/- (Rupees One lakh twenty thousand only) as also the payment of applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed.”

5. AS A SPECIAL RESOLUTION

“RESOLVED that in supersession of the Special Resolution (Item no. 7) passed at the Eighteenth Annual General Meeting held on August 14, 2015 and pursuant to Section 94(1) and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Management and Administration) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendation of the Board of Directors of the Company (the “Board”), approval / consent of the Members of the Company, be and is hereby accorded for keeping the Register of Members of the Company and the respective Register of Debenture holders and other security holders, if any, maintained under Section 88 of the Act, together with the Index of Members and / or Debenture holders / other security holders and copies of Annual Returns of the Company filed under Section 92 of the Act, at the office of the Registrar and Share Transfer Agent of the Company, as may be appointed by the Board, from time to time and presently being, M/s. Link Intime India Private Limited situated at C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083, or at such place(s) where the Registrar and Share Transfer Agent may shift / maintains its office within Mumbai (Maharashtra) from time to time, instead of keeping such Registers and copies of Annual Returns, at the Registered Office of the Company.”

New Delhi
May 28, 2024

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

By Order of the Board

Kamal Kishor Sewoda
Company Secretary
e-mail: cosec@xproindia.com
Tel.: +91-33-40823700
website: www.xproindia.com

NOTES

1. Explanatory Statement setting out the material facts concerning the item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. The Ministry of Corporate Affairs (“MCA”) has vide its circular dated September 25, 2023 (“MCA Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the MCA Circular, the AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to cosec@xproindia.com.
5. In compliance with the MCA Circular and SEBI Circular dated October 6, 2023, Notice of the AGM along with the Annual Report for the year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the 27th Annual General Meeting and Annual Report 2023-24 will also be available on the Company’s website www.xproindia.com, and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
8. In terms of the MCA Circular, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (Link Intime) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting and the e-voting system on the date of the AGM will be provided by Link Intime.
9. The Register of Members of the Company will remain closed from July 23, 2024 to July 29, 2024 (both days inclusive) for the purpose of this AGM and for the purpose of determining the entitlement of the members to the dividend for financial year ended March 31, 2024.
10. The dividend on the Ordinary Shares, if approved at the AGM, will be paid on August 14, 2024 subject to deduction of tax at source, to the Members whose names appear in the Register of Members/list of Beneficial Owners as at the end of business hours on Monday, July 22, 2024, i.e., the date prior to the commencement of book closure.
11. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates in the Income Tax Act, 1961 (“IT Act”). To enable us to determine the appropriate TDS rates as applicable, Members are requested to complete and/or update their Residential Status, Permanent Account Number (PAN) with their depositories (in case of shares held in demat mode) or with the Company/Registrar & Share Transfer Agent (RTA) (in case of shares held in physical mode) by sending the documents through email at tds@xproindia.com on or before July 15, 2024. No communication on the tax determination/deduction shall be entertained thereafter.

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12. Pursuant to the Listing Regulations, all companies mandatorily have to use the bank account details furnished by the depositories for payment of dividends. Dividend will be credited to the Members' Bank Account through NACH/NEFT wherever complete core banking details are available with the Company.
13. 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, M/s. Link Intime India Private Limited at C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083, 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 its Registrar.**
14. Members are requested to provide their e-mail ID and mobile numbers to the Registrar, M/s. Link Intime India Private Limited at C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400083 (rnt.helpdesk@linkintime.co.in), if shares are held in physical form or to their respective Depository Participants if shares are held in Demat form.
15. Electronic copy of Annual Report for the year 2023-24 and Notice of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes.

16. Voting through electronic means

- A. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations 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 Annual General Meeting (AGM) by remote e-voting. The business may be transacted through e-Voting Services provided by Link Intime India Private Limited (Link Intime).
- B. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The login method for e-voting and joining virtual meetings in such cases is:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <p>1. Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password and reach e-Voting page without any further authentication. Login to Easi/Easiest at https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>After successful login the Easi/Easiest user will be able to see the e-Voting Menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.</p> <p>2. If the user is not registered for Easi/Easiest, to register, visit URL: https://web.cdslindia.com/myeasinew/Registration/EasiRegistration. Proceed with updating the required fields. Post registration, user will be provided Login ID and password. After successful login, user able to see e-voting menu. Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.</p> <p>3. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.</p> |

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| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the NSDL e-Services website at https://eservices.nsdl.com and click on “Beneficial Owner” icon under “Login”. Enter user id and password. Post successful authentication, click on “Access to e-voting”. Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. 2. If the user is not registered for IDeAS e-Services, to register visit URL: https://eservices.nsdl.com and select “Register Online for IDeAS Portal” or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. Proceed with updating the required fields. Post registration, user will be provided with Login ID and password. After successful login, click on “Access to e-voting”. Thereafter, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. 3. Visit the e-Voting website of NSDL at https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider (Link Intime) and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

- C. Login for Individual shareholders holding securities in physical form/Non-Individual Shareholders holding securities in demat mode is given below:
- i. Visit URL: <https://instavote.linkintime.co.in>
 - ii. Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -
 - a) **User ID:** Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - b) **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - c) **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
 - d) **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
Shareholders holding shares in **physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*
Shareholders holding shares in **NSDL form, shall provide ‘D’ above*
 - ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%^), at least one numeral, at least one alphabet and at least one capital letter).
 - ▶ Click “confirm” (Your password is now generated).
 - iii. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
 - iv. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
- Cast your vote electronically:**
1. After successful login, you will be able to see the notification for evoting. Select ‘**View**’ icon.
 2. Evoting page will appear.

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3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

D. Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr. No. a above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - 1) 'Investor ID' -
 - i. Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - ii. Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
 - 2) 'Investor's Name' - Enter full name of the entity.
 - 3) 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
 - 4) 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be - DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

METHOD 2 - VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number'. Evoting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour/Against' in excel and upload same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 - 4918 6000.

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Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022-48867000 and 022-24997000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33 |

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholders holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate) is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund") has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on 'Login' under 'Corporate Body/ Custodian/Mutual Fund' tab and further Click 'forgot password?'
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his/her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholder holding securities in demat mode with NSDL/CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

- E. The e-voting period commences on July 26, 2024 (9 a.m.) and ends on July 28, 2024 (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 July 22, 2024, may cast their vote electronically. The e-voting module shall be disabled by Link Intime for remote 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. Such members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.
- F. 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 July 22, 2024.

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G. Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

- Select the “Company” and ‘Event Date’ and register with your following details: -
 - a. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - b. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.)
 - c. **Mobile No.:** Enter your mobile number.
 - d. **Email ID:** Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

H. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

- I. Sri Girish Bhatia, Practicing Company Secretary (Membership No. FCS 3295 & CP No.13792) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - J. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than two working 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 along with the Scrutinizer’s Report shall be placed on the Company’s website and on the website of Link Intime and communicated to the NSE immediately.
17. Process for those members whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:
- a. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) and duly filled and signed Form ISR-1 (available on the website of the Company) by email to Company/RTA email id.
 - b. For Demat shareholders - please update your e-mail id and mobile number with your respective Depository Participant (DP).
 - c. For Individual Demat shareholders - please update your e-mail ID and mobile number with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual meeting through Depository.

18. **Intimation to Physical Shareholders with respect to electronic payment of Dividend from April 01, 2024**

SEBI, vide its circulars mandated that the shareholders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for dividend in respect of such folios, only through electronic mode with effect from April 01, 2024, upon their furnishing all the aforesaid details in entirety.

In view of the above, shareholders of the Company holding shares in physical form are requested to provide the below documents / details to the RTA of the Company along with other basic details like name of the shareholder, folio number, certificate number and distinctive numbers.

- Form No. ISR-1 - request for registering PAN, KYC details or changes / updation thereof
- Form No. ISR-2 - confirmation of signature of securities holder by the Banker
- Form No. ISR-3 - declaration form for opting-out of nomination by holders of physical securities in listed companies
- Form No. SH-13 - nomination form
- Form No. SH-14 - cancellation or variation of nomination

19. **Instructions for members for attending the AGM through VC / OAVM are as under:**

a. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cosec@xproindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at cosec@xproindia.com. These queries will be replied to by the Company suitably by email. At the meeting, the Company reserves the absolute right to control the number of speakers, and/or the time per speaker, depending on availability of time. The Company also reserves the right to provide detailed information, if any is considered necessary, through e-mail or other appropriate means after the AGM.

b. Only those shareholders who have registered themselves as a speaker (as detailed above) will be allowed to express their views/ask questions during the meeting.

20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cosec@xproindia.com.

21. Members are hereby informed that the Company has transferred unpaid/unclaimed dividends, which remained 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. Unclaimed dividend for the year 2021-22 and 2022-23 will be due for transfer to the IEP Fund on July 31, 2029 and September 16, 2030 respectively.

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. Unclaimed amount once transferred to IEP Fund can be claimed by members from the Authority constituted by the Central Government under section 125 of the Companies Act, 2013 in this behalf.

22. **EXPLANATORY STATEMENT**

(Pursuant to Section 102(1) of the Companies Act, 2013/SEBI Regulations)

Item No. 3

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

Smt. Madhushree Birla, aged about 68 years, graduate from Gujarat University, Ahmedabad, was first appointed on the Board of the Company in 2004. Has attended management program at the Harvard Business School, Boston, USA, on Making Corporate Boards More Effective. She has served as Director and Advisor of various Corporate

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Bodies at different times. She is presently Executive Director of iPro Capital Limited and is also engaged with social and philanthropic bodies.

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

Smt. Madhushree Birla holds 1,50,187 (0.68%) Equity Shares of the Company.

The Board of Directors is of the opinion that Mrs. Birla's knowledge and varied experience of business, industry knowledge, experience and understanding of socio-political and economic environment, systems & processes and running operations will be of significant benefit to the Company. Accordingly, the Board recommends the resolution for the approval by the members.

Except Smt. Madhushree Birla, being the proposed appointee, Sri Sidharth Birla and Sri Bharat Jhaver who are related to her, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution. The relatives of the Mrs. Birla may be deemed to be concerned or interested in the resolution to the extent of their shareholding, if any, in the Company.

Save and except the above, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to their shareholding interest, if any, in the Company.

Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, have approved the appointment and remuneration of M/s Sanghavi Randeria & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025.

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. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2024-25 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.

Item No. 5

Section 94(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, allow the Company to keep the Register of Members together with Index of Members and copies of Annual Returns filed by the Company, at a place other than the Registered Office of the Company, if approved by the Members by way of Special Resolution.

At the Annual General Meeting of the Company held on August 14, 2015, the Members by way of a Special Resolution, had approved that the Register of Members and Copies of Annual Return may be kept at the office of the erstwhile Registrar and Share Transfer Agent of the Company, viz., MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700 026 and at such places within Kolkata in the State of West Bengal where the erstwhile Registrar and Share Transfer Agent may shift its office from time to time other than the Registered Office of the Company.

The Board of Directors of the Company (the "Board") on April 18, 2024, appointed M/s. Link Intime India Private Limited (Link Intime) as the Registrar and Share Transfer Agent (RTA) of the Company. Link Intime has started acting as the RTA of the Company, in place of M/s. MCS Share Transfer Agent Limited with effect from Monday, May 13, 2024.

Presently more than one-tenth of the total number of Members of the Company reside in the city of Mumbai, Maharashtra. Accordingly, the Board seeks approval of the Members to keep the Register of Members, copies of

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Annual Returns and all relevant documents/registers pertaining thereto, maintained by the Company, either physically or electronically, at the office of the RTA of the Company in Mumbai. In case, the RTA and/or its address is changed, the Company shall communicate the same to the Stock Exchanges where the equity shares of the Company are listed and shall also publish the information in at least one English language National daily newspaper and in one regional language daily newspaper circulating in the region where the Registered Office of the Company is situated. The said information shall also be posted on the Company's website (www.xproindia.com).

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 28, 2024

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

By Order of the Board

Kamal Kishor Sewoda
Company Secretary
e-mail: cosec@xproindia.com
Tel.: +91-33-40823700
website: www.xproindia.com

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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, 2024; we are pleased to say that our strong performance endures, driven by a skilled management team and by committed employees. These elements are reinforced by a progressive attitude and sound governance.

Financial Results

(Amounts in INR lacs)

| | <u>FY 2024</u> | <u>FY 2023</u> |
|--|-------------------|-----------------|
| Operations resulted in a Profit before Interest and Depreciation (PBIDT) of | 78,32.77 | 78,28.44 |
| less : Interest & other finance costs | (5,00.63) | (7,53.19) |
| Profit before Depreciation and Tax (PBDT) | 73,32.14 | 70,75.25 |
| less : | | |
| Depreciation | 11,13.70 | 11,52.18 |
| Exceptional Items | 2,02.00 | - |
| Profit Before Tax (PBT) | 60,16.44 | 59,23.07 |
| less : | | |
| Current tax | 8,01.45 | 7.83 |
| Tax adjustment for earlier years | 1.94 | (32.64) |
| Deferred Tax asset | - | 4,54.52 |
| Deferred Tax liability | 8,25.16 | 9,57.01 |
| Profit after Tax (PAT) | 43,87.89 | 45,36.35 |
| Other comprehensive income | 2.84 | (21.59) |
| Surplus brought forward | 93,33.04 | 50,54.55 |
| Dividend (for FY 22-23 / FY 21-22) | (4,13.44) | (2,36.27) |
| Surplus carried forward | 1,33,10.33 | 93,33.04 |

The results are considered satisfactory, especially given that (a) installed capacities remain unchanged from FY 2022-23; (b) the dielectric films plant had a minor increase in planned downtime for technical enhancement; and (c) there were periods of sub-optimal market economics and conditions. However a resilient bottom-line underscores the effectiveness of our operational strategies and competitive edge.

PBIDT held steady at INR 78.33 crores (INR 78.28 crores). PBDT rose 3.6% to INR 73.32 crores (INR 70.75 crores). Exceptional charges of INR 2.02 crores were accounted for, being compensation demanded by consortium banks against loans rescheduled (without sacrifice) in 2016 and prepaid by us in the previous year. PAT was marginally lower at INR 43.88 crores (INR 45.36 crores). Current tax outflow was notably higher than in previous years.

The Board in accordance with the Dividend Distribution Policy has recommends for shareholders' approval a dividend of INR 2 per share for the year ending March 31, 2024, subject to shareholder approval. This reflects a prudent balance between distributing profits and conserving resources.

Share Capital & Resources

During FY 2021-22 the Company had allotted on a preferential basis 16,40,000 warrants to Malabar India Fund Limited ("Malabar"), a category I foreign portfolio investor (non-promoter, public) and 3,28,000 warrants to promoter group entities at a price of INR 762 per warrant, with initial payment being 25% of the warrant price; each fully paid-up warrant would entitle subscription to and allotment of 1 equity share of INR 10 at a premium of INR 752. The promoter group exercised its entitlements in FY 2022-23 itself; Malabar exercised their entitlement in full during the year under review.

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All allottees of these equity shares also received appropriately reserved bonus shares, in the same ratio of 1:2 as allotted to all other shareholders. The total amount raised from this full issue was INR 149.96 crores.

Further capital raises were announced in the year under review to help support our core strategic vision of building global significance in dielectric film industry. We were delighted to receive shareholder approvals at the Extra Ordinary General Meeting held on January 16, 2024 for raising (a) upto INR 140 crores via warrants issued on a preferential basis; and (b) upto INR 150 Crores via Qualified Institutions Placement. We are pleased that the Company's offerings triggered keen interest from reputable, informed and judicious investors, and in a very short time the Company could complete both offerings by issuing and allotting during the year :

- (i) 14,35,750 warrants on a preferential basis to 12 subscribers (of which 1,05,750 were to 2 promoter group entities) at an issue price of INR 975 per warrant with initial payment of 35% of the warrant price, and the balance 65% at warrant holder's option within 18 months; each fully paid-up warrant entitles subscription to and allotment of 1 equity share of INR 10 at a premium of INR 965. Initial proceeds of this issue as above are INR 48.99 crores and the issue will aggregate to INR 139.99 crores assuming full conversion of warrants; and
- (ii) 13,62,397 fully paid-up equity shares via Qualified Institutions Placement to 21 subscribers, at INR 1101 (face value INR 10 plus premium of INR 1091) per equity share, i.e. at a discount as permitted by regulations of INR 57.32 (or 4.95%) on the floor price of INR 1158.32 per equity share. The proceeds aggregated INR 150 crores.

The Board welcomes all the above investors as esteemed partners to existing stakeholders in the Company's future. The paid-up equity capital now stands at INR 22.03 crores; upon conversion of outstanding warrants when fully paid up, the equity capital will stand at INR 23.47 crores. There has been (and will further be, upon the latter allotment) a material addition to Reserves on account of securities premium; Net Worth stands at INR 560.51 crores (INR 233.55 crores).

Proceeds from all the above issues are being utilized for purposes stated and monitored carefully. Shareholders were kept informed that these latest issues marked the end of our foreseeable capital-raising actions. The capital infusion has been timely and significant; additionally the Company has negligible debt levels, or pay-out obligations on the horizon. So the healthy net cash additions and the enhanced capital resources can be applied to organic growth with confidence.

The Promoter Group invested in both above preferential offers, and is subject to longer lock-in periods on their infusion than the others; the *prima-facie* dilution in promoter holdings are purely a consequence of allotments made to the other subscribers. Some promoter group entities had also supported the Company in 2019 by pledging part of their equity holdings in the Company as additional collateral favouring consortium banks of the Company; after the Company repaid the banks duly in the previous year, the pledges were finally released during the year under review.

Review of Key Business Matters

India, the world's fastest-growing large country, is expanding annually at 6-7%. Private sector confidence is reportedly at its highest since 2010. Already the fifth-largest economy it may rank third by 2027, after America and China. Resilience in manufacturing, massive infrastructure spending, a respectable agricultural output, increasing direct and indirect tax collections and strong foreign exchange reserves - all portend well for sustained growth. Improvements to infrastructure and logistical costs can be expected. Job creation remains an urgent priority. Of course the usual overall risks, including but not limited to policy and monetary policy changes, geopolitics, inflation and climate (e.g. monsoon-led) will always remain. However, recent reports do indicate that there are expectations of a good monsoon, signs of pick-up in rural demand and slowing inflation; there could be a durable, broad-based improvement in consumption.

The global economy continues growing at a modest pace according to OECD's latest outlook which projects global GDP growth of 3.1% in 2024, the same as in 2023, followed by a slight pick-up to 3.2% in 2025. The impact of tight monetary conditions continues to be felt, particularly in housing and credit markets, but global activity is proving relatively resilient. Geopolitics is an indefinite factor. A decline in inflation continues, and private sector confidence is reported to be improving. As a separate observation, global markets for dielectric films have been assessed by various sources to potentially grow so as to occupy foreseeable industry-wide capacity increases, including our plans articulated below.

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For the Company's own operations, we are happy to report that despite challenges of capacity limitations and sub-optimal market circumstances, aggregate production across our units grew to 27,891 MT (vs. 26,607 MT in the previous year - adjusted for toll-manufacture from discontinued unit). However, turnover registered lower by 8.9% at INR 465.41 crores (INR 510.97 crores). It bears mentioning, as also indicated in our investor releases, that the drop in top-line value largely associates with softer raw material prices, which reflect on revenue through consequent adjustments in product pricing. The end of toll manufacturing at the erstwhile packaging film unit transferred in FY 2022-23 was also a factor (approx. INR 5 crores, or around 1%). The stability in our physical activity reflects in total production tonnage being 4.8% higher over the previous year. Some higher value-added products, as well as higher interest income, helped mitigate the adverse pressures. The Management's Discussion and Analysis report contains finer details, the broader picture is covered here.

The Barjora dielectric film line maintained its dynamic performance, operating at almost full capacity and consistently adapting to produce thinner films. This helped align our product mix and capabilities with current opportunities with our clients. Enhancements were made to the thickness measurement and control systems, necessitating a brief planned downtime previously mentioned. We believe that favorable market conditions will continue to support our operations.

The Company holds the pole position as the leading and first-mover Indian manufacturer of premium dielectric BOPP films, and is recognized in advanced markets for product quality, innovation and service standards. We have cultivated our own development capabilities, and compete on strong terms against products from manufacturers in Japan, Korea, China and Europe. Due to the need to align capacity with domestic demand, we had to temporarily moderate exports. The sectors of electric vehicles (EVs) and alternative energy are promising for our company's range of competencies.

Consumer durables, including refrigerators manufactured by our OEM customers (key client base for coextruded sheets and thermoformed liners manufactured at Ranjangaon and Greater Noida) faced difficult market conditions during the first half of the year, as would have been seen in quarterly performance reports. The offtakes for consumer durables saw a limited revival in the 3rd quarter and onwards, in anticipation of the festival season and recovery. The white goods' markets improved to some extent towards year end, and one may expect revitalized demand in coming periods; but competitive demands on our clients' end-products frequently translates to pressure on our pricing. The government's PLI scheme has likely tempted some refrigerator manufacturers to create sheet capacity for a part of their requirements. Nevertheless our flexibility with multiple lines, skills and track record built up over years, and our focus on reliability and operational efficiency means most leading brands remain our notable clients.

Continuing our steps to slash even residual debt, the outstanding Guaranteed Emergency Credit Line for working capital INR 15.31 crores was repaid well before schedule; there is now no term debt relating to existing operations. We believe our disciplined debt reduction and capital infusions have provided a fairly de-risked foundation for the expansions; which we also expect to complete with judicious debt levels, including cover-backed long-term supplier credits.

As approved earlier, in terms of the agreement with Tata Power Renewable Energy Limited and TP Mercury Limited, the Company acquired 26% of the equity capital and rights thereon of TP Mercury Limited for INR 1.36 crores; the latter is classified as an associate company but under its own management. Generation equipment installation is said to be about 90% done; Tata Power had communicated some delays in transmission systems; however we anticipate supply of lower cost solar energy through Open Access to the Company's Ranjangaon unit in FY 2024-25. Operations of the subsidiary Xpro Global Limited were not material, with trading activities remaining curtailed during the year while management focuses on the parents' core activities.

The Company conducts its business affairs with the intentions of delivering long-term shareholder value, and remaining conscious of interests of stakeholders and society. We are delighted to have supported carefully selected, worthy causes under CSR obligations. The Board greatly appreciates the quality and dedication of our human capital at all levels, and their engagement in the performance of the Company. The Board encourages management to act towards a future-ready and action-oriented team, that will uphold the achievement of our objectives and potential.

We pursue inclusion of ESG principles in business conduct and, going forward, expect to further improve our ESG practices. Sound governance is key for us, supported by policies towards compliances and ethical conduct.

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Despite predominant positivity and encouraging indicators on a broader scale, it's prudent and realistic for us to highlight that both the global and Indian economic landscapes, along with their positives, should not be assumed as guaranteed. While it's reasonable to anticipate ongoing positive momentum, unforeseen volume or margin fluctuations as well as other disruptions or delays could occur. As a result, outcomes may differ from what was expected, implicit or inferred.

Growth

As mentioned in earlier reports, our preferred approach to increasing business value is by investing for organic growth. The Company intends to maintain a leadership position and increase market presence in its niche product areas, building on manufacturing assets and skills, development, marketing and export competency, and healthy relationships. To build long-term business value in an effective way, we have prioritized fundamentals over short-term targets. The key strategic elements management is pursuing are global scaling of capacity, product advances and sustainable cost competitiveness. It may be mentioned that we share broad information here only to the extent relevant and within boundaries, that in our opinion are reasonably required, in light of the Company's strategic and competitive plans and position.

Our focus is on dielectric films, deriving not only from performance and standing but also driven by strategic positioning in a growing, high-tech niche segment that inspires the planned resource allocation over the coming periods. The fact that we can consistently operate domestically on competitive terms against large duty-free imports from Asia and Europe, and successfully export to advanced markets, additionally authenticates our capabilities. It is important for us to highlight that our technical distinction and top-quality customer service are the outcomes of persistent organizational exertion at every level. This homegrown perspective engenders our immense pride in the Company's India-centric self-sufficiency in technology and skills, which also endorses the true spirit of "Make in India".

The first phase of expansion - to double capacity at the existing location at Barjora - is well underway. Significant progress has been made on implementation at the brownfield site, and management believes we are on track to achieve operations in FY 2024-25 (the current year) as announced earlier; the possibility that European supply-chain issues may delay the arrival of some equipment cannot be fully ruled out, but at present any significant delay in the broad timeline announced is not evident. The accounts reflect capital work-in-progress, advances and part utilization of foreign supplier credits for capex; bank deposits include significant amounts towards capital spending commitments.

As per our earlier announcement(s), the second new line was to be set up at another appropriate location. After a careful study of relevant factors, and as a step towards enlarging our successful footprint in the dielectric film industry's global supply chain, the Board approved the setting up of a subsidiary in the United Arab Emirates. A wholly-owned subsidiary named "Xpro Dielectric Films FZ-LLC" is being incorporated in the current year, as a Limited Liability Company in the Free (trade) Zone, in the emirate of Ras al Khaimah, UAE ("RAK"). The core equipment is already on order, and work on the ground will begin shortly, so as to align with our articulated intent of starting operations in FY 2025-26.

The Ras Al Khaimah Economic Zone ("RAKEZ") is an industrial hub and a large economic zone. The Free Zone under RAKEZ has excellent infrastructure. A number of industrial companies (including Indian) are successfully operating in the region of the facilities being allotted to us. Ras Al Khaimah also provides efficient access to both shipping and global markets - which are important for our business plans. In due course we also hope to nurture development competencies here, to work in hand-in-hand with our home team.

Shareholders will be pleased to note from the above that we anticipate, barring unforeseen circumstances, to be within the indicated time span (keeping in mind long core equipment delivery periods) for both these expansions, as originally articulated in our report for FY 2021-22. All key equipment is state-of-the-art and sourced from proven manufacturers.

The future outlook for dielectric capacitor films appears promising based on multiple research studies, with several trends and developments shaping the market. Technological advancements are a driver for this market, which services multiple and diverse applications from household appliances to renewable energy sectors. The trend towards miniaturization in electronics, and smart capacitors, can boost demand for high-performance films. Polypropylene dielectric film remains a top choice for many high-performance capacitor applications; it is reasonable to expect that it will continue to play a vital role in the capacitor industry and related fields for much time to come.

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Therefore, further to current commitments, management has under active consideration an extension of the Company's current investment cycle, by adding one more advanced line aiming to start operations in FY 2026-27. This will then be the fourth line under Xpro's umbrella dedicated to dielectric films. We anticipate, based also on external assessments, that the Indian and international markets should together be able to fully consume the ultimate production capabilities and capacities. This addition, when made, will further reinforce our ongoing vision of remaining in a globally significant industry position in the "non-China" and high-quality space.

Management is also evaluating locations for this line that can optimize the ability to competitively serve Indian and global markets. The aggregate outlay for all the above schemes, including this fourth line, could aggregate to around INR 800 crores. Considering our resources, expected cash accruals, and net long-term suppliers' credit over the investment period, we should be able to execute this with nominal debt. Thereafter this cycle of organic growth will conclude, and we will have an opportunity to pause and review progress and the future course, as all capacities fully stabilize and consolidate.

Directors And Key Management Personnel

Recognising that four Independent Directors would compulsorily retire in FY 2024-25, the Board took appropriate steps to identify suitable persons with relevant knowledge, experience and balance of skills (while meeting requirements of the Companies Act, 2013 and Regulation 16(1)(b) of LODR on independence of directors) to join the Board as Independent Directors. Accordingly, upon recommendations of the Remuneration and Nomination Committee, Sri Manoj Mohanka (initially as Additional Director) and Ms. Nandini Khaitan were appointed as Non-Executive Independent Directors to hold office for a term of five years with effect from September 1, 2023 and February 1, 2024 respectively. Shareholders approved these appointments through postal ballot on September 28, 2023 and at the Extra-Ordinary General Meeting held on January 16, 2024 respectively. The Board will thus remain compliant on composition, going forward.

Independent Directors Sri Amitabha Guha, Sri Ashok Jha, Sri Utsav Parekh and Sri S. Ragothaman will all be completing the permitted maximum of 2 terms of upto 5 years each, implemented since the Companies Act, 2013 came into effect, and will consequently retire in July 2024. The respected Directors have faithfully and untiringly worked for furthering the interests of the Company and its stakeholders. The Board places on record its deepest appreciation of the valuable services and guidance rendered by them during their respective tenures on the Board and on its committees.

Shareholders had approved through postal ballot on May 19, 2023, the re-appointment of Sri Sidharth Birla, Chairman for a term of 3 years effective March 1, 2023. The Board has on recommendation by the Remuneration and Nomination Committee re-appointed Sri C Bhaskar as Managing Director & Chief Executive Officer for a term of 3 years with effect from January 1, 2024; shareholders approved this through postal ballot on September 28, 2023. 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. During the year, seven Board Meetings were convened and held as per details in the annexed Corporate Governance Report. The Independent Directors met separately on March 11, 2024 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 Annual Return (Form MGT-7) is available on the Company's website at www.xproindia.com/annual-reports.html and information on conservation of energy, technology absorption & foreign exchange earnings and outgo is furnished in annexure hereto.

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as per Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015 and this has been noted by the Board. The Board also confirms that the Independent Directors appointed during the year meet the criteria of expertise, experience and integrity in terms of the Act. The Board has, on recommendation of the Remuneration and Nomination Committee, framed a policy for appointment and remuneration of Directors and Senior Managerial Personnel and criteria for determining independence and relevant matters (policy and criteria are annexed; also available at www.xproindia.com/Codes/XILPolicyRemuneration.pdf). Pursuant to provisions of the Act and SEBI Listing Regulations, 2015, the Board carried out annual evaluation of its performance, and individually for all

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directors, as well as evaluation of all its Committees. A questionnaire was circulated to all Directors. The concerned Director does not participate in a meeting while he/she is being evaluated. The Remuneration and Nomination Committee also evaluated the performance of each Director. Evaluation of the Chairman and non-independent Directors was carried out at the meeting of Independent Directors.

The Company has formulated a Policy for determining material subsidiaries as required under Regulation 16(1)(c) of the SEBI Listing Regulations, 2015 (available at www.xproindia.com/Codes/XILPolMatSubs.pdf). At the end of the year the Company had one wholly owned subsidiary viz. Xpro Global Limited; TP Mercury Limited is the only Associated company. A statement containing the salient features of the Financial Statement of Subsidiary Company and Associate Company in the prescribed format annexed herewith in Form AOC -1 as required.

The Company has constituted a Risk Management Committee of the Board to, inter alia, review business risks with the responsibility of implementing and monitoring the Risk Management Policy on a periodic basis. The main objective of such policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business and processes. The Board is informed about the identified risks, assessment thereof and minimization procedures and identification of risk elements which in the opinion of the Committee may threaten existence of the Company. The Company has an internal control system commensurate with its size of operations. Internal audit is carried out by external agencies which report to the Audit Committee. During the course of internal audit, the efficacy and adequacy of internal control systems is also evaluated and all corrective actions are taken, based on reports or whenever merited.

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. The Company does not invite or accept any Deposits and accordingly there are none outstanding on March 31, 2024. Transactions with related parties during the year were in the ordinary course of business and on arm's length basis. There are no 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 SEBI Listing Regulations, 2015, all proposed Related Party Transactions are placed before the Audit Committee for approval or for omnibus approval as necessary; a statement of all such transactions is also placed for review. The policy on Related Party Transactions is uploaded on the website at www.xproindia.com/Codes/XILPolRelPartyTrans.pdf. The Audit Committee is compliant with Section 177 of the Act and Regulation 18 of SEBI Listing Regulations, 2015; details are given in our Corporate Governance Report. There was no instance where the Board did not accept any recommendation of the Audit Committee. The Company has a vigil mechanism for directors and employees under a Whistle Blower Policy; no employee is denied access to the Audit Committee in this regard. The policy provides for safe guards through Protected Disclosures against victimization of persons who use such mechanism, is displayed on the Company's website and is also annexed herewith. Information 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 is annexed. A committee looks into complaints, if any, under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; no complaint was filed during the year and none are pending.

There was no change in the nature of business of the Company during the financial year. There are no significant and material orders passed by any Regulators or Courts/Tribunals which impact the going concern status of the Company and its future operations. There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

The committee on Corporate Social Responsibility (CSR) is compliant with Section 135 of the Companies Act, 2013; details are furnished in the Corporate Governance Report. CSR activities are carried on mainly through implementing agencies or via contribution to approved funds. The CSR Policy and the annual report on CSR are annexed herewith. The Company is among the top 1,000 listed entities based on market capitalization on March 31, 2024. A Dividend Distribution Policy was adopted and is available at www.xproindia.com/Codes/XILDivDistPolicy.pdf. The 'Business Responsibility and Sustainability Report' (BRSR) under Regulation 34(2)(f) of SEBI (LODR) Regulations is annexed and

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forms part of this Annual Report. The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Directors' Responsibility Statement

As per Regulation 17(8) of SEBI Listing Regulations, 2015 the CEO and CFO certified the financial statements; which have 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 preparation of the annual accounts, applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the Directors 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 profit 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 Walker Chandio & Co LLP, Chartered Accountants, were re-appointed as Statutory Auditors at the 25th Annual General Meeting ("AGM") held on June 24, 2022 to hold office for a second and final term of 5 (Five) consecutive years from conclusion of the 25th AGM till the conclusion of the 30th AGM.

Pursuant to Section 204 of the Act, Sri Girish Bhatia, practicing Company Secretary, was appointed to undertake Secretarial Audit. The report of Secretarial Auditor is annexed herewith. The Company made and maintained cost records as prescribed under the Companies Act, 2013. Cost Audit for the year ended March 31, 2024 is carried out by M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Registration No. 00175). The Board, on recommendation by the Audit Committee, has appointed the said M/s Sanghavi Randeria & Associates to conduct audit of cost records for the year ending March 31, 2025; under Section 148 (3) of the Act their remuneration requires approval at the ensuing AGM.

Acknowledgements

We place on record our sincere appreciation of (a) the valuable cooperation and support received at all times by the Company from all its Bankers, particularly the lead bank, State Bank of India, (b) all concerned Government and other authorities; and (c) the trust and faith of our shareholders/investors and stakeholders. We record the extremely valuable cooperation and support of the teams of RAKEZ (Ras Al Khaimah Economic Zone) and other authorities there. Relations with employees were generally cordial. We record our appreciation of the sincere and dedicated services of all employees, in their efforts of working towards a positive period and the growth of the Company.

For and on behalf of the Board

New Delhi
May 28, 2024

Sidharth Birla
Chairman
(DIN: 00004213)

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Board has adopted its corporate governance obligations under relevant regulations, listing agreement and laws and, in addition, certain best practices relating thereto. The Board adheres to the conviction that good governance is voluntary and self-disciplining, with the clearest thrust from Directors and the management itself, and is ultimately a positive for all stakeholders. The management and organization at Xpro India Limited strive to remain 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 12 Directors, of whom 8 are independent. The Board collectively has the governance and professional skills, knowledge and experience required to effectively govern and direct the Company. 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 norms are met. Independent Directors play an important role in deliberations at the Board level, bring with them extensive experience in various fields including banking, finance, law, policy and administration, 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. The Board, at present, has 8 independent Directors viz. Sri K. Balakrishnan (Financial Advisor), Sri Amitabha Guha (a Banker), Sri Ashok Kumar Jha (IAS (retd.), formerly Finance Secretary, Govt. of India), Ms. Nandini Khaitan (Advocate), Sri Manoj Mohanka (Financial Advisor), Ms. Suhana Murshed (Advocate), Sri Utsav Parekh (Merchant Banker), and Sri S. Ragothaman (company director, formerly senior officer at ICICI). The Directors confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the regulations and that they are independent of the management. Four of the Independent Directors will retire in July 2024 on completing their maximum terms permitted under the Companies Act, 2013.

Independent Directors are given a formal letter of appointment (copy available on Company's website) which, *inter-alia*, describes their basic role, functions, duties and responsibilities. A familiarization program for Independent Directors acquaints them with these, and nature of industry where the Company operates, Company's business model etc. (relevant details of familiarization programs are on the Company's website at www.xproindia.com/Codes/XILIDFmlrznProg.pdf). The Remuneration & Nomination Committee has a framework for performance evaluation of Independent Directors (annexed herewith) and such evaluation is done by the Board (excluding the Director being evaluated) and based on evaluation, the Board determines continuation or extension of the term of Independent Director. Performance evaluation of non-independent Directors and the Board as a whole and the Chairman is also done by the Independent Directors as per relevant regulations. The Board deliberates duly on orderly succession of Board members and 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 are kept separate and appropriately defined. These roles are harmonizing but distinct with the Chairman responsible for managing the business of the Board and the Chief Executive responsible for managing the businesses of the Company. 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 who holds executive authority and responsibilities. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; Sri Bharat Jhaver, Non-Executive Non-Independent Director, is related to them; 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 for committees) paid during the year, and shareholding in the Company as on March 31, 2024.

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

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appointed for a term of upto 5 years by the members, 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 from ceasing to be an independent director). All other Directors are liable to retire by rotation 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 & 70 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 (INR) | Shareholding |
|---|------------|------------|------------|------------------|
| <u>Independent</u> | | | | |
| Sri K Balakrishnan | 7 / 7 | 2 / 1 / - | 9,90,000 | - |
| Sri Amitabha Guha | 7 / 7 | 3 / 4 / - | 13,25,000 | - |
| Sri Ashok Kumar Jha | 7 / 7 | 3 / 3 / 1 | 10,50,000 | - |
| Ms. Nandini Khaitan (w.e.f. February 1, 2024) | 1 / 1 | 2 / - / - | 2,00,000 | - |
| Sri Manoj Mohanka (w.e.f. September 1, 2023) | 4 / 4 | 6 / 6 / 2 | 5,00,000 | - |
| Ms. Suhana Murshed | 7 / 7 | 2 / - / - | 9,30,000 | - |
| Sri Utsav Parekh | 7 / 7 | 9 / 9 / 4 | 11,45,000 | 750 (neg.%) |
| Sri S. Ragothaman | 7 / 7 | 3 / 1 / 1 | 12,30,000 | 96,939 (0.44%) |
| <u>Non-Executive, Non-Independent</u> | | | | |
| Sri Bharat Jhaver | 7 / 7 | 2 / 1 / - | 7,00,000 | - |
| <u>Representing Promoters</u> | | | | |
| Smt. Madhushree Birla | 7 / 7 | 3 / - / - | 7,50,000 | 1,50,187 (0.68%) |
| Sri Sidharth Birla | 7 / 7 | 4 / 1 / - | Nil | 1,52,812 (0.69%) |
| <u>Executive (Managing Director)</u> | | | | |
| Sri C Bhaskar | 7 / 7 | 4 / 2 / 1 | Nil | 70,266 (0.32%) |

- Sri Sidharth Birla & Sri C Bhaskar are employed by the Company;
- Fees include those for committee meetings;
- None of the Directors hold any convertible instruments of the Company;
- Details of skills/experience/competence of Directors and directorship in other listed entities are given in annexure;

Duties & 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 and capital budgets, monitoring the implementation and effectiveness of the governance practices, appointing key executives and approving their remuneration, monitoring and managing potential conflicts of interest, ensuring integrity of Company's accounting and financial reporting system internal systems of control, 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 the Management are demarcated and appropriately specified. 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 Designated Persons, which is 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 Sri C Bhaskar, Managing Director & Chief Executive Officer, who heads the management team. Sri

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Himangshu Bakshi, Sr. President & Chief Operating Officer holds operational responsibility for day-to-day activities of the units and divisions under his charge. Sri Vinay Kumar Agarwal, President (Finance) & Chief Financial Officer, heads the finance function discharging the responsibilities entrusted to him under regulations and by the Board. These senior officers are collectively entrusted with ensuring that all management functions are carried out effectively and professionally, and together with Sri Natrajan Ravindran, Jt. President (Marketing) & Chief Marketing Officer, and Sri Kamal Kishor Sewoda, Company Secretary & Compliance Officer, are designated as “Senior Management” in terms of the applicable provisions of the Listing Regulations. There has been no change in the Senior Management since the close of the previous financial year.

Board Meetings and Committees

Board meetings are typically scheduled well in advance and are normally held at Company offices, including at plants, or through video conferencing where permitted by applicable laws/guidelines. 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 meets as required to review presentations on and evaluate 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 provide presentations or clarifications whenever required. To enable detailed attention to relevant matters, the Board may delegate specific matters to its committees. However, no matter which under law or the Articles may not be delegated by the Board, or requires its explicit approval, is left to a final decision of any committee. During the year the Board met 7 times - on May 22, July 9, August 11, November 6 & December 19, 2023 and January 29 & February 26, 2024.

Independent Directors' Meeting held on March 11, 2024 to address matters prescribed both under the Act & SEBI Listing Regulations, was attended by Sri Amitabha Guha, Sri Ashok Kumar Jha, Ms. Nandini Khaitan, Sri Manoj Mohanka, Ms. Suhana Murshed and Sri S. Ragothaman.

Audit Committee

The terms of reference of the Audit committee, specified by the Board in writing, includes the whole as specified in the Companies Act and in listing 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 K Balakrishnan (w.e.f. May 23, 2023), Sri Utsav Parekh and Sri Amitabha Guha, and is mandated to meet at least four times in a year to consider 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 5 times during the year on May 22, August 11 & November 6, 2023 and January 29 & February 26, 2024 and the meetings were attended by all members. The Chairman of the Audit Committee attended the last Annual General Meeting held on August 10, 2023.

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; Chairman's remuneration is recommended by the Committee to the Board 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

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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 herewith). The Committee is also entrusted with discharging the functions of a Compensation Committee as envisaged in SEBI ESOPs Guidelines. The committee comprises of Sri Amitabha Guha, (Chairman), Sri Sidharth Birla, Ms. Suhana Murshed (w.e.f. July 10, 2023) and Sri Utsav Parekh. The committee met twice during the year. The Committee met twice during the year on August 9 and December 15, 2023; the meetings were attended by all members. A working group comprising of Chairman of the Remuneration & Nomination Committee and Managing Director & Chief Executive Officer has been set up to examine and study and support the Board on aspects of Succession Planning.

All directors other than the Chairman and any executive director(s) are paid sitting fees for meetings of the Board or its committees attended: INR 100,000 each per meeting of the Board and Independent Directors' Meeting, INR 60,000 each per meeting of the Audit Committee, INR 40,000 each per meeting of the Remuneration & Nomination Committee, INR 50,000 each per meeting of the Committee of Directors, INR 40,000 each per meeting of the Risk Management Committee and INR 5,000 each per meeting of the Stakeholders' Relationship Committee. A fee of INR 12,500 is paid for each meeting of the Working Group. No fee is paid for meetings of the CSR Committee. Members have approved the payment of remuneration to Sri Sidharth Birla, Chairman, re-appointed with effect from March 1, 2023 for 3 years, 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 applicable provisions of the Companies Act, 2013 (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). Accordingly, he is paid, with effect from April 1, 2024 a salary of INR 12.50 lacs per month, house rent allowance of INR 1.75 lacs per month and other benefits/allowances as per rules of the Company. Members have approved payment of remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, re-appointed with effect from January 1, 2024 for 3 years, comprising 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 INR 20 lacs per month or such higher sum as may be permitted vide any statutory modification or re-enactment). Accordingly, he is now paid a salary of INR 9.60 lacs per month plus benefits and allowances as per Company rules; a lumpsum bonus of INR 36.00 lacs was paid to him during the year. 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 over 28,000 shareholders and with a view to expedite share transfers (as may be permitted under Law/Regulations), the Registrar and Share Transfer Agent of the Company, has been authorized to effect share transfers/transmissions, etc. To enhance service levels to the shareholders including through adoption of digital tools offered by new generation of RTAs, the Board on the recommendation of the Stakeholders Relationship Committee has appointed M/s Link Intime India Pvt. Ltd. as the Registrar and Share Transfer Agent of the Company. Sri Kamal Kishor Sewoda, Company 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 as members. The Committee meetings of May 22, August 11 and November 6, 2023 were attended by all members. The Company/RTA received 3 complaints during the year from shareholders (directly or through regulatory bodies); as of March 31, 2024 (a) all complaints 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 within the extent permitted in law, by the Board from time to time. The Committee meets only as and when required to attend to exigent matters so delegated to it. During the year

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the Board delegated to the Committee powers on matters related to capital fund raising through a Preferential Issue and a Qualified Institutions Placement. The Committee met 5 times during the year on May 23, 2023 and January 8, February 26 & February 29 (two meetings). The meeting held on January 8, 2024 was attended by all members and the other meetings were attended by Sri Sidharth Birla, Sri Ashok Kumar Jha and Sri C. Bhaskar.

Corporate Social Responsibility Committee

The Board of Directors has 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 activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor implementation of the CSR Policy from time to time. The Committee comprises of Smt. Madhushree Birla, as Chairperson, Ms. Suhana Murshed (*w.e.f. July 10, 2023*), Sri Utsav Parekh and Sri C Bhaskar. Sri H. Bakshi, Sr. President & Chief Operating Officer is management invitee at the meetings of the CSR Committee. All members attended the meetings held on May 8, 2023 and on January 27 & February 26, 2024.

Risk Management Committee

The Board of Directors has constituted a Risk Management Committee (“RC”), in line with applicable SEBI Listing Regulations. The broad role and responsibilities of RC are to (i) submit the Risk management Plan to the Board for its approval and adoption; (ii) oversee the risk management infrastructure; (iii) advise the Board on risk strategy and mitigation plans; (iv) address risk management and governance in strategies for growth; (v) consult external experts, where necessary and (vi) review risk disclosure statements in any public documents or disclosure. The Committee comprises of independent directors, Sri S. Ragothaman, as Chairman, and Sri Amitabha Guha, Sri C Bhaskar, Managing Director & Chief Executive Officer, Sri H. Bakshi, Sr. President & Chief Operating Officer and Sri Vinay Kumar Agarwal, President (Finance) & Chief Financial Officer. Manufacturing units and functional management teams are represented as permanent attendees at the meetings of the RC. The Committee meetings on September 6, 2023 and January 10, 2024 were attended by all the members.

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/SEBI. Annual General Meetings are held at its Registered Office at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722 202, West Bengal. The last three AGMs were held on August 10, 2023, June 24, 2022 and August 10, 2021 through Video Conferencing/Other Audio Video Means.

The next AGM shall be held as per the advisories issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India through Video Conferencing/Other Audio Video Means as per notice in this Annual Report and the Record Date/Book Closure Dates for Dividend along with the proposed date of Dividend payment will also be as per the notice. The last AGM was attended by all Directors.

Special Resolutions were passed at the AGM held on August 10, 2021 for re-appointment of Sri C. Bhaskar, Managing Director & Chief Executive Officer of the Company for a period of three years with effect from January 1, 2021 and approval of Remuneration payable to him; and at the AGM held on June 24, 2022 for the appointment of Sri K Balakrishnan as a Non-executive Independent Director of the Company for a term of five years with effect from May 25, 2022. Special Resolution with regard to issue and allotment of up to 19,68,000 warrants, each carrying a right to subscribe to 1 Equity Share of the Company, at an issue price of INR 762 (Rupees Seven Hundred Sixty Two only) per Warrant (including a premium of INR 752), on a preferential allotment basis was passed by the Members at the extra ordinary general meeting held on December 29, 2021. Special Resolutions with regard to (i) issue and allotment of up to 14,35,750 warrants, each carrying a right to subscribe to 1 Equity Share of the Company, at an issue price of INR 975/- (Rupees Nine Hundred Seven Five only) per warrant including a premium of INR 965/- (Rupees Nine Hundred Sixty-Five only), on a preferential allotment basis; (ii) raising of capital through Qualified Institutions Placement for an aggregate amount not exceeding INR 150 crores (Rupees One Hundred Fifty Crore only) by the issue of Equity Shares of face value of INR 10/- each, and (iii) appointment of Ms. Nandini Khaitan (DIN: 06941351) as an Independent Director of the Company,

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not liable to retire by rotation for a term of five consecutive years with effect from February 1, 2024, were passed by the Members at the extra ordinary general meeting held on January 16, 2024.

During the year, Special Resolution was passed on May 19, 2023 (last date for voting) through Postal Ballot with regard to re-appointment of Sri Sidharth Birla, Chairman in the whole-time employment of the Company of the Company for a period of three years with effect from March 1, 2023 and approval of Remuneration payable to him. [Voting pattern: 122 (One Hundred Twenty Two) members had cast their 10522579 (99.95%) votes in favour and 9 (Nine) members had cast their 5675 (0.05%) votes against the Resolution.] Further, during the year Special Resolutions were passed on September 28, 2023 (last date for voting) through Postal Ballot with regard to (i) Appointment of Sri Manoj Mohanka (DIN: 00128593) as an Independent Director of the Company. [Voting pattern: 197 (One Hundred Ninety Seven) members had cast their 13717096 (100%) votes in favour and 9 (Nine) members had cast their 633 (Negligible %) votes against the Resolution]; and (ii) Re-appointment of Sri C Bhaskar (DIN: 00003343) as Managing Director & Chief Executive Officer of the Company for a term of three years with effect from January 1, 2024 and remuneration payable to him; [Voting pattern: 201 (Two Hundred One) members had cast their 13717676 (100%) votes in favour and 5 (Five) members had cast their 53 (Negligible %) votes against the Resolution]. The Board had appointed Sri Girish Bhatia, Practicing Company Secretary (Membership No. FCS 3295 & CP No. 13792) as the Scrutinizer for conducting both the Postal Ballots held during the year through e-voting and the e-voting facility to members was provided through Central Depository Services (India) Limited.

The Ministry of Corporate Affairs has clarified that for companies that are required to provide remote e-Voting facility under the Act, while transacting any business only by postal ballot upto September 30, 2023, the framework provided in the MCA Circulars issued in this regard as well as the provisions of Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), will be applicable mutatis mutandis. The above-mentioned Postal Ballots are accordingly in compliance with the same.

The Company keeps shareholders informed via advertisements in appropriate newspapers of all relevant dates and items requiring notice. M/s Link Intime India Private Limited, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai 400083, Tel: (022)49186270 Fax : (022)49186060, e-mail : rnt.helpdesk@linkintime.co.in were appointed as the Registrars and Share Transfer Agents (in place of M/s MCS Share Transfer Agent Limited) with effect from May 13, 2024. The general address for correspondence by shareholders is the Company Secretary (Tel. (033) 40823700; extn.1267) at Birla Building (2nd Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; the designated e-mail ID for grievance redressal is cosec@xproindia.com (of Compliance Officer) and rnt.helpdesk@linkintime.co.in of Registrar and Share Transfer Agent). Shareholders may also write to the Registrars directly in matters relating to transmission, dematerialization, 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. During the year the Company issued investor press releases for the investor community which was simultaneously uploaded on the websites of the Company and of the Stock Exchanges. The financial year of the Company is April 1 to March 31.

The Company's Equity Shares are listed at National Stock Exchange of India Limited, "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400051 (Symbol: XPROINDIA, Series EQ) (necessary listing fee has been paid as due) and are admitted for trading on the BSE Limited, Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort, Mumbai 400 001, under the category of "Permitted Securities" (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). 98.91% of the Company's paid-up equity share capital has been dematerialized up to March 31, 2024.

As informed in the previous Annual Report, no shares remain unclaimed to the credit of "Xpro India Limited - Unclaimed Suspense Account". Accordingly, the disclosures pertaining to demat suspense account/unclaimed suspense account is not applicable. A total of 6,25,479 shares pertaining to 19,941 shareholders (after consolidation of folios) remained in the IEPF Suspense a/c as of March 31, 2023. During the year, 41 shareholders had been issued 4,984 shares out of the IEPF Suspense A/c and accordingly, there were 6,20,495 shares belonging to 19,930 shareholders in the IEPF Suspense A/c as on March 31, 2024. Voting rights on these shares remain frozen till rightful owner of such shares claims the shares.

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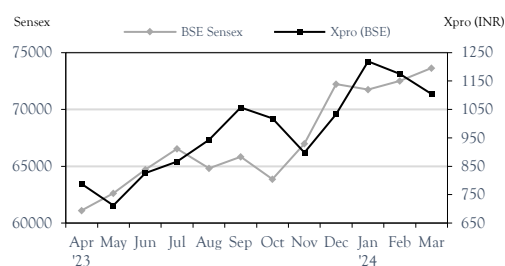
Shareholding distribution, pattern and high/low market price data are given below.

| Type of Shareholder | Nos. | % by amount | Nominal Value of Shareholding | Nos. | % by amount |
|----------------------------------|---------------|---------------|-------------------------------|--------|-------------|
| Banks, FI's, Insurance Companies | 14 | 0.02 | Upto INR 5,000 | 26,784 | 6.52 |
| Foreign Portfolio Investors | 17 | 14.97 | INR 5,001 to INR 20,000 | 1,043 | 4.44 |
| Domestic Companies | 209 | 45.19 | INR 20,001 to INR 1,00,000 | 265 | 5.07 |
| Mutual Funds | 5 | 0.79 | INR 1,00,001 and above | 94 | 83.97 |
| Non-residents | 408 | 1.24 | | | |
| Resident individuals/others | 27,533 | 37.08 | | | |
| | 28,186 | 100.00 | | | |

Note: aggregate of Public shareholding: 57.54%

| Share Price by Month INR/share | NSE | | BSE | |
|-----------------------------------|----------------|---------------|----------------|---------------|
| | High | Low | High | Low |
| April 2023 | 828.00 | 641.40 | 825.65 | 636.00 |
| May | 818.00 | 681.00 | 817.15 | 680.15 |
| June | 909.85 | 719.00 | 909.50 | 712.10 |
| July | 980.00 | 793.55 | 980.05 | 797.60 |
| August | 973.00 | 827.05 | 970.00 | 830.00 |
| September | 1080.00 | 910.00 | 1077.00 | 909.75 |
| October | 1100.00 | 893.65 | 1100.00 | 896.70 |
| November | 1032.40 | 871.00 | 1038.95 | 871.00 |
| December | 1225.00 | 872.00 | 1227.95 | 861.00 |
| January 2024 | 1266.70 | 1017.65 | 1273.95 | 1012.10 |
| February | 1297.80 | 1067.05 | 1295.50 | 1071.95 |
| March | 1262.00 | 1013.95 | 1261.00 | 1011.05 |
| During the Financial Year | 1297.80 | 641.40 | 1295.50 | 636.00 |

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



During the year, India Ratings and Research Private Limited assigned upgraded ratings of 'IND A-' (with Stable Outlook) to the Company's fund-based limits of INR 53.39 crores [upgraded from previous year rating of IND BBB+ (outlook stable) for Fund-based limits of INR 91.42 crores] and upgraded rating of 'IND A2+' for Company's non-fund-based limits of INR 49.00 crores (short term) [upgraded from previous year rating of 'IND A2' for non-fund-based limits of INR 37.00 crores (short term)].

The Company has a vigil mechanism for directors and employees under a Whistle Blower Policy; no employee is denied access to the Audit Committee in this regard. No complaints were received under the mechanism during the year and none are pending as at the end of the financial year.

The Company did not receive any complaint, during the year, under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint is pending as at end of the financial year.

Total fees for all services, paid by the Company, to statutory auditors is disclosed in the notes to the accounts.

Commodity Risks/Foreign Exchange Risk and Hedging Activities

The Company is in the natural course 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 INR 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 bankers. A robust and proven marketing approach 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. The Company is not dealing/trading in any commodities or exchanges, and hence does not have any consequent exposure to commodity price risk.

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 of routine nature and as disclosed in the notes on accounts. There have been no potential conflict(s) with the interests of the Company. Policies on dealing with related party transactions and material subsidiaries are available on the Company's website at http://www.xproindia.com/Ethics_pol.html.

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The Company has duly complied with the requirements laid down in the provisions of the Listing Regulations (including Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46) for the purpose of ensuring Corporate Governance.

Capital Proceeds, being subscription and allotment money and payment towards warrant exercise price, against the issue of convertible warrants on a preferential basis made in FY 2021-22, are being utilized for the purposes stated in the offer letter; INR 61.21 crores (out of INR 149.66 crores raised) has been utilized till March 31, 2024. Further, during FY 2023-24, the Company raised (a) INR 48.99 crores, being subscription and allotment money (at 35%) against issue of warrants on a preferential basis of total value INR 140 crores and (b) INR 150 crores through a qualified institutions placement of equity shares. A sum of INR 28.01 crore has been utilized from the funds raised through the QIP. Balance funds are pending for utilization as on March 31, 2024. There is no deviation or variation in the use of proceeds from the preferential issue of warrants and the QIP from the objects as stated in the Explanatory Statement to the Notices of the EGM held on December 29, 2021 and January 16, 2024 and the relevant Placement Documents, respectively. M/s India Ratings and Research Private Limited had been engaged to monitor, as required under applicable regulations, the utilisation of issue proceeds for funds raised in 2023-24 for the period upto March, 2024 and M/s Crisil Ratings Ltd. for subsequent periods.

The locations of the Company's manufacturing units have been given elsewhere (page 1) in the annual report and are also available on the Company's website.

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to capital markets. Mandatory requirements (except where not relevant or applicable) of SEBI regulations have been adopted. Of non-mandatory suggestions, those relating to a Chairman's Office, separate posts of Chairman and Managing Director/CEO, audit qualifications and reporting by Internal Auditors directly to Audit Committee have been adopted. Sending 6 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 28, 2024

Sidharth Birla
Chairman
(DIN: 00004213)

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, 2024.

New Delhi
May 28, 2024

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

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CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS (pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Xpro India Limited having CIN L25209WB1997PLC085972 and having registered office at Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist: Bankura 722 202, West Bengal (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| Sr.No. | Name of Director | DIN | Date of appointment in Company |
|--------|------------------|----------|--------------------------------|
| 1 | Sidharth Birla | 00004213 | 10.09.1998 |
| 2 | K. Balakrishnan | 00034031 | 25.05.2022 |
| 3 | Madhushree Birla | 00004224 | 21.01.2004 |
| 4 | Amitabha Guha | 02836707 | 24.03.2011 |
| 5 | Ashok Kumar Jha | 00170745 | 26.07.2013 |
| 6 | Bharat Jhaver | 00379111 | 25.05.2022 |
| 7 | Nandini Khaitan | 06941351 | 01.02.2024 |
| 8 | Manoj Mohanka | 00128593 | 01.09.2023 |
| 9 | Suhana Murshed | 08572394 | 10.08.2021 |
| 10 | Utsav Parekh | 00027642 | 15.09.1999 |
| 11 | S. Ragothaman | 00042395 | 17.03.2000 |
| 12 | C. Bhaskar | 00003343 | 01.01.2001 |

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

Kolkata
May 04, 2024

Name: Girish Bhatia
Company Secretary in practice
Membership No. F3295
CP No.: 13792
UDIN: F003295E000252698
Peer Review: 2011/2022

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INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Xpro India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 May 2024.
2. We have examined the compliance of conditions of corporate governance by Xpro India Limited ('the Company') for the year ended on 31 March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and 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.
6. 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

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2024.

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.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUEM2879
Place: New Delhi
Date: 28 May 2024

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BOARD OF DIRECTORS (Annexure to Corporate Governance Report)

(As on the date of report)

Sri Sidharth Birla (DIN: 00004213), Chairman

Entrepreneur with experience in industry and business of about 46 years, is a B.Sc. (Hons.) graduate from University of Calcutta, and holds a Master's Degree in Business Administration from IMEDE (now IMD), Lausanne, Switzerland. Has attended management programs at the Harvard Business School, Boston, USA, including the Owner/President Management Program, Making Corporate Boards More Effective, etc. Originally founded the businesses activity of the Company in 1983. Presently Independent Director on the Board of listed entity Kanoria Chemicals & Industries Limited. Also non-executive Director of Birla Brothers Pvt. Ltd., Intellipro Finance Private Limited, Central India General Agents Ltd., iPro Capital Ltd., and Alpha Capital Resources Pte. Ltd., Singapore. Member, Board of Governors, BITS, Pilani; serves on various other educational and philanthropic bodies. Nominee of the Central Government on the Central Council of the Institute of Chartered Accountants of India (ICAI) (2004-2014); Past President (2014), and a member of the National Executive Committee of FICCI.

Sri K Balakrishnan (DIN: 00034031)

A qualified Chartered Accountant and Company Secretary with over three decades of professional experience, he has expertise in financial services, providing strategic and financial advice to Indian & multinational corporations, financial sponsors and business families. Currently, Chairman of Kricore Financial Advisors Private Ltd., Director in Kricore Ventures Private Ltd, and Independent Director on the Board of Fedbank Financial Services Ltd. (Unlisted), he has earlier been Chairman & Managing Director of Lazard India and Head of Corporate Finance & Advisory for HSBC Investment Bank.

Smt. Madhushree Birla (DIN: 00004224)

Graduate from Gujarat University, Ahmedabad, was first appointed on the Board in 2004. She has served as Director and Advisor of various Corporate Bodies at different times. Has attended management program at the Harvard Business School, Boston, USA, on Making Corporate Boards More Effective. She is presently Executive Director of iPro Capital Ltd., and is also engaged with social and philanthropic bodies. She serves on the Board of Directors of Alpha Capital Resources Pte. Ltd., Singapore, Intellipro Finance Private Limited and Xpro Global Ltd.

Sri Amitabha Guha (DIN: 02836707)

Holds a Master's Degree in Science from University of Kolkata. He has expertise in finance and banking spanning over 3 decades. Formerly Managing Director of State Bank of Hyderabad, Deputy Managing Director of State Bank of India and Chairman of The South Indian Bank Ltd. He is presently Independent Director of Ramkrishna Forgings Ltd., and Texmaco Rail & Engineering Limited (both listed entities) and Director of Khazana Jewellery Private Ltd.

Sri Ashok Kumar Jha (DIN: 00170745)

An IAS Officer -1969 batch, he has had a 39 year stint in the Civil Services and held crucial positions in State and Central Government, with wide experience in foreign policy, industrial promotion, international trade, as well as economic affairs and finance. He retired from government service as the Finance Secretary, Government of India, having also served as Secretary (Economic Affairs), Secretary (Department of Industrial Policy and Promotion), etc. He subsequently had a two-year stint as Executive President of Hyundai Motor India, and is presently Independent Director of Minda Corporation Ltd. and Setco Automotive Ltd. (both listed).

Sri Bharat Jhaver (DIN: 00379111)

A Chemical Engineer with a Master's degree from Cornell, USA, he is presently President of his family-owned Tablets (India) Limited. He has an experience of over a decade in managing multi-varied businesses with expertise in Pharmaceuticals and in establishing and managing joint ventures. Recognised as 'Leading Health Professional of the World 2010' in the arena of "Probiotic Revolution in India", he has also been awarded at the Indian Pharma Association Convention 2010. He is presently a Non-Executive Non-Independent Director on the Board of Dhunseri Ventures Limited (Listed Entity) and Director in Sinto Bharat Manufacturing Private Limited, Amethyst Properties Private Limited and Eldorado Properties Private Limited. He is a Member of the Audit Committee of Dhunseri Ventures Limited and is a Designated Partner in Mayara Estates LLP, RSRK Estates LLP, Shravan Ventures LLP, Just Rental Holdings LLP and Grande Assets Madras LLP. He is also a member of the National Executive Committee of FICCI, of the Executive Committee of YPO-Chennai and a Trustee of the Birla Education Trust, Pilani.

Ms. Nandini Khaitan (DIN: 06941351)

A partner of Khaitan & Co., she has been recognized as the Economic Times 40 under 40 Business Leaders of India and is recommended by Legal 500 for her disputes practice. With vast experience in commercial, environmental, family litigation and arbitration, she appears at every level of the Indian judicial system, including the Supreme Court of India, High Courts, National Company Law Tribunal, National Green Tribunal and District Courts of various states besides representing clients in domestic and cross border

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disputes/arbitrations. Ms. Khaitan also works with various social justice issues like legal education for the underprivileged. She guest lectures at various law schools from time to time. Ms. Khaitan is presently a Director in Jacks Home Products Limited and Birla Brothers Pvt. Ltd.

Sri Manoj Mohanka (DIN: 00128593)

Has wide experience ranging from exporting garments, pharmaceuticals, market research and raising foreign capital for Indian businesses. He is presently Independent Director of listed entities Celebrity Fashions Limited, Indian Carbon Limited, Ludlow Jute & Specialities Limited. He is also a director in Artevea Digital India Private Limited, The Bengal Club Ltd and Octopus Productions Private Limited. He is a member of the Audit Committee and Nomination and Remuneration Committee in Celebrity Fashions Limited, Indian Carbon Limited and Ludlow Jute & Specialities Limited (as chairman).

Ms. Suhana Murshed (DIN: 08572394)

Over 17 years of experience in Corporate and Commercial Laws, with core expertise including private equity investments, mergers and acquisitions, business transfers, joint ventures, and foreign investments. Advises several multinational clients on India entry strategies, inbound and outbound investments, and foreign exchange laws. Is a partner at AQUILAW LLP. Prior to AQUILAW, was a Partner with Khaitan & Co. Her work experience spans several sectors such as healthcare, e-mobility, FMCG, retail, manufacturing, information technology (IT) and IT-enabled services. She also specializes in corporate governance and ESG (Environment, Social and Governance). Suhana has been consistently recognized as a 'Notable Practitioner' in the prestigious IFLR 1000 Rankings for India from 2019 till date. She has completed her B.L.S. LL.B. from the Government Law College, Mumbai, and her L.L.M. from King's College London, United Kingdom. She is presently Independent Director on the Board of Kanoria Chemicals & Industries Limited (listed entity).

Sri Utsav Parekh (DIN: 00027642)

Holds a Bachelor's Degree in Commerce with honours. He has vast and continuing experience of about 43 years as Merchant Banker, and in Stock Broking and Financial Services. He is presently non-executive Director of listed entities, Eveready Industries India Limited and SMIFS Capital Markets Limited (as Chairman) and independent director of listed entities Firstsource Solutions Limited, Jay Shree Tea and Industries Limited, Spencer's Retail Limited, and Texmaco Rail and Engineering Ltd., and is also a Director on the Boards of Bengal Aerotropolis Projects Ltd., Indian Chamber of Commerce, Calcutta, Lend Lease Company (India) Ltd., Nexome Real Estates Private Ltd., ATK Mohun Bagan Private Limited and Progressive Star Finance Private Limited. He is a Partner of Stewart & Co., Catch 22 Informatics LLP, Chowringhee Planners LLP, Ellora Agro LLP, Eternal Sounds LLP, Nexome Realty LLP and Nexome Sports LLP.

Sri S Ragothaman (DIN: 00042395)

A Commerce Graduate and Chartered Accountant. Presently a self-employed professional. Formerly a senior official of ICICI Ltd.; he has vast experience of over 46 years in the financial field. He is presently also a Director of ABT Finance Ltd. and Xpro Global Ltd.

Sri C Bhaskar (DIN: 00003343), *Managing Director & Chief Executive Officer*

A Chemical Engineer and a post-graduate from IIM, Calcutta, with experience of over 45 years in Consulting, Industry, Business and Financial Management including over 40 years with the businesses of the Company. Has worked in areas of Corporate and Business planning, Diversification/Mergers/Acquisition/Disinvestment, Marketing, Operations and Factory Management, and as Divisional / Business Head. He has attended management development programmes at the Indian School of Business and other Institutions. He is also Independent Director of listed entities Kriti Industries (India) Ltd. and Kriti Nutrients Ltd. and a Director of Xpro Global Ltd. and Holland & Sherry India Pvt. Ltd.

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Core skills/ expertise/competencies of the Board:

| Sl. | Skills / Expertise / Competencies | Directors |
|-----|--|--|
| 1 | Leadership Qualities & Behavioural Skills | Sri Sidharth Birla, Sri K Balakrishnan, Smt. Madhushree Birla, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Ms. Nandini Khaitan, Sri Manoj Mohanka, Ms. Suhana Murshed, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 2 | General industry knowledge, experience and understanding of the socio-political and economic environment | Sri Sidharth Birla, Sri K Balakrishnan, Smt. Madhushree Birla, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Ms. Nandini Khaitan, Sri Manoj Mohanka, Ms. Suhana Murshed, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 3 | Specific industry knowledge and experience | Sri Sidharth Birla, Sri Bharat Jhaver and Sri C. Bhaskar |
| 4 | Financial Expertise | Sri Sidharth Birla, Sri K Balakrishnan, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Sri Manoj Mohanka, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 5 | Risk Management | Sri K Balakrishnan, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Sri Manoj Mohanka, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 6 | Understanding of relevant laws, rules, regulations and policies & the legal and regulatory environment | Sri Sidharth Birla, Sri K Balakrishnan, Smt. Madhushree Birla, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Ms. Nandini Khaitan, Sri Manoj Mohanka, Ms. Suhana Murshed, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 7 | Corporate Governance | Sri Sidharth Birla, Sri K Balakrishnan, Smt. Madhushree Birla, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Ms. Nandini Khaitan, Sri Manoj Mohanka, Ms. Suhana Murshed, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 8 | Global Experience / International Exposure | Sri Sidharth Birla, Sri K Balakrishnan, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Sri Manoj Mohanka, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |
| 9 | Corporate Social Responsibility | Sri Sidharth Birla, Sri K Balakrishnan, Smt. Madhushree Birla, Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri Bharat Jhaver, Ms. Nandini Khaitan, Sri Manoj Mohanka, Ms. Suhana Murshed, Sri Utsav Parekh, Sri S. Ragothaman and Sri C. Bhaskar |

For and on behalf of the Board

New Delhi
May 28, 2024

Sidharth Birla
Chairman
(DIN: 00004213)

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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 specified matters, to the extent relevant and within boundaries that in our opinion are reasonably imposed by the Company's strategic and competitive position.

Global growth is projected, per the IMF World Economic Outlook, to stay at 3.1 percent in 2024 and rise to 3.2 percent in 2025. Elevated central bank rates to fight inflation and a withdrawal of fiscal support amid high debt weigh on economic activity. Inflation is falling faster than expected in most regions, amid unwinding supply-side issues and restrictive monetary policy. The outlook also pegs India's growth rate at 6.8%, while per the ADB report, growth is forecast to remain strong at 7 % for fiscal year 2024-25, and is expected to accelerate to 7.2% in 2025-26 as rising consumption complements continued investment growth. Services will remain the growth mainstay, with manufacturing expected to play a strong supporting role. An overall economic overview is covered in the Directors' Report.

Our performance continues to reflect the overall climate in our markets, impact of strategic steps during the last few years and our position as a key supplier to, the growing white goods and dielectrics segments. Aggregate production volumes grew by 4.8 % to 27,891 MT (26,607 MT - excluding toll-manufacture from erstwhile unit discontinued in the previous year). Overall sales value was lower by 8.9% at INR 465.41 crores. The fall in sales value reflects the net impact of (a) the lower polymer prices prevailing through much of the year (average raw material consumption cost lower by over 10%); (b) discontinuation of toll manufacture at our erstwhile packaging film unit following completion of transfer in October 2022 (INR 5.08 crores reduction); (c) export consignment (INR 1.44 crores) still on high-seas due extended sailing times and (d) increases in value addition. Global recognition for Xpro products remains strong. Exports of dielectric films were curtailed due to capacity constraints to one-third previous year level while exports of other extruded sheets and films was significantly higher bringing total exports to INR 13.44 crores (INR 17.46 crores previous year). Production costs were controlled with productivity enhancements. PBIDT was marginally higher at INR 78.33 crores, (INR 78.28 crores). In the previous year all long term (other than towards working capital) loans were re-paid. Continuing to reduce term loans for existing operations, during the year outstanding working capital term loans (INR 15.31 crores) under Guaranteed Emergency Credit Line (government guaranteed) were repaid well before schedule. There are now no outstanding term borrowings for existing operations. Interest and other finance costs were accordingly lower at INR 5.01 crores against INR 7.53 crores in the previous year. Profit before exceptional items and tax was INR 62.18 crores (INR 59.23 crores). Exceptional items were INR 2.02 crores being a right to recompense exercised by our bankers notwithstanding our demonstrated creditable performance on prepayment of outstanding borrowings over the last few years (detailed in Directors Report). Accordingly, Profit before tax was INR 60.16 crores (INR 59.23 crores).

Changes in key financial ratios: PBT ratio up from 11.6% to 12.9%, debt service coverage ratio up from 0.88 to 3.84, and debt : equity down from 0.15 to 0.07 as a consequence of raising of capital. [Ratios detailed in Notes to accounts.]

The exercise aimed towards identifying and driving various sustainable cost reduction and operational efficiency improvement initiatives at our production units undertaken with Deloitte Touche Tohmatsu India LLP was completed in the previous year. Some suggestions have been implemented, other are being studied for possible implementation; continuing results are expected to be derived in future.

Pursuant to the approval in the previous year, and in terms of the Share Purchase Agreement (SPA) entered into with Tata Power Renewable Energy Limited and TP Mercury Limited, the Company has acquired 26% of the equity share capital of TP Mercury Limited for a consideration of INR 1.36 crores. TP Mercury Limited is a SPV with Tata Power Renewable Energy Limited for sourcing Solar energy for the Company's Ranjangaon Unit under Captive Open Access mode, from a 3.125 MW (approximately 4.5 MWp) facility being set-up. While generation equipment installation is about 90% complete, Tata Power team had communicated some delays in erection of the transmission systems pending State Government approvals, which have since been resolved. The associate company is expected to commence supply of lower cost solar energy through Open Access to the Company's Ranjangaon unit by October 2024.

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. The Company, being essentially a business-to-business

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supplier, has its output really determined by the end-markets of its industrial clients. Resultantly demand and related pricing power of the Company can get influenced by several factors such as consumer sentiment, production of electrical goods, and aggressive pricing tactics adopted by foreign suppliers (sometimes due to spillover from their regular markets).

It may be mentioned that the plastics industry as a general class, particularly in the context of single-use plastics, has been kept entangled with environmental concerns. None of the Company's product ranges have, however, been linked with these environmental concerns.

Company and Industry Structure

Company operations are focused around our core competencies viz. Polymers Business, organized into 3 operating units each with multiple manufacturing lines. Each operating unit is kept self-sufficient managerially to perform its own duties and functions. Marketing is a central function with finance, legal and other support provided at a corporate level as and when required. For day-to-day management convenience the operations have been organized into divisions, as under:

| Location | Number of lines | | | |
|---|------------------|-------------|---------------------|-----------------------|
| | Dielectric Films | Coex Sheets | Thermoformed Liners | Coextruded Cast Films |
| <u>Biax Division</u> | | | | |
| Barjora, West Bengal | 2 * | - | - | - |
| <u>Coex Division</u> | | | | |
| Greater Noida, Uttar Pradesh | - | 2 | 2 | - |
| Ranjangaon, Maharashtra | - | 4 | 3 | 2 |
| <u>Subsidiary</u> (new location) | | | | |
| | 1 * | | | |
| Capacity (MT per annum) | 13,000 | 34,300 | 5,000 | 5,400 |

* under implementation

A summary of performance is given below:

| POLYMERS BUSINESS | 2024 | | 2023 | |
|------------------------|---------------|---------------|---------------|---------------|
| | Production | Net Sales | Production | Net Sales |
| | MT | INR crores | MT | INR crores |
| Dielectric Films | 3,629 | 145.89 | 3,635 | 156.35 |
| Co-extruded Sheets | 17,853 | 190.34 | 17,190 | 211.81 |
| Thermoformed Liners | 2,594 | 65.30 | 2,751 | 80.15 |
| Co-extruded Cast Films | 3,815 | 59.38 | 3,031 | 53.58 |
| Other operating income | - | 4.50 | - | 4.00 |
| | 27,891 | 465.41 | 26,607 | 505.89 |

(Net of inter-unit adjustments; Production includes sheet for captive consumption for forming)

(Additionally, toll-manufacture of 1,250 MT (INR 5.08 crore) BOPP films were undertaken in 2022-23 in erstwhile unit, transferred w.e.f. October 20, 2022)

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 generally 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

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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. Integrated Management Systems (IMS) covering Quality, Environmental, Energy Policies and Safety & Health standards at Biax Division, Barjora Unit have been duly certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Biax Barjora Unit manufacturing dielectric films is also certified under IATF 16949:2016 which is mandatory for organizations manufacturing parts for the automotive industry. Similarly, Quality Management Systems at Coex division manufacturing unit at Greater Noida and Ranjangaon are certified under relevant ISO 9001:2015 standards. The Environmental Management Systems at Ranjangaon and Greater Noida units are duly certified under ISO 14001:2015 standards. Energy management and conservation systems at Barjora Unit and Greater Noida unit have been accredited under ISO 50001:2018. Manufacturing units also adopt and conform to specialized quality systems and methods as may be required by major customers. The Company's Coex division - Greater Noida Unit and Ranjangaon Unit have received a Silver and a Bronze rating respectively under the Green Co initiative reflecting adoption of a life cycle approach towards ecological sustainability and steps taken to make products, services and operations greener.

The Company consistently receives awards on recognition and appreciation for vendor support, product development, quality and excellence by leading customers. Awards received during the year include (a) at the 48th ELCINA Awards for performance in 2022-23: First Prize for Excellence in Quality Management, Second Prize for Business Excellence, Second Prize for Excellence in Research & Development, Certificate of Merit for Excellence in Innovation and Certificate of merit for Excellence in Environmental Protection & Sustainable Development; (b) 3rd FICCI & Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Leader in Water Management Award 2023; (c) 1st FICCI Excellence in Plant Maintenance (Silver award); (d) at the 9th The Machinist (Times of India) Super Shop Floor Awards: First Prize for Excellence in Quality, and 2nd Prize for Excellence in Innovation; and (e) 1st Prize for Excellence in Product Innovation at the QuPID PRO MFG Media Awards 2023-24.

Dielectric (Capacitor) Films

Biax division Barjora Unit manufactures a range of special purpose Polypropylene based Dielectric Films (Capacitor Films) on dedicated sophisticated and automated production lines, Our focus and strategic intent remains dedicated within our core strengths to special products and niche markets, largely thin films for specialized electrical applications, where we remain the significant domestic producer and which together with consistent high quality and service standards has enabled us to maintain high capacity utilization. Customers in sophisticated segments have upgraded their processes and equipment thus requiring upgraded film products. The broad portfolio of low, medium and high voltage applications in standard and high temperature grade dielectric films ranging from 3 micron to 16 micron for metallized polypropylene as well as oil impregnated capacitors, developed as import substitutes conforming to international standards, have brought substantial benefits to Indian capacitor manufacturing units, while already contributing substantially to the overall performance of the Company. Our available capacity is fully utilized, maintaining a respectable domestic market share through the year (over 30% - with the balance being substantially met through imports), besides export opportunities pursued from a strategic and long term intent. Besides growth in conventional applications, growth in the electric automobile (EV) segment and non-conventional energy (mainly Solar) is expected to substantially add to the market potential. Development activities for semi-rough films and ultra-thin films are continuously undertaken; hazy films for power capacitors and semi-rough film developed for locomotive applications are now commercialized and part of the product range. Considering the need for additional capacity, we have placed firm orders for two manufacturing lines (together with required ancillary equipment) on reputed well established European Suppliers. The first of the new lines, which would essentially double capacity at the existing facility at Barjora, is expected to be in commercial operation during the second half of 2024-25. The second line is expected to be shipped end-2024, taking into account long equipment delivery periods - which incidentally is the critical-path activity for this investment. Project implementation work is proceeding to schedule. Production of Dielectric/Capacitor films at Barjora was 3,629 MT (3,635 MT previous year) and sales value was INR 145.90 crores (INR 156.35 crores) During the year Film thickness measuring and control system was further enhanced and upgraded at Barjora Dielectric Films unit. The erstwhile packaging film line was transferred to the buyer on October 20, 2022 and production/toll-manufacture discontinued immediately thereafter.

Coextruded sheets & thermoformed refrigerator liners

Coextruded sheets, and thermoformed refrigerator liners are manufactured on multiple lines available with Coex division units at Ranjangaon and Greater Noida. Our products are usually custom-made to customer needs and based on various

polymers including ABS, Polystyrene, and PP. Applications for the Xpro product range are wide, including sheets for refrigerator liners, disposable containers, automotive parts, etc. India remains one of the fastest growing consumer appliances markets globally with higher disposable incomes, easing in consumer credit, the growing working population rural electrification and the work-from-home concept being the key drivers of demand. The production of refrigerators in India, comprising a key market for Xpro Coextruded Sheets and Thermoformed Liners, grew by 7% to 16.34 million units during the year, reflecting a slowing growth rate over the 17% achieved in the previous year. During April - September 2023, the market was flattish to slightly declining in volume terms. A slow recovery commenced in the third quarter with low single digit growth rates, improving with the festival season amidst expectation of strong demand recovery and a good summer. In the overall, production of sheets and liners during the year was higher by about 2.5%. We continue to be the leading supplier of sheets and liners to the white goods industry through consistent focus on product quality, development, reliability and superior service, which have also been recognized by major customers; these factors helped us to sustain market share. New products and applications continue to be developed in association with key customers. Reflecting overall market circumstances, the total production of sheets, including as liners, (adjusted for inter-unit transfers) at the Greater Noida and Ranjangaon units was 20,447 MT during the year with sales value at INR 255.64 crores.

Cast Coextruded Films

Cast Coextruded Films are high clarity films including stretch wrap and cling, specially formulated films for medical disposables, hygiene films, and others for packaging. In the cast films segment, our focus has been on special films and continuous innovation. Within our major market segments for cast films, the hygiene segment continues to exhibit consistent growth in excess of 10% per annum, with the medical disposables and adult incontinent product segments, in particular, poised for high growth; the release film segment also grew reflecting our continued strong presence in the tyres and tread segment. Steps are being continuously taken to optimize the production capabilities and improve production efficiencies on available cast film lines. Overall volumes in cast films from Ranjangaon, where are lines are located, at 3,815 MT was about 25 % higher than in the previous year. Sales value was INR 59.38 crores (INR 53.58 crores).

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. All necessary steps are taken towards our intent and policy of a safe working environment. We adhere to all Environmental laws as applicable at each location and are responding effectively to the changing regulations around plastic waste management.

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 high performance culture, built on trust and mutual respect. Permanent employment is 211 (last year 203).

Others

The Indian economy is expected to achieve close to 7% growth in 2024-25, based on strong high-frequency indicators, an above normal monsoon forecast and a benign global outlook, with several global development bank projections having been recently revised upwards to between 6.6% and 7%. Future growth would be driven by buoyant public investment, the government's continuing infrastructure push, and improved business confidence even as private consumption growth recovery remains. Logistics, demand patterns and labour remain uncertain variables. The global situation may further be compounded by the geo-political uncertainties arising from the war in Europe and the Middle East, and weather related shocks. We continue taking steps to conserve and protect liquidity. Our drivers remain scaling up profitable core

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operations, continuous innovation, operational excellence and competitiveness while learning to adapt thinking and operations with agility to the new normal.

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, foreseeable at this time. Our primary manufacturing processes (including extrusion) are well established and our focus remains on timely capacity enhancement, 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. 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. While domestic demand is expected to remain the main driver of growth, export market expansion is also a key target area. Positive policy actions towards growth, global climate change and steps towards control of carbon dioxide emission, control on inflation and rural income support are expected to translate into improved market sentiment boosting domestic and global consumption. However, the external environment, food inflation arising from extreme weather, tightening financial markets, pressures generated by imports competing with some products, potential crude and polymer price volatility and rupee volatility, continues to remain challenging. 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 or narratives in this Report which seek to describe the Company's objectives, reasonable expectations, projections, estimates or predictions, or the Company's assessment of external circumstances (beyond its control) going forward, 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 containment, medical and economic recovery from possible recurrences of variants driven pandemic and, demand-supply conditions, effects of any extraordinary policy actions - domestic or global, supply chain disruptions generated by geopolitical turmoil, 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 28, 2024

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

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 & Nomination 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 Remuneration & Nomination Committee:**

The Remuneration & Nomination 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 shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall review performance of Board, its Committees and Individual Directors and report the same to the Board. 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) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- e) monitoring and evaluating programs for variable remuneration;
- f) monitoring and evaluating the application of this Policy; and
- g) 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 & Nomination Committee to identify persons who are qualified to become directors and shall review performance of Board, its Committees and Individual Directors and report the same to the Board.

As required under Regulation 19 of the SEBI Listing Regulations, 2015, 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 Independence of 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 Director(s). However, subject to applicable laws, the evaluation details shall be confidential.

Further, the important criteria for evaluating the Board and its committees may be:

1. Spread of talent and diversity in the Board and its committees;
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.

Manner of effective evaluation of the Board, its Committees and Individual Directors:

While the performance of the Board and its Committees is evaluated on the basis of the Board's performance against the parameters laid down by the Remuneration & Nomination Committee, the evaluation of individual Director including his attendance and participation in the Board/Committee meetings is carried out anonymously in order to ensure objectivity.

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 representative 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 SEBI Listing Regulations, 2015.
- 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.

- a. 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).
- b. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- c. 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.

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 during the year 2023-24:

| Name | Designation of the Employee | Remuneration Received (INR lacs) | Qualifications | Experience (Years) | Date of Commencement of employment | Age (Years) | Last Employment held |
|--------------------------|--|----------------------------------|---|--------------------|------------------------------------|-------------|------------------------------------|
| Sri Sidharth Birla* | Chairman | 1,41.00 | B.Sc. (Hons), M.B.A. | 46 | 01/03/2000 | 66 | Cimmco Birla Limited |
| Sri C. Bhaskar* | MD & CEO | 1,76.41 | B.Tech.(Chem), PGDM (IIM-C) MIMA, FIPI | 45 | 01/01/1984 | 69 | VXL India Limited |
| Sri H Bakshi* | Sr. President & COO | 1,30.58 | B.Tech.(Chem), Dip. Ind. Safety | 46 | 25/01/1993 | 68 | Ceat Limited |
| Sri V. K. Agarwal* | President (Finance) & CFO | 1,07.46 | B.Com., FCA, ACS | 37 | 11/02/2008 | 58 | Wire & Wireless (India) Ltd. |
| Sri N Ravindran | Joint President (Mktg.) & CMO | 98.16 | B.Sc., M.Sc., PGDM (IIM-A) | 37 | 01/07/1995 | 62 | Bata India Limited |
| Sri Radhey Shyam | Executive Vice President, Coex Division, (RNJ) | 65.28 | Dip. Mech. Eng. | 43 | 08/08/2016 | 62 | Amber Enterprises India Pvt Ltd. |
| Sri Sanjay Kumar Patodia | Executive Vice President, Biax Division | 37.64 | B.Com., ACA, ACS, MBA | 40 | 01/06/2020 | 63 | Maharashtra Seamless Ltd. |
| Sri Sunil Mehra | Executive Vice President, Coex Division, (GRN) | 41.22 | B.A. Economics (Hons), MBA | 45 | 16/02/1996 | 67 | Ankit Granites Limited |
| Sri Anir Ghosh | Vice President (QA & Customer Support), Biax Division | 38.73 | M.Sc.(Chem.), M.Tech.(Chem), PGDip. Packaging Technology | 34 | 04/03/1991 | 59 | Royal Bhutan Civil Service |
| Sri Anir Kumar | Vice President (Marketing) | 36.62 | B.Com., MBA (Marketing) | 31 | 15/10/1997 | 53 | Oswal Chemicals & Fertilizers Ltd. |
| Sri Sisir Ranjan Biswas | Project Head | 43.20 | LEE (4 years); Dip. In Elec Engg. | 44 | 01/01/2023 | 64 | Vacmet India Limited |

ii. a) Employed for the year and in receipt of remuneration in aggregate not less than INR 1,02,00,000/- p.a.:

b) Employed for part of the year and in receipt of remuneration in aggregate not less than INR 8,50,000/- p.m.:

* as above
None

Notes: a. Remuneration includes Salary, Housing, Medical Reimbursement, Leave Travel Assistance, Company Contribution to Provident & Superannuation Funds and other perquisites, leave encashment and commission, if any.

b. Appointment of Sri Sidharth Birla, Sri C Bhaskar and Sri Sisir Ranjan Biswas are contractual and of others are non-contractual;

c. Sri Sidharth Birla, Smt. Madhubiree Birla and Sri Bharat Jhaer are related and others are not related to any Director of the Company;

d. 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

Sidharth Birla
Chairman
(DIN: 00004213)

New Delhi
May 28, 2024

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>) | : | 25 : 1 |
| ii) C. Bhaskar (<i>Managing Director & CEO</i>) | : | 28 : 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>) | : | 18.49 |
| ii) C. Bhaskar (<i>Managing Director & CEO</i>) | : | 3.50 |
| iii) V. K. Agarwal (<i>Chief Financial Officer</i>) | : | 9.14 |
| iv) Kamal Kishor Sewoda (<i>Company Secretary</i>) | : | - (<i>Not applicable as appointed w.e.f. February 15, 2023</i>) |
- c) The percentage increase in the median remuneration of employees in the financial year: 8.00
- d) The number of permanent employees on the rolls of Company: 211 (*as on March 31, 2024*)
- 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 8.97% and 10.64% 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)

Annexure to the Directors' Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors of the Company in line with the provisions of the Companies Act, 2013, 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 Board of Directors may from time to time reconstitute the Committee.

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 through financial contribution, such as relevant NGOs or Government Relief Funds selected by the Committee.

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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.

The Company will endeavour to spend an amount considered appropriate by the Board, *inter-alia* keeping in view the benchmark annually 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 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 Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM CARES 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. (a) contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector undertaking of Central Government or State Government; and
(b) contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x. rural development projects;
- xi. slum area development;
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

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Annexure to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2023-24

1. Brief outline on CSR Policy of the Company:

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 (as amended). The Policy on Corporate Social Responsibility is available on the Company's website and also in this Annual report.

2. Composition of CSR Committee:

| Sl. | Name of Director | Designation/ Nature of Directorship | Number of meetings of CSR Committee | |
|-----|-----------------------|---|-------------------------------------|--------------------------|
| | | | held during the year | attended during the year |
| 1 | Smt. Madhushree Birla | Chairperson of the Committee / Non-Executive Non-Independent (Promoter) | 3 | 3 |
| 2 | Ms Suhana Murshed* | Member / Independent | 2 | 2 |
| 3 | Sri Ursav Parekh | Member / Independent | 3 | 3 |
| 4 | Sri C Bhaskar | Member / Managing Director & Chief Executive Officer | 3 | 3 |

* appointed w.e.f. July 10, 2024

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of CSR committee: <http://www.xproindia.com/Codes/XILCSRPolicy.pdf>
 CSR Policy : <http://www.xproindia.com/Codes/XILCSRPolicy.pdf>
 CSR projects: <http://www.xproindia.com/csr.html>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of section 135: INR 3778.80 lacs
 (b) Two percent of average net profit of the Company as per sub-section (5) of section 135: INR 75.58 lacs
 (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set off for the financial year, if any: INR 17.46 lacs
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : INR 58.12 lacs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 67.50 lacs
 (b) Amount spent in Administrative Overheads: Nil
 (c) Amount spent on Impact Assessment, if applicable: Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: INR 67.50 lacs
 (e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (INR lacs) | Amount Unspent (INR lacs) | | | | |
|--|---|-------------------|---|--------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer. | Name of the Fund | Amount | Date of transfer. |
| 67.50 | Nil | | | Nil | |

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(f) Excess amount for set-off, if any:

| Sl. No. | Particulars | Amount (INR lacs) |
|---------|--|-------------------|
| i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | 75.58 |
| ii) | Total amount spent for the financial year (represents set off amount of INR 17.46 lacs and spend in year of INR 67.50 lacs) | 84.96 |
| iii) | Excess amount spent for the financial year [(ii)-(i)] | 9.38 |
| iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | Nil |
| v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 9.38 |

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in INR) | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR) | Amount spent in the Financial Year (in INR) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | | Amount remaining to be spent in succeeding financial years (in INR) | Deficiency, if any |
|----------------|-----------------------------|---|---|---|--|------------------|---|--------------------|
| | | | | | Amount (in INR) | Date of transfer | | |
| Not applicable | | | | | | | | |

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year

Yes No

If Yes, enter the number of Capital assets created/acquired - Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pin code of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|----------------|--|--------------------------------------|------------------|----------------------------|---|------|--------------------|
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| Not Applicable | | | | | | | |

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

Not Applicable

New Delhi
May 28, 2024

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Madhushree Birla
Chairperson of the CSR Committee
(DIN: 00004224)

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Annexure to the Directors' Report

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity:

- | | |
|--|--|
| 1. Corporate Identity Number (CIN) of the Company | L25209WB1997PLC085972 |
| 2. Name of the Listed Entity | XPRO INDIA LIMITED |
| 3. Year of incorporation | 1997 |
| 4. Registered office address | Barjora - Mejia Road, P.O - Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal |
| 5. Corporate address | 1218, DLF Tower B, Jasola, New Delhi 110 025 |
| 6. E-mail id | cosec@xproindia.com |
| 7. Telephone | +91-33-40823700 (extn.1267) |
| 8. Website | www.xproindia.com |
| 9. Financial Year for which reporting being done | 2023 - 24 |
| 10. Name of the Stock Exchange(s) where shares are listed | National Stock Exchange of India limited [also permitted for trading on BSE Limited] |
| 11. Paid-up capital | INR 2203.46 Lacs |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Sri Kamal Kishor Sewoda, Company Secretary Phone: +91-33-40823700 (extn.1267) Email Address: cosec@xproindia.com |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together). | These disclosures are made on standalone basis. |
| 14. Name of assurance provider | Not applicable |
| 15. Type of assurance obtained | Not applicable |

II. Products/Services:

16. Details of business activities (accounting for 90% of the turnover on a standalone basis)

| S.No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|-------|--|--|-----------------------------|
| 1 | Manufacture of semi-finished of plastic products (plastic plates, sheets, blocks, film, foil, strip etc.); | Polymer processing and manufacture of: - Dielectric/Capacitor Films [Biaxially Oriented Polypropylene Films] - Coextruded Cast Films - Coextruded Sheets and Thermoformed Refrigerator Liners | 99.03 |

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover on a consolidated basis)

| S.No. | Product/Service | NIC Code | % of Total Turnover Contributed |
|-------|--|----------------|---------------------------------|
| 1 | Semi-finished plastic products Dielectric/Capacitor Films [Biaxially Oriented Polypropylene Films], Coextruded Cast Films, Coextruded Sheets & Thermoformed Refrigerator Liners | 222 2220 22201 | 99.03 |

III. Operations:

18. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of Plants | Number of Offices |
|---------------|------------------|-------------------|
| National | 3 | 5 |
| International | - | - |

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19. Markets served by the entity:

a. Number of locations

| Locations | Number |
|----------------------------------|-----------|
| National (No. of States) | Pan-India |
| International (No. of Countries) | 5 |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports sales of INR 13.44 crores (2.89% of total turnover) in 2023-24

c. A brief on types of customers

Customers are mainly direct end-users (B to B), comprising impressive list of leading Indian and Transnational Companies, who recognise that the Company builds in quality and consistency and with whom the Company has evolved as a key partner over many years with stable long-term relationships.

For Dielectric/Capacitor Films: Essentially manufacturers of Capacitors and Metallisers of Film for Capacitor applications. Biax Dielectric films range includes plain smooth films modified for good metallization and winding hazy/rough films finding applications in Power Transmission & Distribution Capacitors, Motor Run Capacitors, Power Film/Electronic Capacitors, Magnetic Lighting Ballast Capacitors, Microwave Oven Capacitors, Low Voltage industrial Power Factor Correction Capacitors, AC & Pulse Film Capacitors, Interference Suppression Capacitors, Energy Storage applications, Capacitors for hybrid cars etc.

For Coextruded Sheets / Thermoformed Refrigerator Liners: Primarily manufacturers of White goods for use as refrigerator inner and door liners. Also used in automotive interior and exterior trims, furniture, luggage shells, sanitary products (bathtubs, cabinets, electrical/electronic housings, etc.)

For Coextruded Cast Films: Primarily to the tyre and tread segment as release film and special hygiene films for use as diaper backing film, in under-pads, adult incontinent products, sanitary napkins and in surgical drapes.

IV. Employees:

20. Details as at the end of the Financial Year: 2023-24

a. Employees and workers (including differently abled)

| S.No. | Particulars | Total (A) | Male | | Female | |
|-----------|--------------------------|--------------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| EMPLOYEES | | | | | | |
| 1 | Permanent (D) | 211 | 206 | 97.63 | 5 | 2.37 |
| 2 | Other than Permanent (E) | 48 | 42 | 87.50 | 6 | 12.50 |
| 3 | Total Employees (D+E) | 259 | 248 | 95.75 | 11 | 4.25 |
| WORKERS | | | | | | |
| 4 | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5 | Other than Permanent (G) | 357 | 352 | 98.60 | 5 | 1.40 |
| 6 | Total Workers (F+G) | 357 | 352 | 98.60 | 5 | 1.40 |

b. Differently abled Employees and Workers:

| S.No. | Particulars | Total (A) | Male | | Female | |
|-----------------------------|--------------------------|--------------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| DIFFERENTLY ABLED EMPLOYEES | | | | | | |
| 1 | Permanent (D) | 0 | 0 | 0 | 0 | 0 |
| 2 | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3 | Total Employees (D+E) | 0 | 0 | 0 | 0 | 0 |
| DIFFERENTLY ABLED WORKERS | | | | | | |
| 4 | Permanent (F) | 0 | 0 | 0 | 0 | 0 |
| 5 | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6 | Total Workers (F+G) | 0 | 0 | 0 | 0 | 0 |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|--------------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 12 | 3 | 25 |
| Key Management Personnel | 4 | 0 | 0 |

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22. Turnover rate for permanent employees and workers

| | 2023-24 | | | 2022-23 | | | 2021-22 | | |
|---------------------|-------------------------------|--------|-------|---------------------------------|--------|-------|--|--------|-------|
| | (Turnover rate in current FY) | | | (Turnover rate in previous FY)* | | | (Turnover rate in the year prior to previous FY) | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 6.42 | 0 | 6.28 | 5.75 | 0 | 5.75 | 2.68 | 0 | 2.68 |
| Permanent Workers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* excluding permanent employees and workers transferred under business transfer agreement

V. Holding, Subsidiary and Associate Companies (including joint ventures):

23. (a) Names of holding/subsidiary/associate companies/joint ventures

| S.No. | Name of the holding / subsidiary / associate / Companies / joint ventures | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|-------|---|--|-----------------------------------|--|
| 1 | Xpro Global Limited | Subsidiary | 100 | No |
| 2 | TP Mercury Limited | Associate | 26 | No |

VI. CSR Details:

24. (a) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes

(b) Turnover: INR 465.41 crores

(c) Net worth: INR 560.51 crores

VII. Transparency and Disclosures Compliances:

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---|---|--|--|--|--|--|--|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | No (Can report and communicate their grievance, suggestions, etc. to the e-mail ID given to be addressed by the Management) | 0 | 0 | - | 0 | 0 | - |
| Investors (other than shareholders) | No (Can report and communicate their grievance, suggestions, etc. to the e-mail ID given to be addressed by the Management) | 0 | 0 | - | 0 | 0 | - |
| Shareholders | Yes (Can report and communicate their grievance, suggestions, etc. to the Company Secretary at e-mail ID given for resolution under direction of the dedicated Stakeholders Relationship Committee) | 3 | 0 | - | 17 | 0 | - |
| Employees and workers | Yes www.xproindia.com/Codes/XILCodeofConduct.pdf ; www.xproindia.com/Codes/XILPolicyPrevSexualHarass.pdf ; www.xproindia.com/Codes/XILWhistleBlwrPolicy.pdf | 0 | 1 | Matter (relating to payment of gratuity) is sub-judice | 1 | 1 | Matter (relating to payment of gratuity) is sub-judice |
| Customers | Yes. Complaints received from Customers is resolved through Marketing and Technical Service Teams. No specific Policy document. | 7 | 0 | - | 6 | 0 | - |
| Value-chain partners | Yes www.xproindia.com/Codes/XILBusinessResponsibilityPolicy.pdf | 0 | 0 | - | 0 | 0 | - |
| Others (please specify) | Yes (grievance, suggestions, etc. received at the e-mail ID given is addressed by the Management) | 0 | 0 | - | 0 | 0 | - |

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26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

The Company has built trust and confidence in its stakeholders through its commitment to compliance, disclosure, integrity and responsible & ethical business conduct. The Company is environmentally conscious and is committed to ensure compliance with relevant standards of environment, health and safety. Creating sustainable products is a part of the Company's endeavors towards responsible product leadership; the Company has in place necessary design, quality and inspection systems to ensure that goods and services provided are safe and sustainable throughout their life cycle.

| S.No. | Material Issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-------|---|--|---|---|--|
| 1 | Occupational Health and Safety (OHS) and Environment Safety | Risk and Opportunity | Risk: Inherently associated with business activities and processes. Opportunity: Strong internal controls and governance mechanism are in place at each of the units. This improves the employee/worker safety and overall health wellbeing, leading to improved productivity. | The assessment of health and environmental risks are done on a continuous basis. Various methods to mitigate risk are done from time to time. A grievance redressal mechanism is in place. At each location proper remedial action are planned and implemented. | Risk: Negative Opportunity: Positive |
| 2 | Social responsibility towards society | Opportunity | Returning to society has been ingrained in the Company's philosophy. The Company has a formalized process of earmarking a portion of annual profits to support projects fulfilling a social obligation. 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 adopts a policy of supporting external bodies including relevant bodies, NGOs or Government Relief Funds selected by the CSR Committee, including through financial contribution to them. Activities supported during the current year include promoting education/ special education, health-care, employment enhancing vocational skills especially among children, women and the differently abled. | - | Positive |
| 3 | Energy Management | Opportunity | Direct cost savings and resource efficiency improvement associated with Energy management; Increasing the percentage of renewable power is an important tool to reduce cost and emissions. | - | Positive |
| 4 | Supply Chain Management | Risk and Opportunity | Risk: Supply chain disruptions/high dependency on few suppliers/ vendors can adversely affect procurement. Opportunity: Relationship management to ensure smooth undisturbed supplies. | The Company enjoys strong relationship with multiple suppliers built over many years. Continuous interaction ensures sustained relationship in the vendor-customer relationship | Positive |

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| S.No. | Material Issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|-------|---|--|---|---|--|
| 5 | Employee retention | Opportunity and Risk | Putting in place necessary measures to hiring the right people, positioning them correctly, training and retaining them, while encouraging them to develop and flourish are critical to building a high-performance culture and provides a good opportunity. Poaching of trained man-power is a risk. | Strive to provide employment experience in which employees feel secure, and appreciated, working in an atmosphere they can contribute positively. | Opportunity: Positive Risk: Negative |
| 6 | Climate | Risk | Extreme environmental changes can cause disruption to supply chain, and the operations. Possibility also of physical damage. | Identifying and evaluating climate change risks as part of routine diligence procedures enabling taking of necessary mitigating steps. | Negative |
| 7 | Reduction in emission of carbon and other hazardous gases | Opportunity | Opportunity: Geographical location of sheet and liner units of the Company near customer units (at Greater Noida and Ranjangaon) results in reduced transportation, thereby reducing emission of carbon and other hazardous gases in the environment. | - | Positive |
| 8 | Risk Management and Cyber Security | Risk | Inadequacy of risk mapping and management system adversely affects the overall business operations and could impact supplies and relationship with customers. | Risk Management Committee constituted by the Board ensures that timely actions are taken on actual and/or potential threats, so as to mitigate the adverse effects. | Negative |
| 9 | Branding | Opportunity | Company enjoys a strong brand equity and is well recognised in its business segments on the strength of its product and service quality. Opportunity for market enhancement. | - | Positive |
| 10 | Customer Education and Awareness | Opportunity | Providing direct and indirect customers with proper guidance on developments, usage of products and safety standards and guidelines enhances product acceptability and market share. | - | Positive |

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| | |
|----|---|
| P1 | Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should support inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

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| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | |
|---|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| Policy and management processes | | | | | | | | | | |
| 1 | a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b. Has the policy been approved by the Board? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c. Web Link of the Policies, if available | http://www.xproindia.com/Ethics_pol.html | | | | | | | | |
| 2 | Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3 | Do the enlisted policies extend to your value chain partners? (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | <p>Integrated Management Systems (IMS) covering Quality, Environmental, Energy Policies and Safety & Health standards at Barjora Unit have been duly certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.</p> <p>Biax Barjora unit manufacturing dielectric films is also certified under IATF 16949:2016 which is mandatory for organizations manufacturing parts for the automotive industry. Quality Management Systems at manufacturing units at Greater Noida and Ranjangaon are certified under relevant ISO 9001:2015 standards. The Environmental Management Systems at Ranjangaon and Greater Noida units are duly certified under ISO 14001:2015 standards.</p> <p>Energy management and conservation systems at Barjora unit and Greater Noida unit have been accredited under ISO 50001:2018.</p> <p>Manufacturing units also adopt and conform to specialized quality systems and methods as may be required by major customers.</p> <p>Greater Noida Unit has received a Silver rating and Ranjangaon Unit a Bronze rating under the Green Co initiative reflecting adoption of a life cycle approach towards ecological sustainability and steps taken to make products, services and operations greener.</p> | | | | | | | | |
| 5 | Specific commitments, goals and targets set by the entity with defined timelines, if any. | - | | | | | | | | |
| 6 | Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met. | - | | | | | | | | |
| | For 5 & 6: Xpro is committed to develop a strategy to move forward towards low carbon emissions and monitoring and evaluation of ESG related challenges, targets and achievements. A mechanism to identify probable risks and opportunities faced in the path of being a socially, environmentally aware organization are under development. Meanwhile, towards mitigating risks, the Company is committed towards ESG norms and protection of environment, reduction in carbon emission, utilization of CSR fund through various activities. Steps have been initiated to replace 50% of energy consumption at Ranjangaon unit with Solar-based energy and to use coal-based methane gas in place of conventional fuels at the Barjora Unit. | | | | | | | | | |
| Governance, Leadership and Oversight | | | | | | | | | | |
| 7 | Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements | <p>At Xpro, 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. All necessary steps are taken towards our intent and policy of a safe working environment. We adhere to all Environmental laws as applicable at each location and are responding effectively to the changing regulations around plastic waste management.</p> <p>We further ensure that sustainability principles are embedded in our business strategies as well as in our operating plans. Our ESG strategy focuses on climate change, social risk management, ethical procurement practices, employment practices, our customers, the entire value-chain, community, transparency and good governance.</p> <p>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 high performance culture, built on trust and mutual respect.</p> | | | | | | | | |
| 8 | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies | Shri C Bhaskar, Managing Director and Chief Executive Officer, along with Sri Kamal Kishor Sewoda, Company Secretary | | | | | | | | |
| 9 | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details | <p>The Corporate Social Responsibility Committee of the Board is currently responsible for decision making on ESG related matters. Recommendations from the CSR Committee are considered by the Board of Directors</p> | | | | | | | | |

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| | | | | | | | | | | | | | | | | | | | |
|---|---|---|------|------|------|------|------|------|------|------|--|------|------|------|------|------|------|------|------|
| 10 | Details of Review of NGRBCs by your company | | | | | | | | | | | | | | | | | | |
| | Subject for Review | Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee | | | | | | | | | Frequency (Annually/Half yearly/ Quarterly /Any other - please specify) | | | | | | | | |
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | All the policies of the Company are approved by the Board and are reviewed periodically on a need basis. | | | | | | | | | | | | | | | | | | |
| Compliance with Statutory requirements of relevance to the principles, and rectification of any Non compliances | The Company complies with the regulations extant and principles as are applicable | | | | | | | | | | | | | | | | | | |
| 11 | Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | | | | | | | | | | | | | | | | | | |
| | No | | | | | | | | | | | | | | | | | | |
| 12 | If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: | | | | | | | | | | | | | | | | | | |
| | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | | | | | | | | | |
| | The entity does not consider the principles material to its business (Yes/No) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | The entity does not have the financial or/human and technical resources available for the task (Yes/No) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | It is planned to be done in the next financial year (Yes/No) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | Any other reason (please specify) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| | N.A. : Not Applicable | | | | | | | | | | | | | | | | | | |

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | Percentage of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|---|--|
| Board of Directors | The Board of Directors and KMPs are regularly trained and apprised with all the Business Development, regulations, economy, environmental, social and governance parameters during Board and Committee meetings | | 100 % |
| Key Managerial Personnel | | | |
| Employees other than BoD and KMPs | Employees of the Company undergo various training programmes through the year. Programmes during the year included: Energy efficiency systems, Risk & Change Management; Scantech Scanner systems, POSH awareness, ISO awareness, Power BI tools, 7QC tools, 4M Change, 5S/3R & visual management, Time Management, HRD; Fault Free Analysis for Quality Management; Environment Laws; Production Processing; health and safety including fire-fighting and mock drills. | | 80 % |
| Workers | | | 49 % |

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2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

| MONETARY | | | | | |
|-----------------|-----------------|---|-------------------|---|---|
| | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Amount (in INR) | Brief of the Case | Has an appeal been preferred ? (Yes/No) |
| Penalty / Fine | - | N.A. | N.A. | N.A. | N.A. |
| Settlement | - | N.A. | N.A. | N.A. | N.A. |
| Compounding fee | - | N.A. | N.A. | N.A. | N.A. |
| NON-MONETARY | | | | | |
| | NGRBC Principle | Name of the regulatory/enforcement agencies/judicial institutions | Brief of the Case | Has an appeal been preferred ? (Yes/No) | |
| Imprisonment | - | N.A. | N.A. | N.A. | N.A. |
| Punishment | - | N.A. | N.A. | N.A. | N.A. |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|--------------|---|
| N.A. | N.A. |

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has an anti-fraud policy and Business responsibility policy. The policies have been formulated in alignment with the Xpro India's Code of Conduct and various existing policies governing integrity.

The policy emphasizes Xpro India's commitment towards zero tolerance for bribery and corrupt practices. The policy facilitates ethical decision making and governance. It reinforces Xpro India's culture of transparency in all its dealings. This policy applies to all relevant stakeholders and people associated with Xpro and who may be acting on behalf of Xpro. It sets out responsible conduct that must be always adhered to.

The policy is placed on the Company's website at, http://www.xproindia.com/Ethics_pol.html.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-----------|--|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

6. Details of complaints with regard to conflict of interest:

| | FY 2023-24 (Current Financial Year) | | FY 2022-23 (Previous Financial Year) | |
|--|--|---------|---|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | N.A. | Nil | N.A. |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | N.A. | Nil | N.A. |

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators / law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

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8. Number of days of accounts payable (Accounts payable *365)/(Cost of goods/services procured):

| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-------------------------------------|--|---|
| Number of days of accounts payables | 57.81 | 56.04 |

9. Open-ness of business:

| Parameter | Metrics | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|----------------------------|--|--|---|
| Concentration of Purchases | a. Purchases from trading houses as % of total purchases | Nil | Nil |
| | b. Number of trading houses where purchases are made from | Nil | Nil |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | Nil | Nil |
| Concentration of Sales | a. Sales to dealers/distributors as % of total Sales | Nil | Nil |
| | b. Number of dealers/distributors to whom sales are made | Nil | Nil |
| | c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | Nil | Nil |
| Share of RPTs in | a. Purchases (Purchases with related parties/Total Purchases) | Nil | Nil |
| | b. Sales (Sales to related parties/Total Sales) | Nil | Nil |
| | c. Loans & advances (Loans & advances given to related parties/Total Loans & advances) | Nil | Nil |
| | d. Investments (Investments in related parties/Total Investments made) | Nil | Nil |

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

| Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | Percentage of persons in respective category covered by the awareness programmes |
|--|---|--|
| - | - | - |

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

All Directors are obligated to disclose to the Board their nature/conflict of interest during their on-boarding and any subsequent modifications have to be intimated timely. Transactions or any matters concerned with the board members must be authorized by the audit committee. In such instances, the interested directors abstain themselves from the meeting. We also have a Policy on 'Related Party Transactions' and a 'Code of Conduct' in place, both of which apply to our board members.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe;

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

| | Current Financial Year (INR lacs) | Previous Financial Year (INR lacs) | Details of improvements in environmental and social impacts |
|-------|--------------------------------------|---------------------------------------|---|
| R&D | - | - | <i>Note: R&D expenditure is not separately quantified and carried out as part of manufacturing set-up</i> |
| Capex | 35.00 | 27.90 | System for replacing furnace oil with coal-based methane gas; treatment of waste water, installation of solar panels and systems for utilisation of non-conventional energy |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
b. If yes, what percentage of inputs were sourced sustainably?

No. Our supplier network consists of global key suppliers and a large network of local partners close to our manufacturing units. Responsible sourcing is based on close cooperation, as well as aligning with third-party verifications and standards. As a responsible company we want to ensure that our suppliers meet the environmental, social and governance expectations we set out for ourselves.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

a) The Company recycles substantial share of plastic waste generated from its manufacturing operations, as per the regulatory and standard norms of the State/Country;

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b) For E-waste, an awareness program was organized with the help of local NGO/GNIDA, in the matter of handling segregating, storing different types of waste and their disposal. The e-waste is being disposed of to the authorized Waste Management Agency.

c) Identification of hazardous materials like diesel oil, hydraulic oils and water treatment chemicals is done at source. The Company tied-up with authorized waste management agencies for the disposal of the hazardous waste.

d) Scrap is converted to reprocessed granules and either re-used for specific alternate applications or sold as reprocessed granules;

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

| NIC Code | Name of Product/Service | % of Total Turnover Contributed | Boundary for which the Life Cycle Perspective / Assessment was conducted | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes / No) If Yes, provide the web-link |
|--|-------------------------|---------------------------------|--|---|---|
| The Company does not currently perform Life Cycle Assessments. However, the Company has 3 manufacturing locations all certified under ISO 14001:2015 standards. All these locations carry out its environmental risk assessment w.r.t. life cycle perspective as per the requirements of the EMS standard. | | | | | |

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

| Name of Product/Service | Description of the risk / concern | Action taken |
|--|-----------------------------------|--------------|
| No significant social or environmental concerns or risk arose from the risk assessments carried out. | | |

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

| Indicate input material | Recycled or re-used input material to total material | |
|-------------------------|--|---------------------------------------|
| | FY 2023-24 Current Financial Year | FY 2022-23 Previous Financial Year |
| Plastic waste | Neg. | Neg. |

Note: Scrap is converted to reprocessed granules and either reused in manufacturing for specific alternate applications or sold as reprocessed granules;

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

| | FY 2023-24 | | | FY 2022-23 | | |
|--|------------|----------|-----------------|------------|----------|-----------------|
| | Re-used | Recycled | Safely disposed | Re-used | Recycled | Safely disposed |
| Plastics (including packaging) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| E-waste | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Hazardous waste (Used Oil) | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Other waste | N.A. | N.A. | N.A. | N.A. | N.A. | N.A. |
| Currently, the Company does not have a mechanism or process to collect back products at the end of the product life cycle. Once LCA strategy has been established, these values will be monitored. | | | | | | |

5. Reclaimed products and their packaging materials (as percentage of products sold) for each category

Not applicable

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PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|--------------------------------|---------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
| | Total (A) | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| PERMANENT EMPLOYEES | | | | | | | | | | | |
| Male | 206 | 206 | 100 | 206 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 5 | 5 | 100 | 5 | 100 | 5 | 100 | 0 | 0 | 0 | 0 |
| Total | 211 | 211 | 100 | 211 | 100 | 5 | 2.37 | 0 | 0 | 0 | 0 |
| OTHER THAN PERMANENT EMPLOYEES | | | | | | | | | | | |
| Male | 42 | 42 | 100 | 42 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 6 | 6 | 100 | 6 | 100 | 6 | 100 | 0 | 0 | 0 | 0 |
| Total | 48 | 48 | 100 | 48 | 100 | 6 | 12.50 | 0 | 0 | 0 | 0 |

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|------------------------------|-------------------------|------------------|---------|--------------------|---------|--------------------|---------|--------------------|---------|---------------------|---------|
| | Total (A) | Health Insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| PERMANENT WORKERS | | | | | | | | | | | |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER THAN PERMANENT WORKERS | | | | | | | | | | | |
| Male | 352 | 352 | 100 | 352 | 100 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 5 | 5 | 100 | 5 | 100 | 5 | 100 | 0 | 0 | 0 | 0 |
| Total | 357 | 357 | 100 | 357 | 100 | 5 | 1.40 | 0 | 0 | 0 | 0 |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

| | FY 2023-24 (Current FY) | FY 2022-23 (Previous FY) |
|---|----------------------------|-----------------------------|
| Cost incurred on well-being measures as a % of total revenue of the Company | Neg. | Neg. |

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

| Benefits | FY 2023-24 (Current FY) | | | FY 2022-23 (Previous FY) | | |
|-------------------------|---|---|--|---|---|--|
| | No. of employees covered as a percentage of total employees | No. of workers covered as a Percentage of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a Percentage of total employees | No. of workers covered as a Percentage of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100 | 100 | Y | 100 | 100 | Y |
| Gratuity | 100 | 100 | Y | 100 | 100 | Y |
| ESI | As per ESIC Act | As per ESIC Act | Y | As per ESIC Act | As per ESIC Act | Y |
| Others - Superannuation | 37.91 | 0 | Y | 36.95 | 0 | Y |

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Yes, the premises/offices of the Company are accessible to differently abled visitors; a wheelchair made is available if so required.

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4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Xpro is an equal opportunity employer, and this Policy is applicable to all plants and offices. The principles are embodied in the Code of Conduct and the Business Responsibility Policy available on-line at http://www.xproindia.com/Ethics_pol.html.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

No parental leaves were availed by Male employees or workers during the reporting FY. However, female employees can take maternity leave when required; they shall be retained post their return; there were no instances of paternal leave during the year.

| Gender | Permanent employees | | Permanent workers | |
|--------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | N.A. | N.A. | N.A. | N.A. |
| Female | N.A. | N.A. | N.A. | N.A. |
| Total | N.A. | N.A. | N.A. | N.A. |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|--------------------------------|--|
| Permanent Workers | Yes. Xpro adopts an open speak up culture where employees are encouraged to reach out to their managers or managers' manager or the human resources department or senior management, or the audit committee chairman to report their grievances. In addition, there are various forums where they may seek help depending on the nature of their grievance. For example, if the grievance is in the nature of sexual harassment, the Company has an internal committee that handles complaints of such nature. |
| Other than Permanent Workers | |
| Permanent Employees | |
| Other than Permanent Employees | |

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|---------------------------|--|--|---------|--|--|---------|
| | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B/A) |
| Total Permanent Employees | | | | | | |
| Male | 206 | 35 | 16.99 | 199 | 36 | 18.10 |
| Female | 5 | 0 | 0 | 4 | 0 | 0 |

Note: there are no permanent "Workers"

8. Details of training given to permanent & other than permanent employees and workers

| Category | FY 2023-24 (Current Financial Year) | | | | | FY 2022-23 (Previous Financial Year) | | | | |
|------------------|-------------------------------------|-------------------------------|-----------|----------------------|-----------|--------------------------------------|-------------------------------|-----------|----------------------|-----------|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (E / F) |
| Employees | | | | | | | | | | |
| Male | 248 | 198 | 79.84 | 146 | 58.87 | 234 | 204 | 87.18 | 172 | 73.50 |
| Female | 11 | 8 | 72.73 | 1 | 9.09 | 8 | 6 | 75.00 | 5 | 62.50 |
| Total | 259 | 206 | 79.54 | 147 | 56.76 | 242 | 210 | 86.78 | 177 | 73.14 |
| Workers | | | | | | | | | | |
| Male | 352 | 342 | 97.16 | 16 | 4.55 | 330 | 205 | 62.12 | 37 | 11.21 |
| Female | 5 | 5 | 100 | - | - | 4 | 4 | 100 | 4 | 100 |
| Total | 357 | 347 | 97.20 | 16 | 4.48 | 334 | 209 | 62.57 | 41 | 12.28 |

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9. Details of performance and career development reviews of permanent employees:

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|------------------|-------------------------------------|------------|------------|--------------------------------------|------------|------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 206 | 206 | 100 | 199 | 199 | 100 |
| Female | 5 | 5 | 100 | 4 | 4 | 100 |
| Total | 211 | 211 | 100 | 203 | 203 | 100 |

Note: there are no permanent "Workers"

10. Health and Safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, we have a occupational health and safety management system that covers all our permanent and contractual employees and workers. Units have obtained ISO 45001:2018 certification covering, inter alia, occupational Health and Safety Management system. We provide 100% safety training to all our employees. Monthly safety meeting is conducted every month.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The manufacturing units undertake hazard identification and risk assessment programs each year to ensure mitigation of risks on the respective sites. The risk assessments are done for both routine as well as non-routine activities. Additionally, learnings and input on implementation of controls on specific risks are also taken from the other locations and teams and implemented as applicable. Training is conducted for employees periodically on the procedure and process to be followed for risk assessments so as to ensure the accuracy of the same. The risk assessments are driven by the site leadership team and the action plan to mitigate risks is monitored.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Employees and workers are encouraged to report all risks and work related hazards. They can remove themselves from assigned risky tasks.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. At all plants and offices, employees are provided with facility for reimbursement of Medclaim/Medical expenses/ESI as per the rules applicable.

11. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|-----------|-------------------------------------|--------------------------------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| Total recordable work-related injuries | Employees | 1 | Nil |
| | Workers | Nil | Nil |
| No. of fatalities | Employees | Nil | Nil |
| | Workers | Nil | Nil |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | Nil | Nil |

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The unit head of each location and their leadership team are in charge of the health and safety management program. Proactive measures, such as reporting and closing near-miss incidents, identifying opportunities for safety improvement, audits, involving employees and workers, important awareness campaigns on crucial subjects including safety are implemented. Other measures taken include Provision of PPEs (Personal Protective Equipment), Complete Fire Hydrant System with Fire extinguishers are installed, Availability of safe Emergency assembly area, Easy accessibility of utilities like Drinking water facilities, proper sanitary system etc., CCTV Cameras are installed for enhanced physical security, Safety and Health related SOPs are defined and communicated to all, Health and Safety trainings & mock drills, and 5S & Safety Audits.

13. Number of complaints on the following made by employees and workers

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------------|--|---|---------|--------------------------------------|---|---------|
| | Filed during the year | Pending resolution at the end of the year | Remarks | Filed during the year | Pending resolution at the end of the year | Remarks |
| Working conditions | No complaints received from employees and workers on working conditions and health & safety. | | | | | |
| Health & Safety | | | | | | |

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14. Assessments for the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|--------------------|--|
| Working conditions | 100 |
| Health & Safety | 100 |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The risks or concerns identified in ISO 45001 through HIRA have been addressed. Every safety-related occurrence undergoes a root cause analysis, and necessary corrective and preventive actions are implemented. Effectiveness of the corrective actions is also monitored.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. Compensatory package, through accident insurance and life cover under Gratuity scheme of LIC, has been extended to all company permanent (company on-roll) employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

Respective units conduct due-diligence to ensure that statutory dues are paid by relevant value chain partners. Evidence regarding actual transfer of dues is collected and timely payment of dues is ensured. Our internal audits also check on this aspect on a sample basis and if any concern is identified, the same is addressed immediately.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| Category | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|---|---|---|
| | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
| Employees | Nil | Nil | Nil | Nil |
| Workers | Nil | Nil | Nil | Nil |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

We do not currently have any transition assistance program for retired or terminated employees. Some employees, at management discretion, are considered for post-retirement employment in advisory capacity.

5. Details on assessment of value chain partners:

We do not have any assessments for our value chain partners yet, however, we understand the importance of this subject and are aiming to initiate such programs in the coming years.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

Not applicable as we do not have any exhaustive assessments for our value chain partners yet. However, no significant risks/concerns have been noted on health and safety practices and working conditions of value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual, group of people, etc., who are impacted due to business operations and projects of the Company are the stakeholders. Any of such individual and group of people that add value for business and have greater impact on the business are the key stakeholders for the Company. The key stakeholders inter alia include employees, shareholders/investors, customers, raw material suppliers, vendors, banks, regulators and government agencies. The process for identification of such key stakeholders is largely Qualitative in nature. It is conducted in consultation with and feedback from different departments along with Senior Management and Board.

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2. List of stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/Half yearly/Quarterly/others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|------------------------------------|--|---|--|---|
| Employees | No | Physical and virtual meetings, e-mails, notices, SOPs, employment engagement surveys, appraisals, rewards and recognition, and other communication mechanisms | Daily | Performance and talent management, build a safe and inclusive working culture, communicate vision and strategy of the company, seek feedback, address grievances. |
| Shareholders | No | Website, financial reports, e-mails, newspaper, advertisement, stock exchanges, notices, investor calls, and general meetings | Quarterly and as and when need arises | Communicate financial results and material occurrences; addressing grievances, if any |
| Investors | No | Website, financial reports, Stock Exchange, investor communications via emails, and grievance redressal mechanisms | Quarterly, half yearly, annually, event based | Communicate financial results/material occurrences |
| Banks | No | Personal meetings, e-mail, website, Postal communication, facility visits | Need based | To Share our vision and strategy, discuss financial performance, financing needs for operations and growth, and banking facilities |
| Customers | No | Physical visits, Multiple Channel - physical and digital | Frequent and need based | To understand customer's vision and strategy, value proposition, customer expectations, improve business, participation in tenders, commercial negotiations, explore R&D opportunities, ensure prompt service to the customers, seeking feedback, addressing concerns or grievances if any |
| Suppliers | No | Physical and virtual meetings, e-mail, bidding tools, website, factory visits | Frequent and need based | Share our vision and strategy, due diligence of supplier to understand the supplier's footprint, capability, credibility, value system, sustainability capability, bidding process, commercial discussion and negotiation, ensure business continuity; Purchase of Machines, Plastics Polymers, Consumables, Packing Materials etc. |
| Government, regulatory authorities | No | Personal meetings, industry associations, E-mail, website, postal communication, panel meetings, conferences, facility visits. | Need based | Advocacy, Compliance assurance, thought leadership, representation on policy matters |
| Communities | Yes | Through CSR initiatives or through NGOs; Personal meetings, industry associations, E-mail, website | Frequent and need based | To understand the needs of the community, and support on social needs |
| Research Analyst | No | Email/ con-calls, meetings, Video - conferences | Frequent and need based | Interaction on explaining the Quarterly/half yearly/yearly Results and Issuance of Press Releases |
| Academia | No | Email/ con-calls, meetings, Video - conferences | Need based | Talent acquisition and talent management, research and development activities, nurture talent and afford opportunities |

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Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Xpro recognizes the importance of discussion of ESG topics between our stakeholders and the Board (or Committees thereof), and provides several platforms for consultation including regular meetings of executive directors and senior management with Stakeholders. Regular engagement between stakeholders and Board enables it to understand the requirement and expectations of the Stakeholders on economic, environmental, and social parameters.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholder consultation is used to support the identification and management of environmental and social performance of the Company; it is considered an important part of our agenda while communicating with the different key stakeholders of our company, which highly influences our policies and procedures to ensure our business operations are in alignment with the company's vision, mission and stakeholders' expectations.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

As part of our CSR initiatives, we engage with and support, including financially, various vulnerable/marginalized groups and the social initiatives are aimed at bringing a positive impact on the lives of the people from said stakeholder groups.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

| Category | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|----------------------|-------------------------------------|--|-----------|--------------------------------------|--|-----------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 211 | 54 | 25.59 | 203 | 65 | 32.02 |
| Other than permanent | 48 | 12 | 25.00 | 39 | 0 | 0 |
| Total Employees | 259 | 66 | 25.48 | 242 | 65 | 26.86 |
| Workers | | | | | | |
| Other than permanent | 357 | 97 | 27.17 | 334 | 132 | 39.52 |
| Total Workers | 357 | 97 | 27.17 | 334 | 132 | 39.52 |

Note: there are no permanent "Workers"

2. Details of minimum wages paid to employees and workers:

| Category | FY 2023-24 (Current Financial Year) | | | | | FY 2022-23 (Previous Financial Year) | | | | |
|-----------------------------|-------------------------------------|-----------------------|-----------|------------------------|-----------|--------------------------------------|-----------------------|-----------|------------------------|-----------|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B / A) | No. (C) | % (C / A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| Employees | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 206 | 0 | 0 | 206 | 100 | 199 | 0 | 0 | 199 | 100 |
| Female | 5 | 0 | 0 | 5 | 100 | 4 | 0 | 0 | 4 | 100 |
| Other than permanent | | | | | | | | | | |
| Male | 42 | 0 | 0 | 42 | 100 | 35 | 20 | 100 | 0 | 0 |
| Female | 6 | 0 | 0 | 6 | 100 | 4 | 0 | 0 | 0 | 0 |
| Workers | | | | | | | | | | |
| Other than permanent | | | | | | | | | | |
| Male | 352 | 290 | 82.39 | 62 | 17.61 | 330 | 270 | 81.81 | 60 | 18.19 |
| Female | 5 | 5 | 100 | 0 | 0 | 4 | 4 | 100 | 0 | 0 |

Note: there are no permanent "Workers"

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3. Details of remuneration/salary/wages:

a. Median remuneration/wage

| Category | Male | | Female | |
|----------------------------------|--------|---|--------|---|
| | Number | Median remuneration/ salary/ wages of respective category (INR) | Number | Median remuneration/ salary/ wages of respective category (INR) |
| Board of Directors (BoD) | 9 | 11,45,000 | 3 | 7,50,000 |
| Key Managerial Personnel | 4 | 1,23,05,470 | Nil | - |
| Employees other than BoD and KMP | 202 | 5,67,502 | 5 | 7,16,604 |
| Workers | Nil | - | Nil | - |

b. Gross wages paid to females as a % of total wages paid by the entity

| | FY 2023-24 (Current FY) | FY 2022-23 (Previous FY) |
|--|----------------------------|-----------------------------|
| Gross wages paid to females as a % of total wages paid by the entity | 1.54 | 1.56 |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes. The Head of each Unit respectively is responsible for addressing human right impacts or issues arising in the Unit.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company's Code of Conduct, and other relevant policies, set out the standards of ethical behaviour for all employees and members of the management, as well as all officers and directors (including independent directors). The Code and Policies are designed to provide a broad and clear understanding of the minimum conduct standards expected of every employee and the code of conduct and other policies provide guidelines emphasizing employee participation, freedom, gender equality and a harassment-free and discrimination-free workplace. The Company takes a rigid stand against child labour, forced labour, involuntary labour and discriminatory employment, and any type of behaviour that violates basic human rights principles is not tolerated and is subject to disciplinary actions as per law.

6. Number of Complaints on the following made by employees and workers:

| | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|-----------------------------------|-------------------------------------|---------------------------------------|---------|--------------------------------------|---|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Filed Pending resolution at the end of year | Remarks |
| Sexual Harassment | Nil | Nil | - | Nil | Nil | - |
| Discrimination at workplace | Nil | Nil | - | Nil | Nil | - |
| Forced Labour/Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| Wages | Nil | Nil | - | Nil | Nil | - |
| Other human rights related issues | Nil | Nil | - | Nil | Nil | - |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

| | FY 2023-24 (Current FY) | FY 2022-23 (Previous FY) |
|---|----------------------------|-----------------------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | Nil | Nil |
| Complaints on POSH as a % of female employees / workers | N.A. | N.A. |
| Complaints on POSH upheld | Nil | Nil |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company's Code of Conduct, the Whistle Blower Policy and other relevant policies, which are applicable to every employee prescribe zero tolerance to retaliation and strict action against any person indulging in retaliatory practices. Identity and information provided by an informant is kept confidential to ensure necessary safety and protection to a complainant.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Various elements of human rights aspects such as issues related to child labor and forced labor, are part of the business agreements and contracts.

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10. Assessments of the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100 |
| Forced/involuntary labour | 100 |
| Sexual harassment | 100 |
| Discrimination at workplace | 100 |
| Wages | 100 |
| Others - Statutory Payments | 100 |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above

All relevant laws and guidelines are strictly followed by us and no instances of material deviations have been determined.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

No such modifications have been implemented as we had no cases that required modification

2. Details of the scope and coverage of any Human rights due diligence conducted.

No such exercise has been conducted by the Company in this reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, most of our facilities are accessible to differently abled visitors.

4. Details on assessments of value chain partners:

| | % of your value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|---|
| Child labour | No such assessment has been carried out in this reporting year. The Company is planning to introduce such assessments in future years, and the status will be updated in subsequent BRSRs. [Few value chain partners have been assessed on a trial basis] |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others - Statutory Payments | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

| Parameter | FY 2023-24 (Current FY) (megajoules) | FY 2022-23 (Previous FY) (megajoules) |
|---|---|--|
| From renewable sources | | |
| Total energy consumed from renewable sources (A) | - | - |
| From non-renewable sources | | |
| Total electricity consumption (B) | 14,04,36,062 | 14,52,89,703 |
| Total fuel consumption (C) | 52,05,536 | 2,45,42,316 |
| Energy consumption through other sources (D) | 1,80,61,359 | - |
| Total energy consumed from non-renewable sources (B+C+D) | 16,37,02,957 | 16,98,32,019 |
| Total energy consumed (A+B+C+D) | 16,37,02,957 | 16,98,32,019 |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | 0.0352 | 0.0332 |
| Energy intensity in terms of physical output | 5,869 | 6,097 |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The Coex, Ranjangaon Unit has been assessed by Mitcoin consultancy and Engineering Limited and Barjora and Greater Noida units have been certified by RWTUV/BSI respectively for ISO 50001:2018 energy management system.

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2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable - None of the sites are covered under the PAT scheme

3. Provide details of the following disclosures related to water:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 15,518 | 16,767 |
| (ii) Groundwater | 2,771 | 2,080 |
| (iii) Third party water | 51,485 | 37,454 |
| (iv) Seawater / desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 69,774 | 56,301 |
| Total volume of water consumption (in kilolitres) | 65,750 | 56,301 |
| Water intensity per rupee of turnover (Water consumed / turnover) (kilolitre/INR) | 0.000014 | 0.000011 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | - | - |
| Water intensity in terms of physical output (kilolitre/MT) | 2.357 | 2.021 |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharge:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Water discharge by destination and level of treatment (in kilolitres) | | |
| (i) To Surface water | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (ii) To Groundwater | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (iii) To Seawater | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (iv) Sent to third-parties | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| (v) Others | | |
| - No treatment | 0 | 0 |
| - With treatment – please specify level of treatment | 0 | 0 |
| Total water discharged (in kilolitres) | 0 | 0 |

Waste water generated in units is treated and used for landscaping purposes

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

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5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Xpro India Limited has implemented zero liquid discharge in all its units. Treatment up to tertiary level is invariably carried out depending on the water parameters in the respective units, which then is being reused for Gardening Purpose.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

| Parameter | Please specify unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|-------------------------------------|----------------------|--|---|
| NOx | Mg/Nm ³ | 85.8 | 95.5 |
| SOx | Mg/Nm ³ | 180.6 | 169.7 |
| Particulate matter (PM) | mg / Nm ³ | 84.9 | 82.1 |
| Persistent organic pollutants (POP) | | 0 | 0 |
| Volatile organic compounds (VOC) | (Mts / Sec) | 0 | 0 |
| Hazardous air pollutants (HAP) | | 0 | 0 |
| Others (Please specify) | | | |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. The pollution related compliance evaluation is done by the State Pollution Control Board (SPCB) authorized external agencies on a periodic basis and Xpro India Limited is in compliance with all the norms and requirements.

7. Please provide details of greenhouse gas emissions (Scope 1 and Scope2 emissions) & its intensity, in the following format:

| Parameter | Please specify unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Current Financial Year) |
|--|--------------------------------------|--|--|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 9,126.40 | 1,810.05 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 30,817.91 | 31,883.02 |
| Total Scope 1 and Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 39,944.31 | 33,693.07 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations) | Metric tonnes of CO2 equivalent /INR | 8.58 x 10 ⁻⁶ | 6.59 x 10 ⁻⁶ |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for Purchasing Power Parity (PPP)) | | - | - |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | Metric tonnes of CO2 equivalent / MT | 1.43 | 1.21 |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

Yes. The company is in the process of entering into a JV with Tata Power to receive electricity supply through Renewable Solar Energy from Open excess system, at its Coex Division - Ranjangaon Unit, to reduce its GHG Emissions. The process will be completed in 2024-25.

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9. Provide details related to waste management by the entity, in the following format:

| Parameter | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|--|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 623.54 | 1,155.47 |
| E-waste (B) | 0.96 | 0.25 |
| Bio-medical waste (C) | 0 | 0 |
| Construction and demolition waste (D) | 3.33 | 0 |
| Battery waste (E) | 0.12 | 1.59 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 4.90 | 4.11 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 24.69 | 27.67 |
| Total (A+B + C + D + E + F + G + H) | 657.54 | 1,189.09 |
| Waste intensity per rupee of turnover <i>(Total waste generated / Revenue from operations)</i> | 1.41×10^{-7} | 2.33×10^{-7} |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) <i>(Total waste generated / Revenue from operations adjusted for PPP)</i> | - | - |
| Waste intensity in terms of physical output | 0.02 | 0.04 |
| Waste intensity (optional) - the relevant metric may be selected by the entity | | |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 359.92 | 938.67 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| Total | 359.92 | 938.67 |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| Waste Incinerated | | 0 |
| Waste in landfill | 3.33 | 0 |
| Other disposal | 294.29 | 250.42 |
| Total | 297.62 | 250.42 |

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company closely monitors the waste generated in each of its units and has a strong program to reduce and then treat the waste generated in an environmentally friendly and legally compliant manner in line with the latest requirements of the pollution control boards and the ISO system that we have been following. All hazardous and non-hazardous wastes are tracked, reported, and analyzed. Non-hazardous waste is reused internally and hazardous waste is disposed off through authorized vendor(s). In certain Units we have used 100% recycling of polymers thus paving the way for resource efficiency.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

| S.No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|----------------|--------------------------------|--------------------|--|
| Not Applicable | | | |

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12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|---|----------------------|------|---|--|-------------------|
| Not Applicable - No such project undertaken | | | | | |

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/regulation/guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--|---|---------------------------------------|---|---------------------------------|
| Not Applicable - All relevant laws and regulations complied with | | | | |

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area; (ii) Nature of operations; (iii) Water withdrawal, consumption and discharge

None of the facilities or the manufacturing locations of Xpro are located in the areas of water stress, hence this disclosure requirement is not applicable.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter | Unit | FY 2023-24 (Current Financial Year) | FY 2022-23 (Previous Financial Year) |
|---|------|---|---|
| Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) | | Not calculated for these periods; and no independent assessment carried out. | |
| Total Scope 3 emissions per rupee of turnover | | | |
| Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity | | | |

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:

None of the facilities or the manufacturing locations of Xpro are located in any of the Ecologically sensitive areas.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

The Company continuously strives to improve resource efficiency. As a part of its renewable energy procurement policy, steps are being taken to purchase renewable electricity, wherever possible, and switch from conventional fuels to Coal-based Methane Gas at one location.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

The Company has a robust disaster management plan as a part of its risk management framework. Company assets are insured against natural risks, like fire, flood, earthquakes, etc. Fire Hydrants have been installed at all manufacturing locations. Other apparatus like extinguishers (chemical, foam etc.) have been placed at sensitive locations. Regular fire safety drills are carried out. First aid training is given to watch and ward staff and safety personnel. Professional Risks Assessing Advisors are retained to conduct periodical audit/review and suggest risks improvement measures from time to time. As outlined in the Business Responsibility policy, the Company shall develop Environment Management Systems and contingency plans and processes that will help it in preventing, mitigating and controlling environmental damages and disasters and the Company shall strive to report its environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner. (<http://www.xproindia.com/Codes/XILBusinessResponsibilityPolicy.pdf>)

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Value chain partners have not been assessed for environmental impact. This process will be initiated in coming years.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Value chain partners have not been assessed for environmental impact. This process will be initiated in coming years.

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PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations - 10
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

| S. No. | Name of the trade and industry chambers / associations | Reach of trade and industry chambers / associations (State / National) |
|--------|--|--|
| 1 | Federation of Indian Chambers of Commerce and Industry (FICCI) | National |
| 2 | Organisation of Plastic Processors of India (OPPI) | National |
| 3 | Plastindia Foundation (PIF) | National |
| 4 | Electronic Industries Association of India (ELCINA) | National |
| 5 | Plastics Export Promotion Council (Plexconcil) | National |
| 6 | All India Plastics Manufacturing Association (AIPMA) | National |
| 7 | Paschimanchal Chamber of Industries | State |
| 8 | Ranjangaon Industries Association | State |
| 9 | Association of Greater Noida Industries | State |
| 10 | Damodar Valley Power Consumers Association | State |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

No corrective action taken or underway on any issue based on adverse orders from regulatory authorities as there were no cases related to anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

As the leading manufacturer in its core business segments, Xpro interacts, engages and makes recommendations/representations before Government bodies, regulators, legislative bodies, chambers and associations for advancement and improvement of business. Company representatives upon invitation, participate and play active role on associations constituted for development of relevant industry segments.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

No SIA has been undertaken during the reporting period and hence this section is not applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

No R&R has been undertaken during the reporting period and hence this section is not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Community stakeholders may use any of the available channels of communication to raise grievances, if any. Concerns received from community stakeholders are immediately responded on and resolved satisfactorily. Complaints received from the said stakeholders are placed before the respective Unit Heads or Board Committees, which are responsible for monitoring and reviewing the mitigation of any such concerns raised.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

| Parameter | FY 2023-24 (Current FY) | FY 2022-23 (Previous FY) |
|--|-------------------------|--------------------------|
| Directly sourced from MSMEs/small producers | 10.39 | 9.97 |
| Sourced directly from within the district and neighbouring districts | Neg. | Neg. |

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

| Location | FY 2023-24 (Current FY) | FY 2022-23 (Previous FY) |
|--------------|-------------------------|--------------------------|
| Rural | - | - |
| Semi-urban | 76.27 | 75.33 |
| Urban | - | - |
| Metropolitan | 23.73 | 24.67 |

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Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

| Details of negative social impact identified | Corrective action taken |
|--|-------------------------|
| Not Applicable as the SIA has not been a requirement in any of the locations in the reporting year | |

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

| S. No. | State | Aspirational District | Amount spent (In INR) |
|--|-------|-----------------------|-----------------------|
| None of the CSR projects undertaken/supported are in the aspirational districts, and hence this disclosure is not applicable | | | |

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

No such preferential procurement policy exists as of now.

- b. From which marginalized/vulnerable groups do you procure?

Not applicable

- c. What percentage of total procurement (by value) does it constitute ?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|--|--|--------------------------|---------------------------|------------------------------------|
| We do not have any Intellectual Property Rights owned or acquired by us based on Traditional Knowledge | | | | |

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:

| Name of Authority | Brief of the Case | Corrective action taken |
|---------------------------------------|-------------------|-------------------------|
| Not applicable as per statement above | | |

6. Details of beneficiaries of CSR Projects:

Please refer to Annual Report on CSR activities for the Financial Year 2023-24 annexed to the Directors' Report

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has set up a robust system to resolve Customer complaints. Complaints received by the marketing team are sent to quality team and technical support teams who check it for genuineness prior to detailed analysis. If so required, the technical team would visit the customer for better understanding of the problem and to ensure proper root cause analysis, corrective action and preventive action. If so required, major raw material input supplier is involved in the analysis. Feedback is shared with the Production and Marketing teams. Steps are taken in SOP to ensure no repeats. Service-related complaints, if any, are dealt with directly by Marketing and Logistics teams.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|--|
| Environmental and social parameters relevant to the product | Our products are all tailor-made industrial intermediates supplied, generally, to large manufacturing organisation customers, who in turn use our products in their end-products, after further processing at their end. It is thus their discretion to include information about environmental and social parameters, safe and responsible usage, and recycling or disposal methods as per the nature of their end-product. |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

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3. Number of consumer complaints in respect of the following:

| | FY 2023-24 (Current Financial Year) | | | FY 2022-23 (Previous Financial Year) | | |
|--------------------------------|--|-----------------------------------|---------|---|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Other | | 0 | - | | 0 | - |

4. Details of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | Nil | - |
| Forced recalls | Nil | - |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy:

Cyber security and risks related to data privacy are currently covered under the Risk Management Policy; an exclusive IT Policy which would also include Cyber security and risks related to data privacy is under preparation.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such event reported for the financial year and hence not applicable.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- Percentage of data breaches involving personally identifiable information of customers: Nil
- Impact, if any, of the data breaches: N.A.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The primary source of information on our products and services would be our website which can be accessed on www.xproindia.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our products are developed and manufactured for industrial customers based on their product specifications and requirements; we demonstrate usage and safety factors before the products are used. Any questions or concerns are addressed by our technical team as and when they arise.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Xpro products and services do not by themselves fall in the category of essential services. However, we have been proactive in notifying customers of any possibility of delays/disruption/discontinuation arising from man-made or natural disasters.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company follows all applicable product labelling requirements, and displays pertinent information as required by applicable laws.

Customer satisfaction survey and feedback is a continuous process with Marketing and Technical Support teams in constant touch with the customers. Senior executives also maintain regular one to one contact with key customers.

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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
- Machine level energy consumption monitoring for control
- Process cooling water system rationalization and use of closed loop chilling systems
- Use of variable frequency drives, direct drives and energy efficient motors to minimize mechanical losses
- Use of natural lighting, wherever feasible; Use of energy efficient lighting and Auto on-off control
- Use of natural turbo-vents
- System validation and optimization of blower speeds in AHU units
- Central water treatment plant and regeneration of resins and centralised compressed air systems
- Certification under ISO 50001:2018 of Energy management systems (at Barjora and Greater Noida Units)
- ii) The steps taken by the Company for utilizing alternate sources of energy:
- Use of coal-based methane (CBM) in place of Furnace Oil
- Use of Solar energy sources for general lighting applications;
- Setting up of a SPV for sourcing solar power through Open Access under Group Captive Scheme;
- iii) The capital investment on energy conservation equipment:
Financial impact not separately quantified

B. TECHNOLOGY ABSORPTION :

Continuous focus on maintaining a strong leadership position in the manufacture of dielectric and other films, and in sheet extrusion and thermoforming;

- a) The efforts made towards technology absorption:
High technology Dielectric Film products developed through indigenous technology for specialized products promoting 'Make in India' and 'Atmanirbhar' concept;
Indigenous development of spares:
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: Carried out in-house as part of unit manufacturing set-up and not separately quantified;

C. FOREIGN EXCHANGE EARNINGS & OUTGO

| | <u>2023-2024</u> | <u>2022-2023</u> |
|-------------------------------|------------------|------------------|
| Total foreign exchange used | 76,42,46,775 | 70,10,11,673 |
| Total foreign exchange earned | 13,43,67,122 | 17,45,51,708 |

For and on behalf of the Board

New Delhi
May 28, 2024

Sidharth Birla
Chairman
(DIN: 00004213)

Xpro India Limited : Annual Report 2023/24

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": Subsidiary

(INR lacs)

| | | | |
|-----|--|---------------------|----------------|
| 1. | Sl. No. | 1 | |
| 2. | Name of the subsidiary | Xpro Global Limited | |
| 3. | Reporting period for the subsidiary concerned | March 31, 2024 | March 31, 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N.A. | N.A. |
| 5. | Share capital | 52.50 | 52.50 |
| 7. | Reserves & surplus | (50.27) | (50.32) |
| 8. | Total assets | 2.73 | 2.80 |
| 9. | Total Liabilities | 0.50 | 0.62 |
| 10. | Investments | - | - |
| 11. | Turnover | 0.81 | 0.83 |
| 12. | Profit before taxation | 0.05 | 0.01 |
| 13. | Provision for taxation | (0.05) | (0.05) |
| 14. | Profit after taxation | 0.05 | 0.06 |
| 15. | Proposed Dividend | Nil | Nil |
| 16. | % of shareholding | 100 | 100 |

Part "B": Associates

| | | |
|----|--|--|
| 1. | Name of the Associate | TP Mercury Limited |
| 3. | Laest audited Balance Sheet Date | March 31, 2024 |
| 4. | Shares of Associate held by the Company at year end | |
| | a) Number | 13,57,547 |
| | b) Amount of investment in Associate (INR lacs) | 1,35.76 |
| | c) Extent of Holding (%) | 26 |
| 5. | Description of how there is significant influence | By virtue of shareholding |
| 6. | Reason why the associate is not consolidated | As per the shareholder's agreement even though company has right to dividend, it has been agreed between the shareholders that Company will not be entitled to its share in profits or loss of Associate. Further, at the end of the term of the agreement, the Company will receive back face value of the equity amount invested. Accordingly, this investment is not consolidated and is accounted as a financial asset measured at amortized cost in accordance with IND AS 109. |
| 7. | Networth attributable to Shareholding as per latest audited Balance Sheet (INR lacs) | 1,33.46 |
| 8. | (Loss) for the year (INR lacs) | |
| | 1) Considered in consolidation | Nil |
| | 2) Not Considered in consolidation | (8.84) |

Notes: a. Names of subsidiaries/associates which are yet to commence operations:

TP Mercury Limited (associate)

b. Names of subsidiaries/associates which have been liquidated or sold during the year:

None

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

New Delhi
May 28, 2024

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Annexure to the Directors' Report

SECRETARIAL AUDIT REPORT

FORM NO. MR - 3

For the Financial Year ended March 31, 2024

*[Pursuant to section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial 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") (CIN: L25209WB1997PLC085972) having Registered office at Barjora - Mejia Road, P.O - Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal. 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.

The Company's management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

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, 2024 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, 2024, to the extent applicable, 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, 2018;

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- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (There were no events/instances during the Audit Period which attract the applicability of the Regulations);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (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, 2018 (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 of India Limited

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. The change in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and Listing Regulations.
- 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 during the period under review, upon receipt of the balance consideration from a warrant holder and exercise of option to subscribe equity shares, as per the terms of issue of Warrants, the Board of Directors of the Company has allotted 16,40,000 fully paid equity shares of INR 10 each (at a premium of INR 752 per equity share). Additionally, as per the terms of the issue of warrants the Board of Directors of the Company has also allotted 8,20,000 equity shares of INR 10 each to the above warrant holder as bonus shares (in the ratio of 1 Equity share of INR 10 each for every 2 Equity share) which were kept in reserve for issue and allotment upon exercise of option to convert the Warrants into fully paid-up Equity Shares of the Company.

I further report that during the period under audit, members have accorded their consent to the Board of Directors by passing a Special Resolution pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and all other applicable provisions, if any, of the Act, Chapter V and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (SEBI ICDR Regulations) and all other applicable laws, at the Extra-ordinary General Meeting held on January 16, 2024 to create, issue, offer and allot from time to time in one or more tranches, up to 14,35,750 warrants, each carrying a right to subscribe to 1 Equity Share of

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the Company, at an issue price of INR 975 (Rupees Nine Hundred Seventy-Five only) per Warrant, including a premium of INR 965 (Rupees Nine Hundred Sixty-Five only), on a preferential allotment basis.

Accordingly, the Company has issued and allotted 14,35,750 Warrants each carrying a right to subscribe 1 Equity Share of the Company, at an issue price of INR 975 (Rupees Nine Hundred Seventy-Five only) per Warrant, including a premium of INR 965 (Rupees Nine Hundred Sixty-Five only), on a preferential basis in compliance of the Act and the SEBI ICDR Regulations upon payment of 35 percent of consideration.

I further report that during the period under audit, members have also accorded their consent to the Board of Directors by passing a Special Resolution pursuant to the provisions of Sections 23, 42, 62 and all other applicable provisions, if any, of the Act, Chapter VI and other applicable provisions of the SEBI ICDR Regulations, as amended and all other applicable laws, at the Extra-ordinary General Meeting held on January 16, 2024 to create, offer, issue and allot such number of Equity Shares for cash, at such price or prices as the Board may deem fit, including a discount of up to 5 (five) per cent on the floor price calculated as per Regulation 176 of the SEBI ICDR Regulations, such that the total amount to be raised through the issue of Equity Shares shall not exceed INR 150 crore (Rupees One Hundred Fifty Crore only), inclusive of such premium as maybe fixed on the Equity Shares, to be subscribed by Qualified Institutional Buyers as defined in the SEBI ICDR Regulations.

Accordingly, the Committee of Directors which has been authorized in this behalf, at its meeting held on February 29, 2024 has issued and allotted 13,62,397 equity shares of face value INR10 each of the Company to Qualified Institutional Buyers, at a price of INR 1,101/- (Rupees One Thousand One Hundred One only) per Equity Share and reflecting a discount of INR 57.32 (Rupees Fifty Seven and Thirty Five Paise only) (i.e. 4.95%) on the floor price of INR 1,158.32 (Rupees One Thousand One Hundred Fifty Eight and Thirty Two Paise only) per Equity Share (including premium of INR 1,091 per Equity Share), against receipt of full payment of application monies, aggregating up to INR150 Crore (Rupees One Hundred Fifty Crore only).

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

Place: Kolkata
Date: May 17, 2024

Girish Bhatia
Company Secretary in practice
FCS No. 3295 CP No. 13792
Peer Review: 2011/2022
UDIN: F003295F000388471

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“Annexure A”

(To the Secretarial Audit Report of M/s Xpro India Limited for the financial year ended March 31, 2024 - Non-Qualified)

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

My Secretarial Audit Report for the financial year ended March 31, 2024 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 my 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: May 17, 2024

Girish Bhatia
Company Secretary in practice
FCS No. 3295 CP No. 13792
Peer Review: 2011/2022
UDIN: F003295F000388471

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Xpro India Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>1) Revenue Recognition</p> <p>Refer note 4(l) of Summary of significant accounting policies and other explanatory information and the note 48 of the standalone financial statements of the Company for the year ended 31 March 2024.</p> <p>The Revenues of the Company consists primarily of sale of products and is recognized when control of products being sold is transferred to the customer and there is no unfulfilled obligation.</p> <p>Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates and trade discounts.</p> <p>The Company focuses on revenue as a key performance measure. Considering the materiality of amounts involved, the same has been considered as a key audit matter for the current year's audit</p> | <p>Our key audit procedures included, but were not limited to, the following procedures:</p> <ol style="list-style-type: none">a) Assessed the appropriateness of the Company's revenue recognition accounting policies in accordance with Ind AS 115 - Revenue from contracts with customers;b) Tested the design and operating effectiveness of the control environment for recognition of revenue;c) Performed analytical procedures on revenue;d) Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents; |

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| Key audit matter | How our audit addressed the key audit matter |
|------------------|---|
| | <p>e) Reviewed, on a sample basis, sales agreements and the underlying contractual terms related to delivery of goods and rebates to assess the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards;</p> <p>f) Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns;</p> <p>g) Ensured the adequacy and appropriateness of disclosures made in the standalone financial statements in accordance with the requirements of Ind AS 115.</p> |

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements

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can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. also:
 - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure 1, as required by section 143(3) of the Act based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;

- 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 except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- c) The standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;
- f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure 2 wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 55(l) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 55(m) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement.
 - v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 38(A) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31

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March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As stated in Note 53 of the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

| Nature of exception noted | Details of Exception |
|---|---|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software. | <ol style="list-style-type: none"><li data-bbox="863 797 1364 965">1. For one of the accounting software used for maintenance of accounting records of the Company did not capture the details of user id at the time of entering new record and in case of subsequent edits for the period 1 April 2023 to 4 September 2023.<li data-bbox="863 972 1364 1099">2. The audit trail feature was not enabled at the database level for another accounting software to log any direct data changes, used for maintenance of accounting records of the Company. |

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
UDIN: 24508685BKEUEL1190
Place: Delhi
Date: 28 May 2024

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Annexure 1 referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Xpro India Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification programme adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment including right-of-use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) As disclosed in Note 55(d) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods, which were not subject to audit/review.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investment in company during the year, in respect of which:
 - (a) The Company has not provided any loans or provided any advances in the nature of loans, or guarantee, or security to any other entity during the year. Accordingly, reporting under clauses 3(iii)(a) of the Order is not applicable to the Company.
 - (b) The Company has not provided any guarantee or given any security or granted any loans or advances in the nature of loans during the year. However, the Company has made investment in one entity amounting to Rs. 15.73 lacs (year-end balance Rs. 15.73 lacs) and in our opinion, and according to the information and explanations given to us, such investments made are, prima facie, not prejudicial to the interest of the Company.
 - (c) The Company does not have any outstanding loans and advances in the nature of loans at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

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- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (₹ in lacs) | Amount paid under Protest (₹ in lacs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------|----------------|-----------------------------|---|--|--|
| Central Excise Act, 1944 | Excise Duty | 19.92 | - | 2012-14 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 9.88 | 0.74 | 2016-18 | Superintendent Central Excise, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 11.73 | - | 2010-11 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 10.59 | - | 2010-11 | Commissioner of Central Excise Appeals, Kolkata |
| Sales Tax Act | UP Trade Tax | 4.26 | 3.41 | 2004-05 | Commissioner of Sales Tax |
| Sales Tax Act | Sales Tax | 35.06 | 3.88 | 1996-2011 | Deputy Commissioner (Appeal), Durgapur |
| Central Excise Act, 1944 | Excise Duty | 22.62 | - | 2013-15 | Directorate General of Central Excise Intelligence |
| Central Excise Act, 1944 | Excise Duty | 12.79 | - | 2013-15 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 6.64 | - | 2014-16 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 4.09 | - | 2015-16 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 15.53 | 1.86 | 2013-15 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 9.31 | - | 2014-16 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 26.93 | 2.29 | 2015-16 | Commissioner of Central Excise Appeals, Kolkata |
| Service Tax (Finance Act, 1994) | Service Tax | 26.00 | 2.66 | 2016-17 | Commissioner of Central Excise Appeals, Kolkata |

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| Name of the statute | Nature of dues | Gross Amount (₹ in lacs) | Amount paid under Protest (₹ in lacs) | Period to which the amount relates | Forum where dispute is pending |
|--|------------------------|--------------------------|---------------------------------------|------------------------------------|--|
| Service Tax (Finance Act, 1994) | Service Tax | 1.32 | 0.40 | 2014-17 | Commissioner of Central Excise Appeals, Kolkata |
| Service Tax (Finance Act, 1994) | Service Tax | 7.28 | - | 2014-17 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 61.23 | - | 2018-19 | Assistant Commissioner of Central Excise Appeals, Kolkata |
| Service Tax (Finance Act, 1994) | Service Tax | 0.82 | 0.25 | 2014-17 | Commissioner of Central Excise Appeals, Kolkata |
| Service Tax (Finance Act, 1994) | Service Tax | 53.11 | - | 2014-16 | Commissioner of Central Excise Appeals, Kolkata |
| Central Excise Act, 1944 | Excise Duty | 0.32 | - | 2013-14 | Assistant Commissioner CGST & Central Excise, Bankura |
| Central Excise Act, 1944 | Excise Duty | 23.90 | - | 2014-17 | Assistant Commissioner CGST & Central Excise, Bankura |
| Service Tax (Finance Act, 1994) | Service Tax | 1.80 | - | 2014-17 | Assistant Commissioner CGST & Central Excise, Bankura |
| Central Excise Act, 1944 | Excise Duty | 1.42 | - | 2017-18 | Assistant Commissioner CGST & Central Excise, Bankura |
| Central Excise Act, 1944 | Excise Duty | 13.35 | - | 2015-16 | Directorate General of Central Excise Intelligence |
| Service Tax (Finance Act, 1994) | Service Tax | 4.43 | - | 2016-18 | Assistant Commissioner (CGST Audit-1) Pune Commissionerate |
| Central Excise Act, 1944 | Excise Duty | 3.96 | - | 2017 | Assistant Commissioner CGST & Central Excise, Bankura |
| Central Goods and Services Tax Act, 2017 | Goods and Services Tax | 658.67 | - | 2019-20 | Superintendent CGST, Range-VI, Division VI, Shirur |

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.

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- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, or joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary and joint Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment and private placement (qualified institutions placement) of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle/surplus funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
 - (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
UDIN: 24508685BKEUEL1190

Place: Delhi
Date: 28 May 2024

Xpro India Limited : Annual Report 2023/24

Annexure 2 to the Independent Auditor's Report of even dated to the members of Xpro India Limited on the standalone financial statements for the year ended 31 March 2024

Annexure 2

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Xpro India Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 the Company's 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
UDIN: 24508685BKEUEL1190

Place: Delhi
Date: 28 May 2024

Xpro India Limited : Annual Report 2023/24

STANDALONE BALANCE SHEET as at March 31, 2024

| | Note No. | As at March 31, 2024 | (INR lacs) As at March 31, 2023 |
|--|----------|----------------------|------------------------------------|
| ASSETS | | | |
| Non-Current assets | | | |
| a. Property, plant and equipment | 5 (a) | 1,42,43.41 | 1,50,81.26 |
| b. Right-of-use assets | 47 | 8,58.17 | 9,10.09 |
| c. Capital work-in-progress | 5 (b) | 21,65.89 | 2,61.20 |
| d. Intangible assets | 6 | - | - |
| e. Intangible assets under development | 7 | 24.01 | - |
| f. Financial assets - Investments | 8 | 4,86.95 | 4,66.33 |
| - Loans | 9 | 23.22 | 22.13 |
| - Other financial assets | 10 | 3,27.47 | 3,41.43 |
| g. Non-current tax assets (net) | 11 | 2,41.35 | 1,71.80 |
| h. Other non-current assets | 12 | 65,08.30 | 35,57.43 |
| | | <u>2,48,78.77</u> | <u>2,08,11.67</u> |
| Current assets | | | |
| a. Inventories | 13 | 45,80.44 | 47,32.07 |
| b. Financial assets - Trade receivables | 14 | 54,45.43 | 50,98.39 |
| - Cash and cash equivalents | 15 | 1,61.45 | 12.43 |
| - Bank balances other than cash and cash equivalents | 16 | 3,19,43.18 | 30,01.11 |
| - Loans | 17 | 16.49 | 12.44 |
| - Other financial assets | 18 | 12.15 | 12.09 |
| c. Other current assets | 19 | 7,02.43 | 3,33.19 |
| | | <u>4,28,61.57</u> | <u>1,32,01.72</u> |
| Total Assets | | <u>6,77,40.34</u> | <u>3,40,13.39</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a. Equity share capital | 20 | 22,03.46 | 18,21.22 |
| b. Other equity | 21 | 5,38,47.53 | 2,15,33.81 |
| Total equity | | <u>5,60,50.99</u> | <u>2,33,55.03</u> |
| Liabilities | | | |
| Non-Current liabilities | | | |
| a. Financial liabilities | | | |
| - Borrowings | 22 | 19,47.23 | 9,56.37 |
| - Lease liabilities | 47 | 1,85.27 | 2,26.95 |
| - Other financial liabilities | 23 | 0.77 | 6.57 |
| b. Provisions | 24 | 70.40 | 18.98 |
| c. Deferred tax liabilities (net) | 25 | 17,71.44 | 9,45.33 |
| | | <u>39,75.11</u> | <u>21,54.20</u> |
| Current liabilities | | | |
| a. Financial liabilities | | | |
| - Borrowings | 26 | 17,25.80 | 26,48.43 |
| - Lease liabilities | 47 | 41.68 | 36.44 |
| - Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 27 | 2,87.90 | 1,41.04 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 27 | 46,09.05 | 48,96.88 |
| - Other financial liabilities | 28 | 6,09.44 | 2,51.04 |
| b. Other current liabilities | 29 | 4,35.83 | 5,30.33 |
| c. Provisions | 24 | 4.54 | - |
| | | <u>77,14.24</u> | <u>85,04.16</u> |
| Total liabilities | | <u>1,16,89.35</u> | <u>1,06,58.36</u> |
| Total Equity and liabilities | | <u>6,77,40.34</u> | <u>3,40,13.39</u> |

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

In terms of our report of even date attached

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
New Delhi, May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Xpro India Limited : Annual Report 2023/24

STANDALONE STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2024

| | | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|----|------------------------------|--|
| Revenue | | | |
| - Revenue from operations | 30 | 4,65,41.10 | 5,10,97.03 |
| - Other income | 31 | <u>12,18.18</u> | <u>3,84.72</u> |
| Total income | | 4,77,59.28 | 5,14,81.75 |
| Expenses | | | |
| - Cost of materials consumed | 32 | 3,17,18.28 | 3,46,95.04 |
| - Changes in inventories of finished goods and work-in-progress | 33 | (1,67.84) | 3,15.25 |
| - Employee benefits expense | 34 | 26,81.57 | 23,98.56 |
| - Finance costs | 35 | 5,00.63 | 7,53.19 |
| - Depreciation and amortisation expense | 36 | 11,13.70 | 11,52.18 |
| - Other expenses | 37 | <u>56,94.50</u> | <u>62,44.46</u> |
| Total expenses | | 4,15,40.84 | 4,55,58.68 |
| Profit before exceptional items and tax | | <u>62,18.44</u> | <u>59,23.07</u> |
| Exceptional items | 40 | <u>(2,02.00)</u> | <u>-</u> |
| Profit before tax | | 60,16.44 | 59,23.07 |
| Tax expense | 25 | | |
| - Current tax | | 8,01.45 | 7.83 |
| - Deferred tax expense | | 8,25.16 | 14,11.53 |
| - Tax for earlier years | | 1.94 | (32.64) |
| Total tax expense | | <u>16,28.55</u> | <u>13,86.72</u> |
| Profit for the year | | <u>43,87.89</u> | <u>45,36.35</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | | (1.10) | (0.23) |
| - Income tax relating to items that will not be reclassified to profit or loss | | 0.28 | 0.06 |
| Items that will be reclassified to profit or loss | | | |
| - Change in fair value of tax free bonds | | 4.89 | (33.04) |
| - Income tax relating to items that will be reclassified to profit or loss | | (1.23) | 11.62 |
| Other comprehensive income for the year, net of tax | | <u>2.84</u> | <u>(21.59)</u> |
| Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year) | | 43,90.73 | 45,14.76 |
| Earnings per equity share (of INR 10/- each) | 38 | | |
| - Basic (INR) | | 21.81 | 25.57 |
| - Diluted (INR) | | 21.77 | 24.35 |

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

In terms of our report of even date attached

For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Xpro India Limited : Annual Report 2023/24

STANDALONE STATEMENT OF CASH FLOWS

For the Year ended March 31, 2024

| | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|------------------------------|--|
| A. Cash flow from operating activities | | |
| Net profit before tax | 60,16.44 | 59,23.07 |
| Adjustments for: | | |
| Depreciation and amortisation (net) | 11,13.70 | 11,52.18 |
| Right to recompense (classified as financing cash flows) | 2,02.00 | - |
| Excess provision written back | (2,01.88) | - |
| Foreign currency translations (net) | (1.61) | - |
| Interest income (classified as investing cash flow) | (8,69.97) | (1,56.00) |
| Finance costs | 5,00.63 | 7,53.19 |
| Assets written off | 22.98 | - |
| Profit on sale of property, plant & equipment including assets held for sale | (1.24) | (80.15) |
| Dividend income | (0.05) | (0.08) |
| Operating profit before working capital changes | 67,81.00 | 75,92.21 |
| Decrease in financial assets | 10.67 | 4.93 |
| (Increase)/decrease in trade receivables | (3,45.69) | 15,36.07 |
| (Increase)/decrease in other assets | (13,37.66) | 24.57 |
| Decrease/(increase) in inventories | 1,51.63 | (1,67.90) |
| Increase/(decrease) in financial liabilities | 50.55 | (7,84.17) |
| (Decrease)/increase in other liabilities | (94.50) | 1,76.37 |
| Increase/(decrease) in provisions | 54.86 | (2,03.04) |
| Cash flow generated from operations (gross) | 52,70.86 | 81,79.04 |
| Income tax paid (net) | (8,72.94) | 1,09.10 |
| Net cash flow generated from operating activities (A) | 43,97.92 | 82,88.14 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment, right-of-use assets and intangible assets | (38,16.34) | (36,31.88) |
| Investment in financial assets measured at fair value through profit and loss | (1,35.75) | - |
| Proceeds from sale of property, plant and equipment | 10.01 | 76.50 |
| Dividend received | 0.05 | 0.08 |
| Interest received | 8,69.89 | 1,56.00 |
| Investment in fixed deposits | (2,89,40.10) | (24,28.26) |
| Net cash flow used in investing activities (B) | (3,20,12.24) | (58,27.56) |
| C. Cash flow from financing activities | | |
| Proceeds from convertible warrants | 1,42,72.10 | 18,74.52 |
| Issue of equity shares through QIP | 1,49,99.99 | - |
| Share issue expenses paid | (4,31.53) | - |
| Right to recompense | (2,02.00) | - |
| Dividend paid | (4,09.64) | (2,32.58) |
| Principal payment of lease liabilities | (36.44) | (27.87) |
| Interest payment of lease liabilities | (27.79) | (27.36) |
| Proceeds from long-term borrowings | 19,47.23 | - |
| Repayment of long-term borrowings | (15,63.29) | (64,65.90) |
| (Repayment)/Proceeds of short-term borrowings (net) | (3,15.71) | 13,01.03 |
| Interest paid/finance cost | (4,69.58) | (7,35.84) |
| Net cash flow generated from/(used in) financing activities (C) | 2,77,63.34 | (43,14.00) |
| Net increase/decrease in cash and cash equivalents (A+B+C) | 1,49.02 | (18,53.42) |
| Cash and Cash Equivalents at the beginning of the year | 12.43 | 18,65.85 |
| Cash and Cash Equivalents at the end of the year (refer note 15) | 1,61.45 | 12.43 |

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| | <u>As at</u> March 31, 2024 | <u>As at</u> March 31, 2023 |
|--|--------------------------------|--------------------------------|
| Components of cash and cash equivalents (refer note 15) | | |
| Balances with scheduled banks: | | |
| - In current accounts | 9.37 | 10.42 |
| - Debit balance in cash credit accounts | 1,49.64 | - |
| Cash on hand | 2.44 | 2.01 |
| | 1,61.45 | 12.43 |

Notes:

- a) The Standalone Cash Flow Statement has been prepared as per the “indirect method” set out in Ind AS 7 on Statement of Cash Flow;
b) Disclosures as required in terms of Amendment to Ind AS 7 ‘Statement of cash Flows’

| | <u>Lease liabilities</u> | <u>Long-term borrowings</u> | <u>Short-term Borrowings</u> |
|------------------------------------|--------------------------|-----------------------------|------------------------------|
| Balance as on April 1, 2022* | 2,17.82 | 80,30.43 | 7,40.48 |
| Cash flows: | | | |
| Proceeds | - | - | 13,01.03 |
| Repayments | (55.23) | (64,65.90) | - |
| Non-cash changes on account of: | | | |
| addition | 73.44 | - | - |
| foreign exchange fluctuation | - | (1.24) | - |
| interest cost on lease liabilities | 27.36 | - | - |
| Balance as on April 1, 2023* | 2,63.39 | 15,63.29 | 20,41.51 |
| Cash flows: | | | |
| Proceeds | - | 19,47.23 | - |
| Repayments | (64.23) | (15,63.29) | (3,15.71) |
| Non-cash changes on account of: | | | |
| addition | - | - | - |
| foreign exchange fluctuation | - | - | - |
| interest cost on lease liabilities | 27.79 | - | - |
| Balance as on March 31, 2024* | 2,26.95 | 19,47.23 | 17,25.80 |

* includes current maturity of long-term borrowings Nil (March 31, 2023: INR 6,06.92 lacs, March 31, 2022: INR 16,59.50 lacs)

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

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Xpro India Limited : Annual Report 2023/24

STANDALONE STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2024

(INR lacs)

A. Equity Share Capital

| Particulars | Number of shares | Amount |
|--|--------------------|-----------------|
| Balance as at April 1, 2022 | 1,18,13,500 | 11,81.35 |
| Bonus equity shares issued during the year (note 20) | 59,06,744 | 5,90.67 |
| Equity shares issued on conversion of fully paid warrants (note 20 & 49) | 3,28,000 | 32.80 |
| Bonus equity shares issued on conversion of fully paid warrants (note 20) | 1,64,000 | 16.40 |
| Balance as at March 31, 2023 | 1,82,12,244 | 18,21.22 |
| Equity shares issued on conversion of fully paid warrants (note 20 & 49) | 16,40,000 | 1,64.00 |
| Bonus equity shares issued on conversion of fully paid warrants (note 20) | 8,20,000 | 82.00 |
| Equity shares issued pursuant to Qualified Institutions Placement (QIP) (note 20'h') | 13,62,397 | 1,36.24 |
| Balance as at March 31, 2024 | 2,20,34,641 | 22,03.46 |

B. Other equity

| Particulars | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Financial assets through OCI | Money received against warrants | Total |
|--|-------------------------|--------------------|-----------------|-------------------|------------------------------|---------------------------------|-------------------|
| Balance as at April 1, 2022 | 60.50 | 4,06.58 | 67,50.00 | 50,67.67 | (13.12) | 37,49.04 | 1,60,20.67 |
| Profit for the year | - | - | - | 45,36.35 | - | - | 45,36.35 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.17) | (21.42) | - | (21.59) |
| Payment of Dividend | - | - | - | (2,36.27) | - | - | (2,36.27) |
| Issue of Bonus shares | - | (4,06.58) | (2,00.49) | - | - | - | (6,07.07) |
| Balance proceeds from warrants | - | - | - | - | - | 18,74.52 | 18,74.52 |
| Issue of shares against warrants | - | 24,66.56 | - | - | - | (24,99.36) | (32.80) |
| Balance as at March 31, 2023 | 60.50 | 24,66.56 | 65,49.51 | 93,67.58 | (34.54) | 31,24.20 | 2,15,33.81 |
| Profit for the year | - | - | - | 43,87.89 | - | - | 43,87.89 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.82) | 3.66 | - | 2.84 |
| Payment of Dividend | - | - | - | (4,13.44) | - | - | (4,13.44) |
| Issue of Bonus shares | - | (82.00) | - | - | - | - | (82.00) |
| Balance proceeds from warrants | - | - | - | - | - | 93,72.60 | 93,72.60 |
| Issue of shares against warrants | - | 1,23,32.80 | - | - | - | (1,24,96.80) | (1,64.00) |
| On preferential issue of warrants | - | - | - | - | - | 48,99.50 | 48,99.50 |
| Issue of shares pursuant to QIP | - | 1,48,63.75 | - | - | - | - | 1,48,63.75 |
| Share issue expenses incurred for QIP | - | (5,53.42) | - | - | - | - | (5,53.42) |
| Balance as at March 31, 2024 | 60.50 | 2,90,27.69 | 65,49.51 | 1,33,41.21 | (30.88) | 48,99.50 | 5,38,47.53 |

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

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Xpro India Limited : Annual Report 2023/24

Notes to the Standalone Financial Statements

1. Company Information:

Xpro India Limited (the 'Company') is a public limited company domiciled in India with its registered office located at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal. Incorporated on November 26, 1997 as "Biax Films Limited" under the Companies Act, 1956, the present name was adopted w.e.f. September 22, 1998. Equity shares of the Company are listed on the National Stock Exchange (NSE) and are admitted for trading on the Bombay Stock Exchange (BSE). Organised 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).

The Company has a wholly owned subsidiary, Xpro Global Limited, incorporated in India and engaged in general trade.

2. Recent pronouncements on Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023. However, these amendments did not have any material impact on the Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 1 - Presentation of Financial Statements

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition

3. Basis for Preparation:

a. **Statement of compliance with Indian Accounting Standards (Ind AS)**

These standalone financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended.

b. **Basis of measurement**

These standalone financial statements have been prepared on a historical cost basis except for (a) certain financial instruments that are measured at fair values at the end of each reporting period and (b) net defined benefit assets/liability measured at fair value of planned assets less present value of defined benefit obligations. The methods used to measure fair values are discussed further in notes to standalone financial statements.

c. **Functional and presentation currency**

The standalone financial statements of the Company are presented in Indian Rupees (INR), which is also its functional currency. All financial amounts disclosed in the standalone financial statements and notes have been rounded to the nearest lac (upto two decimals), unless stated otherwise.

d. **Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within twelve months after the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle;

- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period;
- iv) There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. 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.

e. Fair Value Measurements

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability or in the absence of a principal market in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices, included in Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 4(s) - Financial Instruments.

Overall Considerations

The standalone financial statements have been prepared on going concern basis using the material accounting policies and measurement basis summarized below.

These accounting policies have been used throughout all periods presented in the standalone financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

4. Material accounting policy information:

A summary of the material accounting policy information applied in the preparation of the standalone financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the standalone financial statements.

a. **Property, plant and equipment**

Property, plant and equipment and capital work-in-progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, borrowing costs if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if a) it is probable that future economic benefits associated with the item will flow to the entity; and b) the cost of the item can be measured reliably.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses on existing assets, including day-to-day repair and

maintenance expenditure and cost of replacing parts, are charged to the Standalone Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Standalone Statement of Profit and Loss.

Value for individual assets acquired for a consolidated price, the consideration is apportioned to the various assets on a fair value basis as determined by competent valuers.

The Company has technically evaluated all the property, plant and equipment for determining the separate identifiable assets having different useful lives under the component approach. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on property, plant and equipment is provided on a straight line method computed on the basis of useful life as per Schedule II of Companies Act, 2013, on pro-rata basis from the date the asset is ready to put to use.

Leasehold improvements are amortised over the lease period.

Depreciation on property, plant and equipment which are added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/deletion. An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognised.

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the standalone statement of profit and loss.

b. Intangible assets

Intangible assets that are acquired by the Company, having finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the standalone statement of profit and loss.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Amortisation of intangible assets such as software is computed on a straight-line basis, at rates representing estimated useful life of 5 years. Technical know-how fees are amortised over the life of the plant from the date of commencement of commercial production using such know-how. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

c. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised as an expense in the year in which they are incurred.

d. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of the other assets or CGUs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value

less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). To determine impairment of the Company's corporate assets which do not generate independent cash inflows, recoverable amount is determined for the CGUs to which the corporate assets belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the standalone statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to CGU, and then to reduce the carrying amounts of any other assets of the CGUs or group of CGUs on a pro-rata basis.

e. Assets held for sale

The Company classifies asset as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if the Management expects to complete the sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

f. Inventories

Inventories are valued at lower of the cost and net realisable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on a weighted average basis. Work-in-progress includes raw material cost, plus conversion cost depending upon stage of completion. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition. Stock in Transit is valued at lower of cost and net realisable value. Scrap is valued at estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the standalone statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are neither recognised nor disclosed in the standalone financial statements.

h. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and ultimate collection of the grant/subsidy is reasonably certain. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenues on a systematic basis in the periods in which such expenses are recognised.

i. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade

receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

k. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date the transaction first qualifies for recognition. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of short-term monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or as expenses in the year in which they arise.

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks in respect of its imports and exports. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in standalone statement of profit and loss.

l. Revenue recognition

Sale of Goods: Revenue from sale of products are recognised at a point of time when control of products is transferred i.e. on dispatch of goods and are accounted for net of returns, trade discounts, volume rebates and freight outward. Revenue is exclusive of goods and services tax.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). No element of financing is deemed present as the sales are largely made with credit term of not more one year.

The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Sale of Services: Revenue from job work services and management consultancy services are recognized based on the services rendered in accordance with the terms of contracts.

Dividend Income: Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

Interest Income: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the standalone statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Other Income: Income from export incentives is recognised on accrual basis.

m. Employee Benefits

Employee benefits include provident fund, Superannuation Fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans: The Company's contribution to Provident Fund, Superannuation Fund and employees state insurance scheme are considered as defined contribution plans and are charged as an expense based on the pre-determined amount of contribution required to be made and when services are rendered by the employees.

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Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to standalone statement of profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss: (i) Service costs comprising current service costs, gains and losses on curtailments and settlements; and (ii) Net interest expense or income.

The retirement benefit obligation recognized in the Standalone Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Retirement benefit in the form of provident fund is a defined benefit scheme. The Company contributes its portion of contribution to Xpro India Ltd. Employees Provident Fund Trust ('the Trust'). The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and accounted by the Company as provident fund cost.

Other employee benefits: Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in the actuarial assumption are recognised in the standalone statement of profit and loss.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

n. Leases

The Company as a lessee: Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable; (b) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable under residual value guarantees, if any; (d) the exercise price of a purchase option if any, if the Company is reasonably certain to exercise that option; (e) payment for penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the standalone statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depends on sales are recognised in the standalone statement of profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising (a) the amount of the initial measurement of lease liability; (b) any lease payments made at or before the commencement date less any lease incentives received; (c) any initial direct costs; and (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

Right-of-use assets are generally amortised over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the standalone statement of profit and loss. Short term leases are the leases with a lease term of 12 months or less.

o. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in standalone statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

p. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of equity shares outstanding the year is adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

q. Operating segment

In accordance with Ind AS 108, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Company predominantly fall within a single reportable operating segment, i.e., Polymer Processing. The Board of Directors is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

r. Equity investment

Equity investments in subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of financial assets is followed.

s. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the standalone statement of profit and loss.

Financial assets classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories: Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss. This category generally applies to trade and other receivables.

Investments carried at fair value through profit and loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss.

Investments carried at fair value through other comprehensive income (FVTOCI)

An investment in bond is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset.

After initial measurement, fair value movements are recognised in the other comprehensive income (OCI).

However, the Company recognises interest income, impairment losses and reversals in the consolidated statement of profit and loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in standalone statement of profit and loss on disposal of that financial asset.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the standalone statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are measured at FVTOCI e.g. investment in bonds.
- (c) Trade receivables under Ind AS 115.

For recognition of impairment loss on other financial assets, investment in subsidiary and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves and there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or fair value through profit and loss.

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in standalone statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the standalone statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

3. Offsetting

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

t. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of the financial year which are unpaid.

u. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in standalone statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowing are de-recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in standalone statement of profit and loss.

v. Use of estimates and management judgements

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the standalone financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company and uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Such changes are reflected in the assumptions when they occur.

The following areas have been identified where material judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the material accounting policy information are described below and also in the relevant notes to the standalone financial statements. Changes in estimates are accounted for prospectively.

In order to enhance understanding of the standalone financial statements, information about areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most material effect on the amounts recognised in the standalone financial statements have been identified as under:

Material management judgements:

1. Recoverable amount of property, plant and equipment

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected market outlook and future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

2. Provisions and contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company. The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of material judgments and the use of estimates regarding the outcome of future events.

3. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Material management estimates:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

2. Employee benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. a) Property, plant and equipment (INR lacs)

| Particulars | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Computers | Equipment & Fittings | Total | Capital work- In Progress |
|-------------------------------------|-----------------|-------------------|----------------------|----------------|----------------|----------------------|-------------------|---------------------------|
| Gross Block | | | | | | | | |
| Balance as on April 1, 2022 | 41,34.96 | 2,52,73.02 | 3,34.58 | 3,40.82 | 1,58.07 | 120.19 | 3,03,61.64 | 37.30 |
| Additions (refer note d' below) | 51.23 | 1,19.41 | 2.07 | 1,43.66 | 10.69 | 7.88 | 3,34.94 | 2,28.20 |
| Less: Disposals/adjustments | - | 17,79.92 | 1,45.90 | 58.21 | 33.88 | 54.22 | 20,72.13 | 4.30 |
| Balance as on March 31, 2023 | 41,86.19 | 2,36,12.51 | 1,90.75 | 4,26.27 | 1,34.88 | 73.85 | 2,86,24.45 | 2,61.20 |
| Additions (refer note d' below) | 5.28 | 2,19.02 | 0.21 | 14.91 | 15.30 | 0.96 | 2,55.68 | 20,90.98 |
| Less: Disposals/adjustments | - | 79.65 | 36.76 | 23.84 | 6.77 | 2.70 | 1,49.72 | 1,86.29 |
| Balance as on March 31, 2024 | 41,91.47 | 2,37,51.88 | 1,54.20 | 4,17.34 | 1,43.41 | 72.11 | 2,87,30.41 | 21,65.89 |
| Accumulated Depreciation | | | | | | | | |
| Balance as on April 1, 2022 | 11,06.34 | 1,27,25.71 | 2,62.22 | 90.49 | 1,34.05 | 1,07.00 | 1,44,25.81 | - |
| Add: Depreciation for the year | 1,31.52 | 9,06.60 | 15.45 | 37.75 | 8.23 | 7.87 | 11,07.42 | - |
| Less: Disposals | - | 17,46.92 | 1,37.85 | 18.93 | 33.88 | 52.46 | 19,90.04 | - |
| Balance as on March 31, 2023 | 12,37.86 | 1,18,85.39 | 1,39.82 | 1,09.31 | 1,08.40 | 62.41 | 1,35,43.19 | - |
| Add: Depreciation for the year | 1,33.77 | 8,52.06 | 11.30 | 49.99 | 10.44 | 4.22 | 10,61.78 | - |
| Less: Disposals | - | 61.54 | 32.24 | 15.12 | 6.55 | 2.52 | 117.97 | - |
| Balance as on March 31, 2024 | 13,71.63 | 1,26,75.91 | 1,18.88 | 1,44.18 | 1,12.29 | 64.11 | 1,44,87.00 | - |
| Balance as on March 31, 2024 | 28,19.84 | 1,10,75.97 | 35.32 | 2,73.16 | 31.12 | 8.00 | 1,42,43.41 | 21,65.89 |
| Balance as on March 31, 2023 | 29,48.33 | 1,17,27.12 | 50.93 | 3,16.96 | 26.48 | 11.44 | 1,50,81.26 | 2,61.20 |

Notes:

- Refer note 22 for information on property, plant and equipment pledged as security by the Company;
- Refer note 12 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- 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 considered in these standalone financial statements;
- Exchange differences on all long-term monetary items resulted in INR Nil (March 31, 2023); deletion of INR 1.24 lacs to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset;
- The Company has constructed buildings on leasehold lands which are shown under note 47 - Leases; There are no separate title deeds for such buildings.

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| 5. b) Capital Work-in-progress (CWIP) | Amount in CWIP for a period of | | | | (INR lacs) |
|---------------------------------------|--------------------------------|-------------|-------------|-----------|------------|
| | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | Total |
| <u>As at March 31, 2024</u> | | | | | |
| Projects in progress | 20,90.98 | 74.91 | - | - | 21,65.89 |
| <u>As at March 31, 2023</u> | | | | | |
| Projects in progress | 2,28.20 | 33.00 | - | - | 2,61.20 |

There are no projects as on end of each reporting period (a) where activity has been suspended and (b) which has exceeded cost as compared to its original plan or where completion is overdue.

CWIP balance includes certain directly attributable expenses in the nature of travelling, salaries, insurance, consulting and other expenses aggregating to INR 198.22 lacs.

| 6. Intangible assets | | | (INR lacs) |
|---|-------------------|-------------------|------------|
| | Computer software | Technical knowhow | Total |
| Gross block | | | |
| Balance as at April 1, 2022 | 28.32 | 3,48.38 | 3,76.70 |
| Additions | - | - | - |
| Balance as at March 31, 2023 | 28.32 | 3,48.38 | 3,76.70 |
| Additions | - | - | - |
| Balance as at March 31, 2024 | 28.32 | 3,48.38 | 3,76.70 |
| Accumulated amortisation | | | |
| Balance as at April 1, 2022 | 28.32 | 3,48.38 | 3,76.70 |
| Add: Amortisation during the year | - | - | - |
| Balance as at March 31, 2023 | 28.32 | 3,48.38 | 3,76.70 |
| Add: Amortisation during the year | - | - | - |
| Balance as at March 31, 2024 | 28.32 | 3,48.38 | 3,76.70 |
| Net balance as at March 31, 2023 | - | - | - |
| Net balance as at March 31, 2024 | - | - | - |

| 7. a) Intangible assets under development | | | (INR lacs) |
|---|-------------------------|-------------------------|------------|
| | As at March 31, 2024 | As at March 31, 2023 | |
| Opening balance | - | - | - |
| Addition during the year | 24.01 | - | - |
| Closing Balance | 24.01 | - | - |

| 7. b) Ageing of intangible assets under development | Amount in CWIP for a period of | | | | (INR lacs) |
|---|--------------------------------|-------------|-------------|-----------|------------|
| | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | Total |
| <u>As at March 31, 2024</u> | | | | | |
| Projects in progress | 24.01 | - | - | - | 24.01 |
| <u>As at March 31, 2023</u> | | | | | |
| Projects in progress | - | - | - | - | - |

Note: refer note 12 for disclosure of contractual commitment for the acquisition of Intangible assets

| 8. Investments (Non-current) | | | (INR lacs) |
|--|-------------------------|-------------------------|------------|
| | As at March 31, 2024 | As at March 31, 2023 | |
| Investments measured at amortised cost | | | |
| Investments in equity shares of wholly owned subsidiary: | | | |
| Unquoted (valued at cost - non-trade) | | | |
| 10,00,000 equity shares (March 31, 2023: 10,00,000 equity shares) of INR10 each in Xpro Global Limited (out of which 9,50,000 equity shares (March 31, 2023: 9,50,000 equity shares) partly paid up of INR 5 each) | 52.50 | 52.50 | |
| Less: impairment in value of investment, written off | (51.00) | (51.00) | |
| Investments in equity shares (Fair value through Profit and Loss): (refer note 45) | | | |
| 13,57,547 equity shares (March 31, 2023: Nil) of INR10 each in TP Mercury Limited | 15.73 | - | |
| Investments in bonds (quoted) (Fair value through other comprehensive income): | | | |
| Tax Free Bonds (refer details below*) | 4,69.72 | 4,64.83 | |
| Total investments | 4,86.95 | 4,66.33 | |

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| | As at <u>March 31, 2024</u> | (INR lacs) As at <u>March 31, 2023</u> |
|--|--------------------------------|--|
| Aggregate amount of unquoted investments (net of impairment) | 17.23 | 1.50 |
| Aggregate amount of impairment in value of unquoted investment | 51.00 | 51.00 |
| Aggregate amount of quoted investments * | 4,69.72 | 4,64.83 |

* Market value of Quoted investments

| | As at <u>March 31, 2024</u> | | As at <u>March 31, 2023</u> | |
|---|--------------------------------|----------------------|--------------------------------|----------------------|
| | Number of Units | Amount (INR lacs) | Number of Units | Amount (INR lacs) |
| 8.66% IIFCL Tax Free Bond - 2034 (maturity: January 1, 2034) (Face Value: INR 1,000 each) | 20000 | 2,53.87 | 20000 | 2,48.50 |
| 8.48% IIFCL Tax Free Bond - 2028 (maturity: September 9, 2028) (Face Value: INR 10,00,000 each) | 10 | 1,12.86 | 10 | 1,13.89 |
| 8.66% NTPC Tax Free Bond - 2033 (maturity: December 16, 2033) (Face Value: INR 1,000 each) | 3463 | 43.86 | 3463 | 43.31 |
| 8.63% IRFC Tax Free Bond - 2029 (maturity: March 26, 2029) (Face Value: INR 1,000 each) | 2500 | 28.87 | 2500 | 28.91 |
| 8.66% IIFCL Tax Free Bond - 2034 (maturity: January 22, 2034) (Face Value: INR 1,000 each) | 1499 | 19.00 | 1499 | 18.78 |
| 8.54% PFC Tax Free Bond - 2028 (maturity: November 16, 2028) (Face Value: INR 1,000 each) | 1000 | 11.26 | 1000 | 11.44 |
| | | <u>4,69.72</u> | | <u>4,64.83</u> |

The aggregate amount of investment in bonds at purchase price is INR 5,10.98 lacs (March 31, 2023: INR 5,10.98 lacs)

The Company designated the investments shown above as debt instruments as FVTOCI because these debt instruments represent investments which are long term in nature and the Company intends to hold these investments till maturity.

9. Loans (Non-current)

(Considered good, unsecured)

| | As at <u>March 31, 2024</u> | (INR lacs) As at <u>March 31, 2023</u> |
|--------------------|--------------------------------|--|
| Loans to employees | 23.22 | 22.13 |
| Total | <u>23.22</u> | <u>22.13</u> |

Note: There are no loans due by directors or other officers of the Company either severally or jointly with any other persons or amounts due by firms or private companies in which any director is a partner or a director or a member

10. Other financial assets (Non-current)

(Considered good, unsecured)

| | As at <u>March 31, 2024</u> | (INR lacs) As at <u>March 31, 2023</u> |
|---|--------------------------------|--|
| Security deposits | 2,66.97 | 1,80.20 |
| VAT Subsidy | 54.22 | 1,56.78 |
| Bank Deposits with more than 12 months maturity | 6.28 | 4.45 |
| Total | <u>3,27.47</u> | <u>3,41.43</u> |

11. Non-current income tax assets (net)

| | As at <u>March 31, 2024</u> | (INR lacs) As at <u>March 31, 2023</u> |
|---|--------------------------------|--|
| Pre-paid taxes (net of provision for tax INR 801.45; previous year INR Nil) | 2,41.35 | 1,71.80 |
| Total | <u>2,41.35</u> | <u>1,71.80</u> |

12. Other assets (Non-current)

(Considered good, unsecured)

| | As at <u>March 31, 2024</u> | (INR lacs) As at <u>March 31, 2023</u> |
|---|--------------------------------|--|
| Capital advances [refer note (a) below] | 53,83.33 | 35,17.10 |
| Advances other than capital advances | | |
| - Pre-paid expenses | 10,98.44 | 11.78 |
| - Balances with statutory authorities | 26.53 | 28.55 |
| Total | <u>65,08.30</u> | <u>35,57.43</u> |

Notes:

1) Capital commitment:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts (net of capital advances): INR 2,56,95.32 lacs (March 31, 2023: INR 2,55,03.70 lacs)

b) Unpaid portion of subscribed equity capital in subsidiary: INR 47.50 lacs (March 31, 2023: INR 47.50 lacs)

2) Prepaid expenses include INR 898.19 lacs towards unamortised insurance premium on the drawn and undrawn external commercial borrowing from BpiFrance S.A., amounting to EURO 1,29,76,862.84.

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13. Inventories

(valued at lower of cost and net realisable value)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Raw material | 27,07.10 | 30,64.19 |
| Work-in-progress | 2,03.03 | 2,70.39 |
| Finished goods (including goods in transit of INR 86.17 lacs; March 31, 2023:Nil) | 12,61.98 | 10,26.78 |
| Stores and spares | 4,08.33 | 3,70.71 |
| Total | 45,80.44 | 47,32.07 |

14. Trade receivables

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Trade receivables: Considered good, unsecured | 54,45.43 | 50,98.39 |
| Total | 54,45.43 | 50,98.39 |

Notes:

(a) There are no amounts due by directors or other officers of the Company either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

(c) Trade receivables ageing schedule

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|--|------------|---|----------------------|----------------|----------------|-----------|----------|
| | | < 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | |
| <u>March 31, 2024</u> | | | | | | | |
| Undisputed trade receivables | | | | | | | |
| i) considered good | 47,73.78 | 6,67.59 | 1.40 | 2.66 | - | - | 54,45.43 |
| ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) credit impaired | - | - | - | - | - | - | - |
| <u>March 31, 2023</u> | | | | | | | |
| Undisputed trade receivables | | | | | | | |
| i) considered good | 44,92.71 | 6,03.02 | 2.66 | - | - | - | 50,98.39 |
| ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) credit impaired | - | - | - | - | - | - | - |

15. Cash and cash equivalents

| | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|-------------------------|
| Balance with banks in current accounts | 9.37 | 10.42 |
| Debit balance in cash credit accounts | 1,49.64 | - |
| Cash on hand | 2.44 | 2.01 |
| Total * | 1,61.45 | 12.43 |

*There are no restrictions on usage of cash and cash equivalents by the Company as at the end of current and previous years.

16. Bank balances other than cash and cash equivalents

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months | 2,08,37.86 | 26,25.90 |
| Unpaid dividend accounts | 7.49 | 3.69 |
| Balances held as margin money | 1,10,97.83 | 3,71.52 |
| Total | 3,19,43.18 | 30,01.11 |

17. Loans (Current)

(Considered good, unsecured)

| | As at March 31, 2024 | As at March 31, 2023 |
|--------------------|-------------------------|-------------------------|
| Loans to employees | 16.49 | 12.44 |
| Total | 16.49 | 12.44 |

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18. Other financial assets (Current)

(Considered good, unsecured)

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|--|--------------------------------|--------------------------------|
| Security deposits | 0.55 | 0.57 |
| Interest accrued but not due (on tax-free bonds) | 11.60 | 11.52 |
| Total | <u>12.15</u> | <u>12.09</u> |

19. Other current assets

(Considered good, unsecured)

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|------------------------------------|--------------------------------|--------------------------------|
| Advance to suppliers | 84.46 | 28.58 |
| Prepaid expenses | 2,58.89 | 1,94.94 |
| Balance with statutory authorities | 3,44.91 | 59.96 |
| Other receivable | - | - |
| Loans - considered good, unsecured | 14.17 | 49.71 |
| Total | <u>7,02.43</u> | <u>3,33.19</u> |

Note:

Balance with statutory authorities represents goods and services tax (earlier service tax) paid on inputs (earlier input and services) availed by the Company and eligible for utilization towards discharge of goods and services tax (earlier service tax liability) in respect of services rendered by the Company. The Company expects the utilization of outstanding balances as at each date of standalone financial statements within twelve months thereof.

20. Equity share capital

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|---|--------------------------------|--------------------------------|
| Authorised Share Capital | | |
| 3,50,00,000 (March 31, 2023: 3,50,00,000) Equity shares of INR 10 each | 35,00.00 | 35,00.00 |
| Issued, Subscribed & Paid-up | | |
| 2,20,34,641 (March 31, 2023: 1,82,12,231) equity shares of INR 10 each fully paid | 22,03.46 | 18,21.22 |
| Share Capital Suspense | | |
| 13 (March 31, 2023:13) equity shares of INR 10 each fully paid | -* | -* |
| (*rounded off to INR Nil) | <u>22,03.46</u> | <u>18,21.22</u> |

a) 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 (as amended) and 1 equity share of INR 10 pending to be allotted as fully paid to a non-resident share holder by way of bonus share in terms of RBI regulations.

b) Reconciliation of number of equity shares outstanding:

| | <u>For the year ended March 31, 2024</u> | | <u>For the year ended March 31, 2023</u> | |
|---|--|------------------------|--|------------------------|
| | Number of equity shares | Amount (INR lacs) | Number of equity shares | Amount (INR lacs) |
| At the beginning of the year | 1,82,12,244 | 18,21.22 | 1,18,13,500 | 11,81.35 |
| Bonus equity shares issued during the year | - | - | 59,06,744 | 5,90.67 |
| Equity shares issued on conversion of fully paid warrants | 16,40,000 | 1,64.00 | 3,28,000 | 32.80 |
| Bonus equity shares issued on conversion of fully paid warrants | 8,20,000 | 82.00 | 1,64,000 | 16.40 |
| Shares issued pursuant to Qualified Institutions Placement [refer note (h) below] | 13,62,397 | 1,36.24 | - | - |
| At the end of the year | <u>2,20,34,641</u> | <u>22,03.46</u> | <u>1,82,12,244</u> | <u>18,21.22</u> |

c) **Terms/rights attached to equity shares**

The Company has issued only one class of equity shares having a face value of INR 10 per share. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their respective shareholding. All shares rank equally with regard to the Company's residual assets.

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d) Shareholder(s) holding more than 5% shares in the Company:

| Name of the Shareholder(s) | As at | |
|---------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| i) Intellipro Finance Private Limited | | |
| - No. of shares | 34,57,500 | 34,57,500 |
| - % of shares held | 15.69 | 18.98 |
| ii) iPro Capital Limited | | |
| - No. of shares | 44,09,999 | 44,09,999 |
| - % of shares held | 20.01 | 24.21 |
| iii) Malabar India Fund Limited | | |
| - No. of shares | 24,60,000 | - |
| - % of shares held | 11.16 | - |

e) Shareholding of Promoters:

| Sl. | Promoter Name | Shares held by Promoters/Promoter Group | | | | % change during the year |
|-----|--------------------------------------|---|-------------------|----------------------|-------------------|--------------------------|
| | | As on March 31, 2023 | | As on March 31, 2024 | | |
| | | No. of Shares | % of total shares | No. of Shares | % of total shares | |
| 1 | Birla Eastern Limited | 27600 | 0.15 | 27600 | 0.13 | (0.02) |
| 2 | Birla Holdings Limited | 249975 | 1.37 | 249975 | 1.13 | (0.24) |
| 3 | Birla, Madhushree Smt. | 150187 | 0.82 | 150187 | 0.68 | (0.14) |
| 4 | Birla, Sidharth Kumar | 152812 | 0.84 | 152812 | 0.69 | (0.15) |
| 5 | Birla, S K | 829 | 0.00 | 829 | 0.00 | 0.00 |
| 6 | Sudarshan Kumar Birla (HUF) | 234 | 0.00 | 234 | 0.00 | 0.00 |
| 7 | Birla, Sumangala Smt. | 2290 | 0.01 | 2290 | 0.01 | 0.00 |
| 8 | Central India General Agents Limited | 805500 | 4.42 | 805500 | 3.66 | (0.76) |
| 9 | IntelliPro Finance Private Limited | 3457500 | 18.98 | 3457500 | 15.69 | (3.29) |
| 10 | iPro Capital Limited | 4409999 | 24.21 | 4409999 | 20.01 | (4.20) |
| 11 | Janardhan Trading Co. Ltd. | 99000 | 0.54 | 99000 | 0.45 | (0.09) |
| | Promoter/Promoter Group Total: | 9355926 | 51.34 | 9355926 | 42.45 | (8.89) |

Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013

f) During the year ended March 31, 2024, the Company issued and allotted 8,20,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares (previous year ended March 31, 2023: (a) 59,06,744 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares outstanding on record date, and (b) 1,64,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares). There have been no other shares which has been issued for a consideration other than cash and no shares bought back by the Company during the period of 5 years immediately preceding the reporting date.

g) There are no options outstanding as at the end of the year.

h) Pursuant to a Qualified Institutions Placement ("QIP"), 13,62,397 fully paid-up equity shares were issued and allotted to 21 subscribers, at INR 1,101 (face value INR 10 plus premium of INR 1,091) per equity share, on February 29, 2024 (refer note 49) increasing the share capital by INR 1,36.24 lacs and the securities premium by INR 1,48,63.75 lacs.

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| (INR lacs) | | | | | | | |
|---|-------------------------------|-----------------------|--------------------|----------------------|---------------------------------------|--|------------|
| Particulars | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Financial assets through OCI | Money received against warrants | Total |
| Balance as at April 1, 2022 | 60.50 | 4,06.58 | 67,50.00 | 50,67.67 | (13.12) | 37,49.04 | 1,60,20.67 |
| Profit for the year | - | - | - | 45,36.35 | - | - | 45,36.35 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.17) | (21.42) | - | (21.59) |
| Payment of Dividend | - | - | - | (2,36.27) | - | - | (2,36.27) |
| Issue of Bonus shares | - | (4,06.58) | (2,00.49) | - | - | - | (6,07.07) |
| Balance proceeds from warrants | - | - | - | - | - | 18,74.52 | 18,74.52 |
| Issue of shares against warrants | - | 24,66.56 | - | - | - | (24,99.36) | (32.80) |
| Balance as at March 31, 2023 | 60.50 | 24,66.56 | 65,49.51 | 93,67.58 | (34.54) | 31,24.20 | 2,15,33.81 |
| Profit for the year | - | - | - | 43,87.89 | - | - | 43,87.89 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.82) | 3.66 | - | 2.84 |
| Payment of Dividend | - | - | - | (4,13.44) | - | - | (4,13.44) |
| Issue of Bonus shares | - | (82.00) | - | - | - | - | (82.00) |
| Balance proceeds from warrants | - | - | - | - | - | 93,72.60 | 93,72.60 |
| Issue of shares against warrants | - | 1,23,32.80 | - | - | - | (1,24,96.80) | (1,64.00) |
| On preferential issue of warrants | - | - | - | - | - | 48,99.50 | 48,99.50 |
| Issue of shares pursuant to QIP | - | 1,48,63.75 | - | - | - | - | 1,48,63.75 |
| Share issue expenses incurred for QIP | - | (5,53.42) | - | - | - | - | (5,53.42) |
| Balance as at March 31, 2024 | 60.50 | 2,90,27.69 | 65,49.51 | 1,33,41.21 | (30.88) | 48,99.50 | 5,38,47.53 |

Nature and purpose of reserves

a) Capital subsidy reserve

This represents the profit earned by the Company through a special transaction in the nature of a government subsidy that is not available for distributing dividend.

b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

c) General reserve

General reserve is a distributable reserve created by way of transfer from time to time from annual profits. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

d) Retained earnings

Represents the accumulated balances of profits earned over the years after appropriation for general reserves, and adjustments for dividends or other distributions paid to shareholders.

e) Money received against warrants

Represents amount received towards preferential allotment of convertible warrants issued.

| | (INR lacs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| <u>Loans from banks - Secured</u> | | |
| Term loans (refer note a to d) | - | 9,47.10 |
| Foreign currency borrowings (refer note e) | 19,47.23 | - |
| Vehicle loans (refer note f) | - | 9.27 |
| Total | 19,47.23 | 9,56.37 |

- a. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding Nil (previous year: INR 11,00.90 lacs), carried interest linked to the bank's MCLR, was repayable in (i) 47 monthly instalments of INR 33.33 lacs each starting from January 2022 & (ii) last instalment of INR 33.49 lacs in December 2025 and was secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC). The said loan has been repaid during the year.

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- b. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding Nil (previous year: INR 1,40.62 lacs), carried interest linked to the bank's MCLR, was repayable in (i) 35 monthly instalments of INR 6.38 lacs each commencing from February 2022 & (ii) last instalment of INR 6.70 lacs in January 2025 and was secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC. The said loan has been repaid during the year.
- c. Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding Nil (previous year: INR 2,89.67 lacs), carried interest linked to the bank's MCLR, was repayable in 48 monthly instalments of INR 8.96 lacs each starting from April 2022 and was secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC. The said loan has been repaid during the year.
- d. The above-mentioned term loans carried interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).
- e. External Commercial Borrowing ("ECB") from BpiFrance S.A., in the nature of term loan, outstanding € 2,244,832.84 (excluding transaction cost of € 130,286.53), equivalent to INR 20,57.16 lacs (excluding transaction cost INR 109.04 lacs), (previous year: Nil), carries annual interest at 3.845% and is repayable in 20 semi-annual instalments, commencing from May 2025, with interest, commencing from May 2024 as and when due, and is secured under BpiFrance Assurance Export credit guarantee;
- f. Vehicle Loan of Nil (previous year: INR 29.98 lacs) carried interest at between 7 to 7.8 % per annum was repayable in 36 monthly instalment(s) commencing from date of disbursement, and was secured by hypothecation of specified vehicles. The said loan has been repaid during the year.
- g. There has been no default in servicing of loans and interest due thereon during and as at the end of the year;
- h. Pledge of 15% of promoters equity shareholding in the Company to further secure loans to the Company from Indian banks have been released by the banks;
- i. Interest accrued and not due on above borrowings is Nil (March 31, 2023: INR 2.12 lacs).

| | | |
|--|-----------------------|-----------------------|
| 23. Non-current financial liabilities - Others | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Security deposits | 0.77 | 6.57 |
| Total | 0.77 | 6.57 |

| | | |
|--------------------------|-----------------------|-----------------------|
| 24. Provisions | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Employee benefits | | |
| Non-current | | |
| Gratuity (refer note 39) | 70.40 | 18.98 |
| | <u>70.40</u> | <u>18.98</u> |
| Current | | |
| Compensated absences | 4.54 | - |
| | <u>4.54</u> | <u>-</u> |

| | | |
|---|-----------------------|-----------------------|
| 25. Deferred tax | | (INR lacs) |
| A. Components of Income Tax Expense | | |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| I. Tax expense recognized in the standalone statement of Profit and Loss | | |
| Current tax | 8,01.45 | 7.83 |
| Tax adjusted for earlier years | 1.94 | (32.64) |
| | <u>8,03.39</u> | <u>(24.81)</u> |
| Deferred Tax | 8,25.16 | 14,11.53 |
| Total | 16,28.55 | 13,86.72 |
| II. Recognized in Other Comprehensive Income | | |
| Tax impact on | | |
| - Re-measurement on defined benefit plan | 0.28 | 0.06 |
| - Change in fair value of tax free bonds | (1.23) | 11.62 |
| Total | (0.95) | 11.68 |

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| B. Reconciliation of tax expense and the accounting profit | (INR lacs) | |
|---|-----------------------|-----------------------|
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Profit before tax | 60,16.44 | 59,23.07 |
| Enacted income tax rate in India adopted by the Company (%) | 25.17 | 25.17 |
| Tax expense at statutory income tax rate | 15,14.34 | 14,90.84 |
| Tax adjustment for earlier years | 1.94 | (32.64) |
| Lease | 9.17 | 7.01 |
| Share issue expenses | (1,13.11) | - |
| CSR | 16.36 | 47.50 |
| Others | 2,08.16 | (1,01.11) |
| Change in fair value of tax free bond | (8.31) | (3.30) |
| Profit on sale of Biax Unit 1 (refer note 50) | - | (21.58) |
| Total tax expense | <u>16,28.55</u> | <u>13,86.72</u> |

| <u>Deferred tax assets/liabilities (net)</u> | (INR lacs) | |
|--|-----------------------|-----------------------|
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Deferred tax liability | | |
| Fixed assets: | <u>18,27.24</u> | <u>15,46.41</u> |
| Impact of difference between book and tax depreciation | <u>18,27.24</u> | <u>15,46.41</u> |
| Gross deferred tax liability | | |
| Deferred tax assets | | |
| Carried forward losses/unabsorbed depreciation | - | 5,84.68 |
| Provision for employee benefits | 19.14 | 4.78 |
| Other expenses allowable on payment basis | 26.27 | - |
| Investment at fair value through OCI | <u>10.39</u> | <u>11.62</u> |
| Gross deferred tax assets | <u>55.80</u> | <u>6,01.08</u> |
| Deferred tax assets to the extent recognized | <u>55.80</u> | <u>6,01.08</u> |
| Net deferred tax asset/(liability) | <u>(17,71.44)</u> | <u>(9,45.33)</u> |

| Movement in Deferred tax liabilities/assets (net) | | | | (INR lacs) |
|--|--------------------------------|---|---------------|---------------------------------|
| <u>March 31, 2024</u> | | | | |
| Particulars | Balance as at April 1, 2023 | Recognised during the year | | Balance as at March 31, 2024 |
| | | In Standalone Statement of Profit and Loss | In OCI | |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | <u>15,46.41</u> | <u>2,80.83</u> | - | <u>18,27.24</u> |
| | 15,46.41 | 2,80.83 | - | 18,27.24 |
| Deferred tax assets | | | | |
| Carry forward of losses | 5,84.68 | (5,84.68) | - | - |
| Provision for employee benefits | 4.78 | 14.08 | 0.28 | 19.14 |
| Other expenses allowable on payment basis | - | 26.27 | - | 26.27 |
| Investment at fair value through OCI | <u>11.62</u> | <u>-</u> | <u>(1.23)</u> | <u>10.39</u> |
| | <u>6,01.08</u> | <u>(5,44.33)</u> | <u>(0.95)</u> | <u>55.80</u> |
| Net deferred tax asset/(liability) | <u>(9,45.33)</u> | <u>(8,25.16)</u> | <u>(0.95)</u> | <u>(17,71.44)</u> |

| <u>March 31, 2023</u> | | | | |
|--------------------------------------|--------------------------------|---|--------------|---------------------------------|
| Particulars | Balance as at April 1, 2022 | Recognised during the year | | Balance as at March 31, 2023 |
| | | In Standalone Statement of Profit and Loss | In OCI | |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | <u>6,15.28</u> | <u>9,31.13</u> | - | <u>15,46.41</u> |
| | 6,15.28 | 9,31.13 | - | 15,46.41 |
| Deferred tax assets | | | | |
| Carry forward of losses | 10,20.98 | (4,36.30) | - | 5,84.68 |
| Provision for employee benefits | 48.82 | (44.10) | 0.06 | 4.78 |
| Investment at fair value through OCI | - | - | 11.62 | 11.62 |
| | <u>10,69.80</u> | <u>(4,80.40)</u> | <u>11.68</u> | <u>6,01.08</u> |
| Net deferred tax asset/(liability) | <u>4,54.52</u> | <u>(14,11.53)</u> | <u>11.68</u> | <u>(9,45.33)</u> |

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| | | |
|--|-----------------------|-----------------------|
| 26. Current financial liabilities - Borrowings | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Secured | | |
| Loans repayable on demand | | |
| - Working capital loan from banks (refer note (a) and (b) below) | 17,25.80 | 20,41.51 |
| - Current maturities of long term borrowings (refer note 22) | - | 6,06.92 |
| Total | <u>17,25.80</u> | <u>26,48.43</u> |

- a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum 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) There has been no default in servicing of loans and interest payable thereon during and as at the end of the year.

| | | |
|--|-----------------------|-----------------------|
| 27. Current financial liabilities – Trade payables | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 2,87.90 | 1,41.04 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 35,66.81 | 36,90.60 |
| Acceptances | <u>10,42.24</u> | <u>12,06.28</u> |
| Total | <u>48,96.95</u> | <u>50,37.92</u> |

Notes:

- a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 46 for information on the Company's credit risk management processes.
- b) Acceptances include arrangements where operational supplies of goods and services are paid by banks on due date which are normally effected within a period of 90 days from the date of transaction.
- c) Disclosures with respect to related party transactions is given in note 42.
- d) Micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Disclosure pursuant to MSMED Act on the amount due to micro and small enterprises is given below:

| | | |
|--|-----------------------|-----------------------|
| | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Principal amount due and remaining unpaid | 2,87.90 | 1,41.04 |
| Interest due on above and remaining unpaid | - | - |
| Interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| Payment made to suppliers (other than interest) beyond appointed day | - | - |
| Interest paid in terms of Sec.16 of MSMED Act | - | - |
| Further interest remaining due and payable in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act | - | - |
| Interest due and payable to suppliers under MSMED Act towards payments made | - | - |
| Interest accrued and remaining unpaid | - | - |

| | | | | | | |
|--------------------------------------|----------|--|--------------------|--------------------|---------------------|----------|
| e) Trade payables ageing schedule | | | | | (INR lacs) | |
| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
| | | <u>< 1 year</u> | <u>1 – 2 years</u> | <u>2 – 3 years</u> | <u>> 3 years</u> | |
| <u>March 31, 2024</u> | | | | | | |
| i) MSME | - | 2,87.90 | - | - | - | 2,87.90 |
| ii) Others | 868.56 | 37,39.80 | 0.04 | 0.65 | - | 46,09.05 |
| iii) Disputed Dues - MSME | - | - | - | - | - | - |
| iv) Disputed Dues - Others | - | - | - | - | - | - |
| v) Creditors for capital expenditure | - | 2,83.88 | - | - | - | 2,83.88 |

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| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|---|----------|---|-------------|-------------|-------------------------------------|-------------------------------------|
| | | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | |
| <u>March 31, 2023</u> | | | | | | |
| i) MSME | - | 1,40.56 | - | - | - | 1,40.56 |
| ii) Others | 10,10.50 | 38,44.35 | 1.07 | 0.02 | 40.94 | 48,96.88 |
| iii) Disputed Dues - MSME | - | 0.48 | - | - | - | 0.48 |
| iv) Disputed Dues - Others | - | - | - | - | - | - |
| v) Creditors for capital expenditure | - | 49.61 | - | - | - | 49.61 |
| 28. Current financial liabilities – Others | | | | | | (INR lacs) |
| | | | | | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
| Creditors for capital expenditure | | | | | 2,83.88 | 49.61 |
| Interest accrued but not due on ECB | | | | | 3.26 | - |
| Unpaid dividend | | | | | 7.49 | 3.69 |
| Employees payables | | | | | 2,49.81 | 1,90.24 |
| Security deposit received | | | | | 65.00 | 7.50 |
| Total | | | | | <u>6,09.44</u> | <u>2,51.04</u> |
| 29. Other current liabilities | | | | | | (INR lacs) |
| | | | | | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
| Contract liabilities | | | | | 82.56 | 13.52 |
| Statutory dues payable | | | | | 3,53.27 | 5,16.81 |
| Total | | | | | <u>4,35.83</u> | <u>5,30.33</u> |
| 30. Revenue from operations | | | | | | (INR lacs) |
| | | | | | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
| Sale of products (<i>refer note 48</i>) | | | | | | |
| - Finished goods | | | | | 4,60,90.48 | 5,01,89.06 |
| Other operating income | | | | | | |
| - Scrap sale | | | | | 4,14.18 | 3,28.77 |
| - Export incentives | | | | | 36.44 | 70.75 |
| - Processing charges | | | | | - | 5,08.45 |
| Total | | | | | <u>4,65,41.10</u> | <u>5,10,97.03</u> |
| 31. Other income | | | | | | (INR lacs) |
| | | | | | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
| Interest on | | | | | | |
| - Fixed deposits at amortised cost | | | | | 8,07.37 | 1,07.05 |
| - Other financial assets carried at fair value through other comprehensive income | | | | | 33.18 | 33.02 |
| - Others | | | | | 8.10 | 8.04 |
| - Income-tax refund | | | | | 21.32 | 7.89 |
| Dividend Income | | | | | 0.05 | 0.08 |
| Other non-operating income | | | | | | |
| - Foreign currency transactions (net) | | | | | 57.40 | 48.95 |
| - Excess provision written back | | | | | 2,01.88 | - |
| - Profit on sale of property, plant and equipment including assets held for sale (<i>refer note 50</i>) | | | | | 1.24 | 80.15 |
| - Miscellaneous income | | | | | 87.64 | 99.54 |
| Total | | | | | <u>12,18.18</u> | <u>3,84.72</u> |

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| | | |
|---|-----------------------|-----------------------|
| 32. Cost of materials consumed | | (INR lacs) |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Raw material at the beginning of the year | 30,64.19 | 25,42.50 |
| Add: Purchases during the year | 3,13,61.19 | 3,52,16.73 |
| Less: Raw material at the end of the year | <u>27,07.10</u> | <u>30,64.19</u> |
| Cost of materials consumed | 3,17,18.28 | 3,46,95.04 |
| 33. Changes in inventories of finished goods and work-in-progress | | (INR lacs) |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Inventories at the beginning of the year | | |
| Finished goods | 10,26.78 | 14,32.75 |
| Work-in-progress | <u>2,70.39</u> | <u>1,79.67</u> |
| | 12,97.17 | 16,12.42 |
| Inventories at the end of the year | | |
| Finished goods | 12,61.98 | 10,26.78 |
| Work-in-progress | <u>2,03.03</u> | <u>2,70.39</u> |
| | <u>14,65.01</u> | <u>12,97.17</u> |
| Net decrease/(increase) | (1,67.84) | 3,15.25 |
| 34. Employees benefits expense | | (INR lacs) |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Salaries, wages and bonus | 22,73.36 | 20,42.01 |
| Contribution to provident and other funds | 2,66.10 | 2,17.59 |
| Staff welfare expenses | <u>1,42.11</u> | <u>1,38.96</u> |
| Total | 26,81.57 | 23,98.56 |
| Note: In the current year, contractual wages of INR 7,01.69 lacs (previous year: INR 6,08.40 lacs) has been included in "other expenses" for better presentation. Accordingly corresponding previous year figures have been reclassified. | | |
| Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 39. | | |
| 35. Finance costs | | (INR lacs) |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Interest expense on borrowings measured at amortised cost | 3,79.20 | 5,92.51 |
| Interest on lease liability (refer note 47) | 27.79 | 27.36 |
| Other borrowing costs | <u>93.64</u> | <u>1,33.32</u> |
| Total | 5,00.63 | 7,53.19 |
| <i>Other borrowing costs includes charges towards letters of credit, bank guarantee, and ancillary costs towards borrowing.</i> | | |
| 36. Depreciation and amortisation expenses | | (INR lacs) |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Depreciation on tangible assets | 10,61.78 | 11,07.42 |
| Amortisation on right-of-use assets (refer note 47) | 51.92 | 44.76 |
| Total | 11,13.70 | 11,52.18 |
| 37. Other expenses | | (INR lacs) |
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Consumption of stores and spares | 9,97.35 | 9,45.92 |
| Processing charges | 44.35 | 36.93 |
| Power & Fuel | 23,67.96 | 29,70.48 |
| Rent (refer note 47) | 12.48 | 31.13 |
| Repairs to: | | |
| - Buildings | 10.36 | 25.57 |
| - Plant and Machinery | 1,37.16 | 1,91.56 |
| - Others | 36.46 | 38.62 |

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| Other expenses (contd.) | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|---|------------------------------|--|
| Communication | 18.27 | 20.73 |
| Contractual wages | 7,01.69 | 6,08.40 |
| Director's fees | 88.20 | 56.80 |
| IT expenses | 12.43 | - |
| Insurance | 1,35.55 | 1,54.45 |
| Legal and professional | 1,80.55 | 1,28.56 |
| Rates and taxes | 57.42 | 41.62 |
| Security expenses | 97.08 | 78.52 |
| Travelling and conveyance | 2,60.75 | 2,12.09 |
| Rebate and commission | 1,98.69 | 2,44.03 |
| Payment to auditors (refer note 'a' below) | 33.14 | 27.42 |
| Other selling expenses | 6.65 | 26.17 |
| Corporate social responsibility (refer note 44) | 67.50 | 47.50 |
| Assets written off | 22.98 | - |
| Miscellaneous expenses | 2,07.48 | 3,57.96 |
| Total | 56,94.50 | 62,44.46 |
| a) Payment to auditors | | |
| - As auditors | 27.50 | 25.00 |
| - For other matters * | 1.75 | 0.75 |
| - Reimbursement of expenses | 3.89 | 1.67 |
| | 33.14 | 27.42 |

* Excludes INR 53.00 lacs (previous year: Nil) towards fees related to issue of equity shares through QIP which has been adjusted with the securities premium as Share Issue expenses;

| 38.A) Earnings per share (EPS) | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|------------------------------|--|
| a) Profit attributable to equity shareholders (A) | 43,87.89 | 45,36.35 |
| b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS (B) * | 2,01,15,507 | 1,77,41,811 |
| Add: impact of convertible warrants | 38,086 | 8,84,424 |
| Weighted average number of equity shares outstanding during the year for computation of Diluted EPS (C) * | 2,01,53,593 | 1,86,26,235 |
| Nominal value per share (INR) | 10 | 10 |
| c) Basic earnings per equity share (face value INR10 each) (A/B) (INR) | 21.81 | 25.57 |
| Dilutive earnings per equity share (face value INR 10 each) (A/C) (INR) | 21.77 | 24.35 |

B) Details of Dividends:

Dividend of INR 2 per equity share of face value INR 10 each for the financial year ended March 31, 2023, was approved by shareholders at Annual General Meeting held on August 10, 2023 and was paid on August 22, 2023 with a total appropriation of INR 4,13.44 lacs.

The Board of Directors, at its meeting held on May 28, 2024, has recommended for approval by Members at the ensuing Annual General Meeting a dividend of INR 2 per fully paid-up equity share of INR 10 each for the financial year ended March 31, 2024, and which, if approved, would result in a cash outflow of INR 4,40.69 lacs.

39. Employee benefits

a) Defined Contribution Plan

The Company makes contribution towards provident fund and ESI for qualifying employees to government administered /approved funds wherein the Company is required to contribute a specified percentage of payroll cost to the schemes to fund the benefits. The Company has no further obligations beyond the periodic contributions.

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The Company recognized INR 138.40 lacs (March 31, 2023: INR 98.04 lacs) towards provident fund contributions and ESI contribution in the Standalone Statement of Profit and Loss included in "Employee benefits expense" (note 34).

b) Defined Benefit Plan

Gratuity

The Company provides for gratuity as per the Payment of Gratuity Act, 1972 or as per applicable Company rules, whichever is higher. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

The following table sets out the status of the gratuity plan, based on the actuarial valuation obtained in this respect and the amounts recognised in the Company's standalone financial statements as at balance sheet date:

| | Year ended <u>March 31, 2024</u> | (INR lacs) Year ended <u>March 31, 2023</u> |
|--|-------------------------------------|---|
| (i) Liability recognised in standalone balance sheet | | |
| Present value of the obligation at end of the year | 11,80.31 | 10,60.37 |
| Fair value of plan assets | 11,09.91 | 10,41.39 |
| Net liability recognised in balance sheet as provision | 70.40 | 18.98 |
| (ii) Amount recognised in the standalone statement of profit and loss is as under: | | |
| Current service cost | 59.08 | 50.54 |
| Net interest cost | 1.69 | 11.35 |
| Expense recognised in the standalone statement of profit and loss | 60.77 | 61.89 |
| (iii) Amount recognised in other comprehensive income is as under: | | |
| Actuarial loss for the year on defined benefit obligation | (5.61) | (2.68) |
| Actuarial gain for the year on plan assets | 4.51 | 2.45 |
| Total actuarial loss for the year | (1.10) | (0.23) |
| (iv) Movement in the liability recognised in the standalone balance sheet is as under: | | |
| Present value of defined benefit obligation as at start of the year | 10,60.37 | 11,02.26 |
| Current service cost | 59.08 | 50.54 |
| Interest cost | 75.29 | 77.38 |
| Actuarial loss recognised during the year | 5.61 | 2.68 |
| Benefits paid | (20.04) | (1,72.49) |
| Present value of defined benefit obligation as at the end of the year | 11,80.31 | 10,60.37 |
| (v) Movement in the plan assets recognised in the standalone balance sheet is as under: | | |
| Fair value of plan assets at beginning of the year | 10,41.39 | 9,08.30 |
| Expected return on plan assets | 73.60 | 66.03 |
| Employer's contribution | 1.75 | 1,02.00 |
| Benefits paid | (11.34) | (37.39) |
| Actuarial gain on plan assets | 4.51 | 2.45 |
| Fair value of plan assets at the end of the year | 11,09.91 | 10,41.39 |
| Expected return on plan assets | 78.11 | 68.48 |
| (vi) Breakup of actuarial (gain)/loss on defined benefit obligation: | | |
| Actuarial gain on arising from change in financial assumption | 114.18 | 5.20 |
| Actuarial loss on arising from experience adjustment | (119.79) | (7.88) |
| Total actuarial loss for the year | (5.61) | (2.68) |
| (vii) Actuarial assumptions: | | |
| Discount rate (%) | 7.10 | 7.02 |
| Future salary increase (%) | 6.00 | 6.00 |
| Expected average remaining working lives of employees (years) | 9.75 | 10.21 |

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

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| | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
|--|-------------------------------------|-------------------------------------|
| (viii) Sensitivity analysis for gratuity liability | | |
| Impact of the change in discount rate | | |
| Effect on present value of gratuity obligation at the end of the year | | |
| - Impact due to increase of 1 % | (21.36) | (21.56) |
| - Impact due to decrease of 1 % | 24.87 | 25.15 |
| Impact of the change in salary increase | | |
| Effect on present value of gratuity obligation at the end of the year | | |
| - Impact due to increase of 1 % | 24.90 | 25.15 |
| - Impact due to decrease of 1 % | (21.76) | (21.94) |
| (ix) Expected (undiscounted) benefit payments in future years | | |
| Projections are for current members and their currently accumulated benefits | | |
| Year- 1 | 8,68.13 | 7,84.96 |
| Year- 2 | 76.49 | 13.77 |
| Year- 3 | 23.85 | 62.63 |
| Year- 4 | 55.97 | 18.18 |
| Year- 5 | 31.04 | 44.76 |
| Year- 6 to Year- 10 | 72.68 | 1,58.49 |
| (x) Category of plan assets | | |
| LIC managed fund | 100 % | 100 % |
| (xi) The Company expects to contribute INR 50 lacs (2023-24: INR 1.75 lacs) to the funded plan during the financial year 2024-25. | | |

Provident Fund

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in standalone statement of profit and loss under employee benefits expense. During the current year the Company has recognised an amount of INR Nil (March 31,2023: INR 1,79.68 lacs) being the decline in market value of certain investments of the trust.

C. Other long term benefits:

The leave obligations cover the Company's liability for earned leave. The liability towards compensated absences based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution to the plan assets resulted in a net liability of INR 4.54 lacs as on March 31, 2024 (net asset of INR 21.34 lacs as on March 31, 2023) which have been shown under "Current provisions" (March 31, 2023: "Other current assets") in the Standalone Financial Statements.

40. Consortium lenders had retained a right to recompense for NPV loss that may have arisen on rescheduling of term loans (without sacrifice) effective April 1, 2016. During the year ended March 31, 2024, consortium banks exercised their right to recompense, notwithstanding the prepayment of outstanding loans in the previous year, and a sum of INR 202.00 lakhs was demanded and paid during the year. This payment has been disclosed as an exceptional item.

41. Contingent liabilities

| | As at <u>March 31, 2024</u> | (INR lacs) As at <u>March 31, 2023</u> |
|--|--------------------------------|--|
| Claims against the Company, not acknowledged as debt | 2.50 | 2.50 |
| Sales tax, Excise and Customs matters | 4,61.72 | 3,89.24 |
| Others (<i>claims not acknowledged as debt</i>) | 36.68 | 36.68 |

Note: The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Company as no reliable estimate can yet be made.

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42. Related party disclosures: According to Ind AS 24 'Related Party Disclosures'

Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS24. However, they are not KMPs as per Companies Act, 2013

A. List of Related Parties:

1. Subsidiary companies (wholly owned)
 - a) Xpro Global Limited;
2. Entities exercising significant influence over the Company
 - a) iPro Capital Limited
 - b) Intellipro Finance Pvt. Ltd.
3. Entities over which Key Managerial Personnel have control *
 - a) Central India General Agents Ltd.
 - b) Kriscore Financial Advisors Private Limited
4. Post-employment benefit funds
 - a) Xpro India Limited Employees Provident Fund Trust
 - b) Xpro India Limited Senior Officers Superannuation Fund
 - c) Xpro India Limited Employees Gratuity Fund
5. Key managerial personnel
 - a) Executive Directors:

| | |
|---|--|
| (i) Sri Sidharth Birla, <i>Chairman</i> | (ii) Sri C Bhaskar, <i>Managing Director & CEO</i> |
|---|--|
 - b) Non-executive Independent Directors:

| | |
|--|--|
| (i) Sri K Balakrishnan (<i>w.e.f. 25/5/2022</i>) | (ii) Sri Amitabha Guha |
| (iii) Sri Ashok Kumar Jha | (iv) Ms Suhana Murshed |
| (v) Sri Utsav Parekh | (vi) Sri S Ragothaman |
| (vii) Sri Manoj Mohanka (<i>w.e.f. 1/9/2023</i>) | (viii) Ms Nandini Khaitan (<i>w.e.f. 1/2/2024</i>) |
 - c) Non-executive Non-Independent Directors:

| | |
|--------------------------|--|
| (i) Smt Madhushree Birla | (ii) Sri Bharat Jhaver (<i>w.e.f. 25/5/2022</i>) |
|--------------------------|--|
 - d) Others:
 - (i) Sri H Bakshi, *Sr. President & COO*
 - (ii) Sri V K Agarwal, *President (F) & CFO*
 - (iii) Sri Kamal Kishor Sewoda, *Company Secretary (w.e.f. 15/2/2023)*
 - (iv) Sri Amit Dhanuka, *Company Secretary (upto 14/1/2023)*
 - e) Relatives of Key managerial personnel *:

| | |
|---------------------------------------|---------------------------|
| (i) Sri Sudarshan Kumar Birla | (ii) Smt Sumangala Birla |
| (iii) Sri Sudarshan Kumar Birla (HUF) | (iv) Smt Vasuri Jhaver |
| (v) Smt Meenakshi Apoorva Bajaj | (vi) Smt Usha Ragothaman |
| (vii) Smt Kiran Jhaver | (viii) Smt Mousumi Bakshi |

* with whom the Company had transactions during the current year and previous year

B. Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Transactions with Related Parties:

| <u>Related Party</u> | <u>Nature of transaction</u> | <u>Year ended</u> | <u>(INR lacs)</u> |
|---|--|-----------------------|-----------------------|
| | | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Xpro India Ltd. Employees Provident Fund Trust | Employer's contribution to post employment benefit fund | 71.89 | 1,79.68 |
| Xpro India Ltd. Senior Officers Superannuation Fund | Contribution to post employment benefit fund (with LIC) | 63.59 | 61.67 |
| Xpro India Ltd. Employees Gratuity Fund | Contribution to post employment benefit fund (with LIC) | 1.75 | 1,02.00 |
| iPro Capital Limited | Dividend paid | 88.20 | 58.80 |
| | Bonus shares issued (<i>face value of INR 10 each</i>) | - | 1,47.00 |

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| Related Party | Nature of transaction | (INR lacs) | |
|--|--|------------------------------|------------------------------|
| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Intellipro Finance Pvt. Ltd. | Dividend paid | 69.15 | 46.10 |
| | Bonus shares issued (face value of INR 10 each) | - | 1,15.25 |
| Central India General Agents Ltd. | Proceeds from warrants | 2,55.94 | 14,97.33 |
| | Issue of equity shares (face value of INR 10 each) | - | 26.20 |
| | Bonus shares issued (face value of INR 10 each) | - | 13.10 |
| | Dividend paid | 16.11 | 5.50 |
| Kriscore Financial Advisors Private Ltd. | Dividend paid | 0.16 | - |
| Sri Sidharth Birla | Remuneration paid | 1,41.00 | 1,34.20 |
| | Dividend paid | 3.06 | 2.04 |
| | Bonus shares issued (face value of INR 10 each) | - | 5.09 |
| Sri C Bhaskar | Remuneration paid | 1,76.41 | 1,56.33 |
| | Dividend paid | 1.41 | 1.15 |
| | Bonus shares issued (face value of INR 10 each) | - | 2.89 |
| Sri K Balakrishnan | Sitting Fees | 9.90 | 5.00 |
| Sri Amitabha Guha | Sitting Fees | 13.25 | 9.40 |
| Sri Ashok Kumar Jha | Sitting Fees | 10.50 | 7.00 |
| Sri Manoj Mohanka | Sitting Fees | 5.00 | - |
| Ms. Suhana Murshed | Sitting Fees | 9.30 | 6.00 |
| Sri Utsav Parekh | Sitting Fees | 11.45 | 8.90 |
| | Dividend paid | 0.02 | 0.01 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.03 |
| Sri S Ragothaman | Sitting Fees | 12.30 | 9.50 |
| | Dividend paid | 2.03 | 1.37 |
| | Bonus shares issued (face value of INR 10 each) | - | 3.42 |
| Smt Madhushree Birla | Sitting Fees | 7.50 | 6.00 |
| | Dividend paid | 3.00 | 2.00 |
| | Bonus shares issued (face value of INR 10 each) | - | 5.01 |
| Ms Nandini Khaitan | Sitting Fees | 2.00 | - |
| Sri Bharat Jhaver | Sitting Fees | 7.00 | 5.00 |
| Sri H Bakshi | Remuneration paid | 1,30.58 | 1,25.31 |
| | Dividend paid | 0.30 | 0.20 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.51 |
| Sri V K Agarwal | Remuneration paid | 107.46 | 98.36 |
| | Dividend paid | 0.25 | 0.17 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.42 |
| Sri Kamal Kishor Sewoda | Remuneration paid | 23.96 | 2.35 |
| Sri Amit Dhanuka | Remuneration paid | - | 15.61 |
| Sri Sudarshan Kumar Birla | Dividend paid | 0.02 | 0.01 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.03 |
| Smt Sumangala Birla | Dividend paid | 0.05 | 0.03 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.08 |
| Sri Sudarshan Kumar Birla (HUF) | Dividend paid | 0.00 | 0.00 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.01 |
| Smt Vasusri Jhaver | Dividend paid | 1.57 | 1.05 |
| | Bonus shares issued (face value of INR 10 each) | - | 2.62 |
| Smt Meenakshi Apoorva Bajaj | Dividend paid | 5.00 | 3.50 |
| | Bonus shares issued (face value of INR 10 each) | - | 8.75 |
| Smt Usha Ragothaman | Dividend paid | 0.09 | 0.07 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.18 |
| Smt Kiran Jhaver | Dividend paid | 0.15 | 0.10 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.25 |
| Smt Mousumi Bakshi | Dividend paid | 0.00 | 0.00 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.00 |

Note: Provisions for gratuity and leave benefits are made for the Company as a whole, hence the amount pertaining to key management personnel are not specifically identified and are not included in remuneration above

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.

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E. Related party relationships have been identified by the management and relied upon by the auditors.

43. Segment Information

The Company operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India. There are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

Revenue of INR 1,65,24.71 lacs (previous year: INR 1,73,54.77 lacs) was derived from two external customers each accounting for over ten percent of the revenue.

44. CSR Expenditure

| | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|------------------------------|--|
| i) Gross amount required to be spent during the year as per provisions of Section 135 of the Companies Act 2013 | 75.58 | 36.90 |
| ii) Amount spent during the year on the following: | | |
| a) Construction/acquisition of any asset | - | - |
| b) On purposes other than (a) above | 67.50 | 47.50 |
| iii) Excess amount spent as per Section 135 of the Companies Act 2013 | | |
| Carried forward Opening balance | 17.46 | 6.86 |
| Amount required to be spent during the year | 75.58 | 36.90 |
| Amount spent during the year | 67.50 | 47.50 |
| Carried forward Closing balance | 9.38 | 17.46 |
| iv) Total of previous years shortfall | - | - |
| v) Reason for shortfall | Not applicable | Not applicable |
| vi) Nature of CSR Activities: | | |
| Areas selected from those identified and prescribed under the Companies Act, 2013. The Company has adopted a policy to support duly registered and qualified external bodies including NGOs or Government relief funds including through financial contribution. Activities supported during the current, and previous year, included promoting education/special education, health-care, employment enhancing vocational skills especially among children, women and the differently abled. | | |
| vii) The Company does not carry any provisions for CSR expenses for the current year and previous year; | | |
| viii) The Company intends to carry forward the excess amount of INR 9.38 lacs spent during the year (2022-23: INR 17.46 lacs); | | |

45. Fair Value Measurement

Financial instrument by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, bank balances other than cash and cash equivalent, interest receivable, trade payables, employee related liabilities and short term loans from banks, are measured at amortised cost.

Fair Value hierarchy

Financial assets and financial liabilities measured at fair value in the standalone financial statements are categorised into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: if there are unobservable inputs for the asset or liability, then the instrument is included in level 3.

Financial assets and financial liabilities measured at fair value – recurring fair value measurements

| March 31, 2024 | Level 1 | Level 2 | (INR lacs) Level 3 |
|--|----------------|----------|-----------------------|
| Financial assets | | | |
| Fair value through other comprehensive income | | | |
| Tax Free Bonds | 4,69.72 | - | - |
| Fair value through profit and loss | | | |
| Investment in equity shares | - | - | 15.73 |
| Total | 4,69.72 | - | 15.73 |
| Financial Liabilities | | | |
| Total | - | - | - |

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| March 31, 2023 | Level 1 | Level 2 | Level 3 |
|--|----------------|----------|----------|
| Financial assets | | | |
| Fair value through other comprehensive income | | | |
| Tax Free Bonds | 4,64.83 | - | - |
| Fair value through profit and loss | | | |
| Investment in equity shares | - | - | - |
| Total | 4,64.83 | - | - |
| Financial Liabilities | | | |
| Total | - | - | - |

Valuation process and technique used to determine the fair value

i) Fair value through other comprehensive income

Investment in tax free bonds are valued at fair value which is based on direct and market observable inputs

ii) Fair value through profit and loss

Investment in equity shares are valued at fair value which is derived on the basis of income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

| Particulars | (INR lacs) | | | |
|--|-------------------|-------------------|-----------------|-----------------|
| | March 31, 2024 | | March 31, 2023 | |
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets | | | | |
| - Trade Receivables | 54,45.43 | 54,45.43 | 50,98.39 | 50,98.39 |
| - Cash and cash equivalents | 1,61.45 | 1,61.45 | 12.43 | 12.43 |
| - Bank balances other than cash and cash equivalents | 3,19,43.18 | 3,19,43.18 | 30,01.11 | 30,01.11 |
| - Loans | 39.71 | 39.71 | 34.57 | 34.57 |
| - Other financial asset | 3,39.62 | 3,39.62 | 3,53.52 | 3,53.52 |
| Total | 3,79,29.39 | 3,79,29.39 | 85,00.02 | 85,00.02 |
| | Carrying Value | Carrying Value | Carrying Value | Fair Value |
| Financial liabilities | | | | |
| - Borrowings | 36,73.03 | 36,73.03 | 36,04.80 | 36,04.80 |
| - Other financial liabilities | 6,10.21 | 6,10.21 | 2,57.61 | 2,57.61 |
| - Trade payables | 48,96.95 | 48,96.95 | 50,37.92 | 50,37.92 |
| - Lease liabilities | 2,26.95 | 2,26.95 | 2,63.39 | 2,63.39 |
| Total | 94,07.14 | 94,07.14 | 91,63.72 | 91,63.72 |

The management assessed that for current assets including security deposits, loans, cash and cash equivalents, trade receivables, other recoverable and borrowings, trade payables, other current financial liabilities, the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) The Company has repaid all its term loans as on March 31, 2024 except ECB in the nature of term loan carrying fixed interest rate at 3.84% p.a. derived as EURIBOR plus margin (previous year: variable rate facilities which were subject to changes in underlying interest rate indices). The management believes that the carrying rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

46. Financial risk management

i) Financial instrument by category

| Particulars | (INR lacs) | | | | | |
|----------------------------|----------------|----------------|-------------------|----------------|----------|-----------------|
| | March 31, 2024 | | | March 31, 2023 | | |
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| - Investments | 15.73 | 4,69.72 | 1.50 | - | 4,64.83 | 1.50 |
| - Trade receivable | - | - | 54,45.43 | - | - | 50,98.39 |
| - Cash and cash equivalent | - | - | 1,61.45 | - | - | 12.43 |
| - Other Bank balances | - | - | 3,19,43.18 | - | - | 30,01.11 |
| - Loans | - | - | 39.71 | - | - | 34.57 |
| - Other financial assets | - | - | 3,39.62 | - | - | 3,53.52 |
| Total | 15.73 | 4,69.72 | 3,79,30.89 | 4,64.83 | - | 85,01.52 |

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| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|-------------------------------|----------------|-------|----------------|----------------|-------|----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial liabilities | | | | | | |
| - Borrowings | - | - | 36,73.03 | - | - | 36,04.80 |
| - Trade payables | - | - | 48,96.95 | - | - | 50,37.92 |
| - Other financial liabilities | - | - | 6,10.21 | - | - | 2,57.61 |
| - Lease liabilities | - | - | 2,26.95 | - | - | 2,63.39 |
| Total | - | - | 94,07.14 | - | - | 91,63.72 |

Note: Investment in subsidiary as at the close of year ended March 31, 2024 and March 31, 2023 respectively is carried at cost, per the exemption availed by the Company; hence not considered herein.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

ii) Risk management

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk management framework. "This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the standalone financial statements.

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investment carried at amortised cost and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets:

i) Low credit risk; ii) Moderate credit risk and iii) High credit risk on financial reporting date

The Company provides for expected credit loss on the following:

| <u>Asset group</u> | <u>Basis of categorisation</u> | <u>Provision for expected credit loss</u> |
|--------------------|--|---|
| Low credit risk | Cash and cash equivalents, bank balances other than cash and cash equivalent, loans, trade receivables, plan assets, investment in subsidiary and other financial assets | 12 month expected credit loss |

Based on business environment in which the entity operates, there have been no defaults on financial assets of the entity by the counterparty.

Assets are written off when there is no reasonable expectation of recovery, such a debtor declaring bankruptcy or a litigation decided against the entity. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity does not have any of the debts which are recoverable.

| Assets under credit risk - | | (INR lacs) | |
|----------------------------|--|-----------------------|-----------------------|
| <u>Credit rating</u> | <u>Particulars</u> | <u>As at</u> | <u>As at</u> |
| | | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Low credit risk | Cash and cash equivalents, bank balances other than cash and cash equivalent, loans, trade receivables, plan assets, investment in subsidiary and other financial assets | 3,79,30.89 | 85,01.52 |

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems for corporate customers, thereby, limiting the credit risk. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivables become one year past due.

Plan assets

The Company has taken Group Gratuity Insurance Policy from LIC of India for funding of its employees benefit obligations, LIC of India generally invests in securities of high credit rating

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Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposit and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are written defined limits.

Expected credit risk losses for financial assets other than trade receivables

Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

| <u>Particulars</u> | <u>Estimated gross carrying amount at default</u> | <u>Expected probability of default</u> | <u>Expected credit losses</u> | <u>Carrying amount net of impairment provision</u> |
|--|---|--|-------------------------------|--|
| (INR lacs) | | | | |
| <u>March 31, 2024</u> | | | | |
| Investments | 5,37.95 | 9 % | 51.00 | 4,86.95 |
| Loans | 39.71 | 0 % | - | 39.71 |
| Trade receivables | 54,45.43 | 0 % | - | 54,45.43 |
| Cash and cash equivalents | 1,61.45 | 0 % | - | 1,61.45 |
| Bank balances other than cash and cash equivalents | 3,19,43.18 | 0 % | - | 3,19,43.18 |
| Other financial assets | 3,39.62 | 0 % | - | 3,39.62 |
| <u>March 31, 2023</u> | | | | |
| Investments | 5,17.33 | 10 % | 51.00 | 4,66.33 |
| Loans | 34.57 | 0 % | - | 34.57 |
| Trade receivables | 50,98.39 | 0 % | - | 50,98.39 |
| Cash and cash equivalents | 12.43 | 0 % | - | 12.43 |
| Bank balances other than cash and cash equivalents | 30,01.11 | 0 % | - | 30,01.11 |
| Other financial assets | 3,53.52 | 0 % | - | 3,53.52 |

Expected credit loss for trade receivables under simplified approach

The Company recognizes life-time expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trends of default. There have been no significant past due trade receivables as Company receives its significant revenue from selling to major customers directly, wherein there are very low or no chances of non-recoverability. For the rest of operations there were no significant past due receivables.

| <u>Particulars</u> | <u>As at March 31, 2024</u> | <u>As at March 31, 2023</u> |
|---|-----------------------------|-----------------------------|
| Gross amount of trade receivables where no default has occurred | 54,45.43 | 50,98.39 |
| Expected loss rate (%) | - | - |
| Expected credit loss (loss allowance provision) | - | - |

B. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Company. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual discounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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| Particulars | (INR lacs) | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | < 1 year * | 1 - 5 years * | >5 years * | Total |
| As at March 31, 2024 | | | | |
| Borrowings | 17,25.80 | 7,78.89 | 11,68.34 | 36,73.03 |
| Trade payables | 48,96.95 | - | - | 48,96.95 |
| Lease liabilities | 41.68 | 1,85.27 | - | 2,26.95 |
| Other financial liabilities | 6,09.44 | 0.77 | - | 6,10.21 |
| Total | 72,73.87 | 9,64.93 | 11,68.34 | 94,07.14 |
| As at March 31, 2023 | | | | |
| Borrowings | 26,48.43 | 9,56.37 | - | 36,04.80 |
| Trade payables | 50,37.92 | - | - | 50,37.92 |
| Lease liabilities | 36.44 | 2,26.95 | - | 2,63.39 |
| Other financial liabilities | 2,51.04 | 6.57 | - | 2,57.61 |
| Total | 79,73.83 | 11,89.89 | - | 91,63.72 |

*interest outflow of the said liabilities has not been considered

C. Market risk

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Company's exposure to foreign currency at each reporting date is disclosed herein.

Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

| Particulars | | As at | As at |
|---|-------------|----------------|----------------|
| | | March 31, 2024 | March 31, 2023 |
| Financial liabilities | | | |
| Payable on imports | USD | 1,245,165 | 1,455,180 |
| | INR in lacs | 10,46.93 | 11,94.85 |
| Borrowings (including accrued interest) | | 2,247,706 | - |
| Euro | INR in lacs | 20,59.80 | - |
| Financial assets | | | |
| Receivables on export | USD | 252,295 | 164,635 |
| | INR in lacs | 2,08.35 | 1,35.18 |
| | Euro | 86,848 | 116,233 |
| | INR in lacs | 79.59 | 1,03.76 |

Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, assuming no change in other variables.

| Particulars | (INR lacs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| USD sensitivity | | |
| INR/USD - increase by 200 basis points (200 bps) | (16.70) | (21.19) |
| INR/USD - decrease by 200 basis points (200 bps) | 16.70 | 21.19 |
| Euro sensitivity | | |
| INR/Euro - increase by 200 basis points (200 bps) | (39.61) | 2.08 |
| INR/Euro - decrease by 200 basis points (200 bps) | 39.61 | (2.08) |

Interest rate risk

Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2024, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's ECB borrowings and the investments in Fixed Deposits bear fixed interest rates.

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Interest rate risk exposure

The Company's overall exposure to interest rate risk is as under:

| <u>Particulars</u> | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|--------------------------|--------------------------------|--------------------------------|
| Variable rate borrowings | 17,25.80 | 36,04.80 |
| Fixed rate borrowings | 19,47.23 | - |
| Total borrowings | 36,73.03 | 36,04.80 |

Sensitivity

The sensitivity of profit or loss before tax and equity to interest rate is:

| <u>Particulars</u> | <u>On Profit/Loss for the</u> | | <u>On Equity</u> | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Year ending <u>March 31, 2024</u> | Year ending <u>March 31, 2023</u> | Year ending <u>March 31, 2024</u> | Year ending <u>March 31, 2023</u> |
| Interest sensitivity | | | | |
| Interest rates | | | | |
| - increase by 100 basis points (100 bps) | 17.26 | 36.05 | 17.26 | 36.05 |
| - decrease by 100 basis points (100 bps) | (17.26) | (36.05) | (17.26) | (36.05) |

Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| <u>Particulars</u> | Year ending <u>March 31, 2024</u> | Year ending <u>March 31, 2023</u> |
|--|--------------------------------------|--------------------------------------|
| Long-term borrowings | 19,47.23 | 9,56.37 |
| Current maturities of long-term borrowings | - | 6,06.92 |
| Short-term borrowings | 17,25.80 | 20,41.51 |
| Total borrowings | 36,73.03 | 36,04.80 |
| Less: Cash and cash equivalents | 1,61.45 | 12.43 |
| Less: Bank balance other than above | 3,19,43.18 | 30,01.11 |
| Net debt | (2,84,31.60) | 5,91.26 |
| Total equity * | 5,60,50.99 | 2,33,55.03 |
| Net debt to equity ratio | (50.72%) | 2.53 % |

* Equity includes equity share capital and other equity of the Company that are managed as capital

47. Leases

- a. The Company has adopted Ind AS 116 - 'Lease' from April 1, 2019, which resulted in changes in accounting policies in the standalone financial statements.
- b. **Practical expedients applied**
The Company has used the practical expedients permitted by the standard:
 - applying a single discount rate to a portfolio of leases with reasonably similar characteristics
 - accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.
- c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities is 11.25%.

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- d. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Company must keep the property in a good condition of repair and return the property in the original condition at the end of the lease.
- e. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized in the balance sheet:

| Right-of-use assets | No. of right-of-use assets leased | Range of remaining term (Years) | Average remaining lease term (years) |
|---------------------|-----------------------------------|---------------------------------|--------------------------------------|
| Building | 2 | 3 - 4 | 3.75 |
| Land | 3 | 68 - 82 | 76.00 |

There are no leases entered by the Company which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

- f. **Amounts recognized in Standalone Balance Sheet and Standalone Statement of Profit and Loss:**

The balance sheet shows the following amounts relating to leases:

| | (INR lacs) | | |
|---|---------------------------------|----------|---------|
| | Category of right-of-use assets | | |
| | Land | Building | Total |
| Balance as at April 1, 2022 | 7,11.17 | 1,70.05 | 8,81.22 |
| Add: Additions | - | 73.63 | 73.63 |
| Less: Amortisation charged on the right-of-use assets | 8.89 | 35.87 | 44.76 |
| Balance as at March 31, 2023 | 7,02.28 | 2,07.81 | 9,10.09 |
| Add: Additions | - | - | - |
| Less: Amortisation charged on the right-of-use assets | 8.89 | 43.03 | 51.92 |
| Balance as at March 31, 2024 | 6,93.39 | 1,64.78 | 8,58.17 |
| | Movement in lease liabilities | | |
| | Land | Building | Total |
| Balance as at April 1, 2022 | - | 2,17.82 | 2,17.82 |
| Add: Additions | - | 73.44 | 73.44 |
| Add: Interest expense on lease liabilities | - | 27.36 | 27.36 |
| Less: Lease rental paid | - | 55.23 | 55.23 |
| Balance as at March 31, 2023 | - | 2,63.39 | 2,63.39 |
| Add: Interest expense on lease liabilities | - | 27.79 | 27.79 |
| Less: Lease rental paid | - | 64.23 | 64.23 |
| Balance as at March 31, 2024 | - | 2,26.95 | 2,26.95 |

- g. **Amount recognised in Standalone Statement of Profit and Loss:**

| Particulars | (INR lacs) | |
|---|-----------------------|-----------------------|
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| i) Amortisation of right-of-use assets (classified under Depreciation and amortisation expense) | 51.92 | 44.76 |
| ii) Interest on lease liabilities (classified under Finance costs) | 27.79 | 27.36 |
| iii) Expenses related to short term leases (classified under Other expenses) | 12.48 | 31.13 |

- h. The total cash outflow for leases for the year ended March 31, 2024 was INR 64.23 lacs (March 31, 2023: INR 55.23 lacs)

- i. **Lease liabilities included in Standalone Balance Sheet:**

| Particulars | (INR lacs) | |
|-------------|-----------------------|-----------------------|
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Current | 41.68 | 36.44 |
| Non-current | 1,85.27 | 2,26.95 |

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j. Future minimum lease payments are as follows: (INR lacs)

As on March 31, 2024

| Minimum lease payments due: | Lease Payments | Finance charges | Net present value |
|-----------------------------|----------------|-----------------|-------------------|
| Within 1 year | 65.13 | (23.45) | 41.68 |
| 1 - 2 years | 75.28 | (17.95) | 57.33 |
| 2 - 3 years | 76.27 | (11.13) | 65.14 |
| 3 - 4 years | 66.37 | (3.57) | 62.80 |
| Total | 2,83.05 | (56.10) | 2,26.95 |

As on March 31, 2023

| Minimum lease payments due: | Lease Payments | Finance charges | Net present value |
|-----------------------------|----------------|-----------------|-------------------|
| Within 1 year | 64.23 | (27.79) | 36.44 |
| 1 - 2 years | 65.13 | (23.45) | 41.68 |
| 2 - 3 years | 75.28 | (17.95) | 57.33 |
| 3 - 4 years | 76.27 | (11.13) | 65.14 |
| 4 - 5 years | 66.37 | (3.57) | 62.80 |
| Total | 3,47.28 | (83.89) | 2,63.39 |

48. Revenue related disclosures (in accordance with Ind AS 115)

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets; (ii) Thermoformed liners; (iii) Coextruded cast films and (iv) Dielectric Films (and speciality biaxially oriented films). The disaggregation of the Company's revenue from contract with customers is set out below:

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| (INR lacs) | | |
| Revenue from contracts with customers | | |
| (i) Sale of products: | | |
| (a) Coextruded sheets | 1,90,33.72 | 2,11,80.84 |
| (b) Thermoformed Liners | 65,30.01 | 80,14.70 |
| (c) Coextruded cast films | 59,37.63 | 53,58.07 |
| (d) Dielectric Films (and speciality biaxially oriented films) | 1,45,89.12 | 1,56,35.45 |
| (e) Toll manufacture (BOPP films) | - | 5,08.45 |
| (ii) Other operating income | 4,50.62 | 3,99.52 |
| Total revenue covered under Ind AS 115 | 4,65,41.10 | 5,10,97.03 |

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| (INR lacs) | | |
| Contract liabilities | | |
| Advance received from customers | 82.56 | 13.52 |
| Total contract liabilities | 82.56 | 13.52 |
| Receivables | | |
| Trade receivables | 54,45.43 | 50,98.39 |
| Total receivables | 54,45.43 | 50,98.39 |

C. Significant changes in the contract liabilities balances during the year:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|-------------------------|-------------------------|
| (INR lacs) | | |
| Contract liabilities - Revenue received in advance | | |
| Opening balance | 13.52 | 1,13.94 |
| Addition during the year | 82.56 | 13.52 |
| Revenue recognized during the year | (13.52) | (1,13.94) |
| Closing balance | 82.56 | 13.52 |

D. Refer note No.43 for disclosure regarding two external customers each accounting for over ten percent of the revenue.

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E. Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

Contract liabilities are on account of the advance payment received from customers for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls within 120 days from the completion of performance obligation.

49. a) Pursuant to the special resolution passed at the Extraordinary General Meeting held on December 29, 2021, and relevant regulatory provisions, the Company issued and allotted on January 11, 2022 by way of preferential allotment 19,68,000 warrants at a price of INR 762 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR10 of the Company (including premium of INR 752 each). The Company received allotment money of INR 37,49.04 lacs, being 25% of the total warrant price in 2021-22. Promoter group warrant holders, holding 3,28,000 warrants exercised their option in full on payment of the balance 75% (INR 18,74.52 lacs) during 2022-23. Other warrant holders exercised their option in full on payment of the balance 75% (INR 93,72.60 lacs) during the year. As per the offer letter, the issue proceeds may be utilized for growth capital and expansion/diversification requirements (whether organic or inorganic), to meet capital expenditure, to reduce borrowings, to enhance long-term resources and strengthen the financial structure, for meeting working capital requirements and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being utilized for the purposes stated.

b) Pursuant to the special resolution passed at the Extraordinary General Meeting held on January 16, 2024, and relevant regulatory provisions, the Company issued and allotted on January 29, 2024 by way of preferential allotment 14,35,750 warrants at a price of INR 975 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR10 of the Company (including premium of INR 965 each). The Company received allotment money of INR 48,99.50 lacs, being 35% of the total warrant price during the year. As per the offer letter, the issue proceeds may be utilized for Capital expenditure for expansion of capacity by adding new manufacturing lines for Dielectric and other technical grades of biaxially oriented polypropylene film, at the existing location in Barjora, West Bengal and in UAE directly or through subsidiary, including upgradation of the existing facilities, Working Capital of the Company and its subsidiaries and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being utilized for the purposes stated.

c) Pursuant to the special resolution passed at the Extraordinary General Meeting held on January 16, 2024, and relevant regulatory provisions, the Company issued and allotted by way of a Qualified Institutions Placement ("QIP"), 13,62,397 fully paid-up equity shares to 21 subscribers, at INR 1,101 (face value INR 10 plus premium of INR 1,091) per equity share, on February 29, 2024. Issue expenses of INR 5,53.42 lacs have been adjusted with securities premium account. In terms of the offer documents, the issue proceeds may be utilized for Capital expenditure for equipment and machinery, pre-payment of outstanding borrowings, Working Capital, towards ERP system, and for other general corporate purposes. The proceeds of the said issue are being utilized for the purposes stated.

50. The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Unit 1 Barjora were presented as 'Assets held for sale' separately from other assets in the balance sheet. The sale/business transfer was completed on October 20, 2022 at a consideration of INR 678 lacs for fixed assets. Accounting for the transaction resulted in an increase of other income by INR 85.75 lacs during the previous year ended March 31, 2023.

51. Ratios

| | Ratio | Ratio Formula | Year 2023-24 | Year 2022-23 | Variance (%) | Explanation for variance |
|----|-------------------|--|-----------------|-----------------|-----------------|--|
| a) | Current ratio | <i>Current assets / Current liabilities</i> | 5.56 | 1.55 | 258.7 | Increase in current assets (bank balances) due capital raise and also Reduction in current liabilities |
| b) | Debt-equity ratio | <i>Total debt / Shareholder's equity (excluding lease liabilities)</i> | 0.07 | 0.15 | (53.33) | Repayment of term loans; lower working capital borrowing, profit earned and infusion of capital |

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| Ratio | Ratio Formula | Year 2023-24 | Year 2022-23 | Variance (%) | Explanation for variance |
|-------------------------------------|---|-----------------|-----------------|-----------------|--|
| c) Debt service coverage ratio | <i>Earnings available for Debt Service (i.e. net profit after taxes + interest and lease payment + depreciation and amortization expenses + loss on sale of PPE) / Debt Service (i.e. Interest and lease payments + principal repayments during the year)</i> | 2.49 | 1.03 | 141.7 | Sustained profitability, with accelerated reduction in debt, including through pre-payment |
| d) Return on equity (%) | <i>Profit for the year / Avg. shareholder's equity</i> | 11.05 | 22.37 | (50.60) | Lower PAT due exceptional items, higher taxation, along with increase in equity |
| e) Inventory turnover ratio | <i>Cost of goods sold / Average inventory</i> | 6.78 | 7.53 | (10.04) | - |
| f) Trade receivables turnover ratio | <i>Revenue from operations / Average trade receivables</i> | 8.83 | 8.71 | 1.36 | - |
| g) Trade payables turnover ratio | <i>Purchase of raw materials / Average trade payables</i> | 6.31 | 6.51 | (3.06) | - |
| h) Net capital turnover ratio | <i>Revenue from operations / Working capital (i.e. Current assets – current liabilities)</i> | 1.32 | 10.88 | (87.83) | Due to substantial increase in current assets on account of bank deposits |
| i) Net profit before tax ratio (%) | <i>Profit before tax for the year / Revenue from operations</i> | 12.93 | 11.60 | 11.42 | - |
| j) Net profit ratio (%) | <i>Profit for the year / Revenue from operations</i> | 9.43 | 8.88 | 6.20 | - |
| k) Return on capital employed (%) | <i>Earning before interest & taxes / Capital employed (i.e. total equity + borrowings including accrued interest + deferred tax liability)</i> | 10.60 | 23.92 | (55.70) | Marginal increase in earning before interest and tax but Substantial increase in equity |
| l) Return on investment (%) | <i>Income earned on investment / average investment</i> | 6.49 | 6.46 | 0.48 | - |

52. Significant events after the reporting period

The Board of Directors has recommended a dividend of INR 2.00 per share for the year 2023-24, (March 31, 2023 - INR 2.00 per share) subject to approval by the shareholders at the ensuing Annual General Meeting of the Company; No liability has been recognised as at March 31, 2024 (Nil as at March 31, 2023).

There were no other significant adjusting events that occurred subsequent to the reporting period other than events disclosed in the relevant notes.

53. The Ministry of Corporate Affairs (MCA) has issued a notification "Companies (Accounts) Amendment Rules, 2021" which is effective from April 1, 2023, and which states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on April 1, 2023.

The Company uses two accounting software for the maintenance of its books of account. During the current financial year, the audit trail (edit log) feature for any direct changes made at the database level was not enabled for one of the accounting software used for the maintenance of accounting records by the Company. However, the audit trail (edit log) at the application level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.

Further, for another accounting software, the feature of recording audit trail (edit log) facility was enabled and the same has been operated throughout the year for all relevant transactions recorded in the software. However, the software did not capture the details of user id at the time of entering new record and in case of subsequent edits for the period April 1 to September 4, 2023.

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54. During the current year, the Company acquired 26% of the issued equity share capital of TP Mercury Limited (a special purpose vehicle for sourcing of solar power through open access for the Company's Ranjangaon Unit under the Group Captive Scheme) for INR 135.75 lacs pursuant to the Share Purchase Agreement dated September 13, 2023 with Tata Power Renewable Energy Limited and TP Mercury Limited). The Company is entitled to receive back face value of the amount invested at the end of the term of agreement and accordingly this investment is accounted as a financial asset measured at fair value through profit and loss in accordance with IND AS 109.
55. **Additional Regulatory Information:**
- a. There are no immovable properties where the title deeds are not held in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company);
 - b. There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or period of repayment;
 - c. The Company does not have any Benami property, and no proceedings have been initiated or is pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988;
 - d. The Company has been regular in filling quarterly returns or statements of current assets with banks and those are in agreement with the books of accounts;
 - e. The Company has not been declared a wilful defaulter by any bank or financial institution;
 - f. The Company has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956;
 - g. The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period;
 - h. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year;
 - i. The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017;
 - j. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
 - k. The Company does not have any scheme of arrangement which needs to be accounted for in the books of accounts of the Company;
 - l. The Company has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or (ii) provide any guarantee, security or the like to or on behalf of the Company;
 - m. The Company has not received any funds from any person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or (ii) provide any guarantee, security or the like to or on behalf of the Company;
 - n. The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
56. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
57. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure. Reclassification were due to changes in presentation/classification of items under paragraph 41 of IND AS 1. The impact of such regrouping/reclassification are not material to standalone financial statements.

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58. The audited standalone financial results along with the report thereon are also available on the Company's website www.xproindia.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
59. The standalone financial statements were approved for issue by the Board of Directors at their meeting held at New Delhi on May 28, 2024.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

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

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and 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 auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>1) Revenue Recognition Refer note 4(l) of Summary of significant accounting policies and other explanatory information and the note 48 of the consolidated financial statements for the year ended 31 March 2023. The Revenues of the Holding Company consists primarily of sale of products and is recognized when control of products being sold is transferred to the customer and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates and trade discounts.</p> | <p>Our key audit procedures included, but were not limited to, the following procedures:</p> <ol style="list-style-type: none">a) Assessed the appropriateness of the Group's revenue recognition accounting policies in accordance with Ind AS 115 - Revenue from contracts with customers;b) Tested the design and operating effectiveness of the control environment for recognition of revenue;c) Performed analytical procedures on revenue;d) Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents; |

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| | |
|---|--|
| <p>The Holding Company focuses on revenue as a key performance measure. Considering the materiality of amounts involved, the same has been considered as a key audit matter for the current year's audit.</p> | <p>e) Reviewed, on a sample basis, sales agreements and the underlying contractual terms related to delivery of goods and rebates to assess the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards;</p> <p>f) Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns;</p> <p>g) Ensured the adequacy and appropriateness of disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 115</p> |
|---|--|

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which has been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 2.73 lacs as at 31 March 2024, total revenues of ₹ Nil lacs and net cash outflows amounting to ₹ 0.06 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order report issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act, 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 purpose 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 report of the other auditor except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
 - c) The consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
 - f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2' wherein we have expressed an unmodified opinion; and

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- h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose *financial statements have been audited under the Act*:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 41 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2024;
 - iv.
 - a. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 56(l) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the note 56(m) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor' notice that has caused us or the other auditor to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 38(B) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
 - vi. As stated in Note 54 of the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Holding Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which

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have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below

| Nature of exception noted | Details of Exception |
|---|--|
| Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software. | <p>1.For one of the accounting software used for maintenance of accounting records of the Holding Company did not capture the details of user id at the time of entering new record and in case of subsequent edits for the period 1 April 2023 to 4 September 2023.</p> <p>2.The audit trail feature was not enabled at the database level for another accounting software to log any direct data changes, used for maintenance of accounting records of the Holding Company.</p> |

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
UDIN: 24508685BKEUEP6319
Place: Delhi
Date: 28 May 2024

Annexure 1

List of entities included in the consolidated financial statements:

Name of Holding Company:

- a. Xpro India Limited

Name of Subsidiary Company:

- b. Xpro Global Limited

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Annexure 2 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2024

Annexure 2

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('the Guidance Note') 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 the Company's 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and

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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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 2.73 lacs and net assets of ₹ 2.23 lacs as at 31 March 2024, total revenues of ₹ Nil lacs and net cash outflows amounting to ₹ 0.06 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company, is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
UDIN: 24508685BKEUEP6319

Place: Delhi
Date: 28 May 2024

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CONSOLIDATED BALANCE SHEET as at March 31, 2024

| | Note No. | As at March 31, 2024 | (INR lacs) As at March 31, 2023 |
|--|----------|--------------------------|------------------------------------|
| ASSETS | | | |
| Non-Current assets | | | |
| a. Property, plant and equipment | 5 (a) | 1,42,43.41 | 1,50,81.26 |
| b. Right-of-use assets | 47 | 8,58.17 | 9,10.09 |
| c. Capital work-in-progress | 5 (b) | 21,65.89 | 2,61.20 |
| d. Intangible assets | 6 | - | - |
| e. Intangible assets under development | 7 | 24.01 | - |
| f. Financial assets - Investments | 8 | 4,85.45 | 4,64.83 |
| - Loans | 9 | 23.22 | 22.13 |
| - Other financial assets | 10 | 3,27.47 | 3,41.43 |
| g. Non-current tax assets (net) | 11 | 2,41.35 | 1,71.80 |
| h. Other non-current assets | 12 | 65,08.30 | 35,57.43 |
| | | <u>2,48,77.27</u> | <u>2,08,10.17</u> |
| Current assets | | | |
| a. Inventories | 13 | 45,80.51 | 47,32.13 |
| b. Financial assets - Trade receivables | 14 | 54,45.43 | 50,98.39 |
| - Cash and cash equivalents | 15 | 1,64.11 | 15.16 |
| - Bank balances other than cash and cash equivalents | 16 | 3,19,43.18 | 30,01.11 |
| - Loans | 17 | 16.49 | 12.44 |
| - Other financial assets | 18 | 12.15 | 12.09 |
| c. Other current assets | 19 | 7,02.43 | 3,33.20 |
| | | <u>4,28,64.30</u> | <u>1,32,04.52</u> |
| Total Assets | | <u>6,77,41.57</u> | <u>3,40,14.69</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a. Equity share capital | 20 | 22,03.46 | 18,21.22 |
| b. Other equity | 21 | 5,38,48.26 | 2,15,34.49 |
| Total equity | | <u>5,60,51.72</u> | <u>2,33,55.71</u> |
| Liabilities | | | |
| Non-Current liabilities | | | |
| a. Financial liabilities | | | |
| - Borrowings | 22 | 19,47.23 | 9,56.37 |
| - Lease liabilities | 47 | 1,85.27 | 2,26.95 |
| - Other financial liabilities | 23 | 0.77 | 6.57 |
| b. Provisions | 24 | 70.40 | 18.98 |
| c. Deferred tax liabilities (net) | 25 | 17,71.44 | 9,45.33 |
| | | <u>39,75.11</u> | <u>21,54.20</u> |
| Current liabilities | | | |
| a. Financial liabilities | | | |
| - Borrowings | 26 | 17,25.80 | 26,48.43 |
| - Lease liabilities | 47 | 41.68 | 36.44 |
| - Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 27 | 2,87.90 | 1,41.04 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 27 | 46,09.55 | 48,97.50 |
| - Other financial liabilities | 28 | 6,09.44 | 2,51.04 |
| b. Other current liabilities | 29 | 4,35.83 | 5,30.33 |
| c. Provisions | 24 | 4.54 | - |
| | | <u>77,14.74</u> | <u>85,04.78</u> |
| Total liabilities | | <u>1,16,89.85</u> | <u>1,06,58.98</u> |
| Total Equity and liabilities | | <u>6,77,41.57</u> | <u>3,40,14.69</u> |

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

In terms of our report of even date attached

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
New Delhi, May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Xpro India Limited : Consolidated Annual Report 2023/24

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2024

| | | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|----|------------------------------|--|
| Revenue | | | |
| - Revenue from operations | 30 | 4,65,41.10 | 5,10,97.03 |
| - Other income | 31 | 12,18.99 | 3,85.55 |
| Total income | | <u>4,77,60.09</u> | <u>5,14,82.58</u> |
| Expenses | | | |
| - Cost of materials consumed | 32 | 3,17,18.28 | 3,46,95.04 |
| - Changes in inventories of finished goods and work-in-progress | 33 | (1,67.85) | 3,15.25 |
| - Employee benefits expense | 34 | 26,81.57 | 23,98.56 |
| - Finance costs | 35 | 5,00.63 | 7,53.19 |
| - Depreciation and amortisation expense | 36 | 11,13.70 | 11,52.18 |
| - Other expenses | 37 | 56,95.27 | 62,45.28 |
| Total expenses | | <u>4,15,41.60</u> | <u>4,55,59.50</u> |
| Profit before exceptional items and tax | | <u>62,18.49</u> | <u>59,23.08</u> |
| Exceptional items | 40 | <u>(2,02.00)</u> | <u>-</u> |
| Profit before tax | | <u>60,16.49</u> | <u>59,23.08</u> |
| Tax expense | 25 | | |
| - Current tax | | 8,01.45 | 7.83 |
| - Deferred tax expense | | 8,25.16 | 14,11.53 |
| - Tax for earlier years | | 1.94 | (32.69) |
| Total tax expense | | <u>16,28.55</u> | <u>13,86.67</u> |
| Profit for the year | | <u>43,87.94</u> | <u>45,36.41</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | | (1.10) | (0.23) |
| - Income tax relating to items that will not be reclassified to profit or loss | | 0.28 | 0.06 |
| Items that will be reclassified to profit or loss | | | |
| - Change in fair value of tax free bonds | | 4.89 | (33.04) |
| - Income tax relating to items that will be reclassified to profit or loss | | (1.23) | 11.62 |
| Other comprehensive income for the year, net of tax | | <u>2.84</u> | <u>(21.59)</u> |
| Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year) | | <u>43,90.78</u> | <u>45,14.82</u> |
| Profit for the year attributable to | | | |
| - Owners of the Company | | 43,87.94 | 45,36.41 |
| - Non-controlling interest | | - | - |
| Other comprehensive income for the year attributable to | | | |
| - Owners of the Company | | 2.84 | (21.59) |
| - Non-controlling interest | | - | - |
| Total comprehensive income for the year attributable to | | | |
| - Owners of the Company | | 43,90.78 | 45,14.82 |
| - Non-controlling interest | | - | - |
| Earnings per equity share (of INR 10/- each) | 38 | | |
| - Basic (INR) | | 21.81 | 25.57 |
| - Diluted (INR) | | 21.77 | 24.35 |

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

In terms of our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Sidharth Birla

Chairman

(DIN: 00004213)

Ashish Gera

Partner

Membership No. 508685

New Delhi

May 28, 2024

Kamal Kishor Sewoda

Company Secretary

V. K. Agarwal

President (Finance) &
Chief Financial Officer

C. Bhaskar

Managing Director &

Chief Executive Officer

(DIN: 00003343)

Xpro India Limited : Consolidated Annual Report 2023/24

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year ended March 31, 2024

| | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|------------------------------|--|
| A. Cash flow from operating activities | | |
| Net profit before tax | 60,16.49 | 59,23.08 |
| Adjustments for: | | |
| Depreciation and amortisation (net) | 11,13.70 | 11,52.18 |
| Right to recompense (classified as financing cash flows) | 2,02.00 | - |
| Excess provision written back | (2,01.88) | (0.15) |
| Foreign currency translations (net) | (1.61) | - |
| Interest income (classified as investing cash flow) | (8,69.97) | (1,56.03) |
| Finance costs | 5,00.63 | 7,53.19 |
| Assets written off | 22.98 | - |
| Profit on sale of property, plant & equipment including assets held for sale | (1.24) | (80.15) |
| Dividend income | (0.05) | (0.08) |
| Operating profit before working capital changes | 67,81.05 | 75,92.04 |
| Decrease in financial assets | 10.67 | 4.93 |
| (Increase)/decrease in trade receivables | (3,45.69) | 15,36.07 |
| (Increase)/decrease in other assets | (13,37.65) | 24.95 |
| Decrease/(increase) in inventories | 1,51.62 | (1,67.90) |
| Increase/(decrease) in financial liabilities | 50.43 | (7,87.04) |
| (Decrease)/increase in other liabilities | (94.50) | 1,76.37 |
| Increase/(decrease) in provisions | 54.86 | (2,03.04) |
| Cash flow generated from operations (gross) | 52,70.79 | 81,76.38 |
| Income tax paid (net) | (8,72.94) | 1,09.12 |
| Net cash flow generated from operating activities (A) | 43,97.85 | 82,85.50 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment, right-of-use assets and intangible assets | (38,16.34) | (36,31.88) |
| Investment in financial assets measured at fair value through profit and loss | (1,35.75) | - |
| Proceeds from sale of property, plant and equipment | 10.01 | 76.50 |
| Dividend received | 0.05 | 0.08 |
| Interest received | 8,69.89 | 1,56.03 |
| Investment in fixed deposits | (2,89,40.10) | (24,28.26) |
| Net cash flow used in investing activities (B) | (3,20,12.24) | (58,27.53) |
| C. Cash flow from financing activities | | |
| Proceeds from convertible warrants | 1,42,72.10 | 18,74.52 |
| Issue of equity shares through QIP | 1,49,99.99 | - |
| Share issue expenses paid | (4,31.53) | - |
| Right to recompense | (2,02.00) | - |
| Dividend paid | (4,09.64) | (2,32.58) |
| Principal payment of lease liabilities | (36.44) | (27.87) |
| Interest payment of lease liabilities | (27.79) | (27.36) |
| Proceeds from long-term borrowings | 19,47.23 | - |
| Repayment of long-term borrowings | (15,63.29) | (64,65.90) |
| (Repayment)/Proceeds of short-term borrowings (net) | (3,15.71) | 13,01.03 |
| Interest paid/finance cost | (4,69.58) | (7,35.84) |
| Net cash flow generated from/(used in) financing activities (C) | 2,77,63.34 | (43,14.00) |
| Net increase/decrease in cash and cash equivalents (A+B+C) | 1,48.95 | (18,56.03) |
| Cash and Cash Equivalents at the beginning of the year | 15.16 | 18,71.19 |
| Cash and Cash Equivalents at the end of the year (refer note 15) | 1,64.11 | 15.16 |

Xpro India Limited : Consolidated Annual Report 2023/24

| | <u>As at</u> <u>March 31, 2024</u> | <u>As at</u> <u>March 31, 2023</u> |
|--|---------------------------------------|---------------------------------------|
| Components of cash and cash equivalents (refer note 15) | | |
| Balances with scheduled banks: | | |
| - In current accounts | 10.98 | 13.03 |
| - Debit balance in cash credit accounts | 1,49.64 | - |
| Cash on hand | 3.49 | 2.13 |
| | 1,64.11 | 15.16 |

Notes:

a) The Consolidated Cash Flow Statement has been prepared as per the "indirect method" set out in Ind AS 7 on Statement of Cash Flow;

b) Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash Flows'

| | <u>Lease liabilities</u> | <u>Long-term borrowings</u> | <u>Short-term Borrowings</u> | <i>(INR lacs)</i> |
|------------------------------------|--------------------------|-----------------------------|------------------------------|-------------------|
| Balance as on April 1, 2022* | 2,17.82 | 80,30.43 | 7,40.48 | |
| Cash flows: | | | | |
| Proceeds | - | - | 13,01.03 | |
| Repayments | (55.23) | (64,65.90) | - | |
| Non-cash changes on account of: | | | | |
| addition | 73.44 | - | - | |
| foreign exchange fluctuation | - | (1.24) | - | |
| interest cost on lease liabilities | 27.36 | - | - | |
| Balance as on April 1, 2023* | 2,63.39 | 15,63.29 | 20,41.51 | |
| Cash flows: | | | | |
| Proceeds | - | 19,47.23 | - | |
| Repayments | (64.23) | (15,63.29) | (3,15.71) | |
| Non-cash changes on account of: | | | | |
| addition | - | - | - | |
| foreign exchange fluctuation | - | - | - | |
| interest cost on lease liabilities | 27.79 | - | - | |
| Balance as on March 31, 2024* | 2,26.95 | 19,47.23 | 17,25.80 | |

* includes current maturity of long-term borrowings Nil (March 31, 2023: INR 6,06.92 lacs, March 31, 2022: INR 16,59.50 lacs)

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

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)

Xpro India Limited : Consolidated Annual Report 2023/24

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2024

(INR lacs)

A. Equity Share Capital

| Particulars | Number of | Amount |
|--|--------------------|-----------------|
| | shares | |
| Balance as at April 1, 2022 | 1,18,13,500 | 11,81.35 |
| Bonus equity shares issued during the year (Note 20) | 59,06,744 | 5,90.67 |
| Equity shares issued on conversion of fully paid warrants (Note 20 & 49) | 3,28,000 | 32.80 |
| Bonus equity shares issued on conversion of fully paid warrants (Note 20) | 1,64,000 | 16.40 |
| Balance as at March 31, 2023 | 1,82,12,244 | 18,21.22 |
| Equity shares issued on conversion of fully paid warrants (Note 20 & 49) | 16,40,000 | 1,64.00 |
| Bonus equity shares issued on conversion of fully paid warrants (Note 20) | 8,20,000 | 82.00 |
| Equity shares issued pursuant to Qualified Institutions Placement (QIP) (Note 20'h') | 13,62,397 | 1,36.24 |
| Balance as at March 31, 2024 | 2,20,34,641 | 22,03.46 |

B. Other equity

| Particulars | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Financial assets through OCI | Money received against warrants | Total |
|---|-------------------------------|-----------------------|--------------------|----------------------|---------------------------------------|--|-------------------|
| Balance as at April 1, 2022 | 60.50 | 4,06.58 | 67,50.00 | 50,68.29 | (13.12) | 37,49.04 | 1,60,21.29 |
| Profit for the year | - | - | - | 45,36.41 | - | - | 45,36.41 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.17) | (21.42) | - | (21.59) |
| Payment of Dividend | - | - | - | (2,36.27) | - | - | (2,36.27) |
| Issue of Bonus shares | - | (4,06.58) | (2,00.49) | - | - | - | (6,07.07) |
| Balance proceeds from warrants | - | - | - | - | - | 18,74.52 | 18,74.52 |
| Issue of shares against warrants | - | 24,66.56 | - | - | - | (24,99.36) | (32.80) |
| Balance as at March 31, 2023 | 60.50 | 24,66.56 | 65,49.51 | 93,68.26 | (34.54) | 31,24.20 | 2,15,34.49 |
| Profit for the year | - | - | - | 43,87.94 | - | - | 43,87.94 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.82) | 3.66 | - | 2.84 |
| Payment of Dividend | - | - | - | (4,13.44) | - | - | (4,13.44) |
| Issue of Bonus shares | - | (82.00) | - | - | - | - | (82.00) |
| Balance proceeds from warrants | - | - | - | - | - | 93,72.60 | 93,72.60 |
| Issue of shares against warrants | - | 1,23,32.80 | - | - | - | (1,24,96.80) | (1,64.00) |
| On preferential issue of warrants | - | - | - | - | - | 48,99.50 | 48,99.50 |
| Issue of shares pursuant to QIP | - | 1,48,63.75 | - | - | - | - | 1,48,63.75 |
| Share issue expenses incurred for QIP | - | (5,53.42) | - | - | - | - | (5,53.42) |
| Balance as at March 31, 2024 | 60.50 | 2,90,27.69 | 65,49.51 | 1,33,41.94 | (30.88) | 48,99.50 | 5,38,48.26 |

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

In terms of our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Sidharth Birla

Chairman

(DIN: 00004213)

Ashish Gera

Partner

Membership No. 508685

New Delhi

May 28, 2024

Kamal Kishor Sewoda

Company Secretary

V. K. Agarwal

President (Finance) &
Chief Financial Officer

C. Bhaskar

Managing Director &
Chief Executive Officer

(DIN: 00003343)

Xpro India Limited : Consolidated Annual Report 2023/24

Notes to the Consolidated Financial Statements

1. **Group Information:**

These consolidated financial statements comprise the standalone financial statements of Xpro India Limited (“the Holding Company”) and its subsidiary (collectively referred to as ‘the Group’) for the year ended March 31, 2023

| <u>Name of Subsidiary</u> | <u>% Shareholding</u> | <u>Principal Activity</u> | <u>Country of Incorporation</u> |
|---------------------------|-----------------------|---------------------------|---------------------------------|
| Xpro Global Limited | 100 * | General Trade | India |

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiary are insignificant.

(* 100% shareholding in each of the years ended March 31, 2023 and March 31, 2022);

2. **Recent pronouncements on Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from April 1, 2023. However, these amendments did not have any material impact on the Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition.

3. **Basis for Preparation:**

a. 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:

- The standalone 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 Ind AS 110 - “Consolidated Financial Statements”.
- 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 Standalone Financial Statements.

b. Statement of compliance with Indian Accounting Standards (Ind AS)

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013 (‘the Act’) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended.

c. Basis of measurement

These Consolidated financial statements have been prepared on a historical cost basis except for (a) certain financial instruments that are measured at fair values at the end of each reporting period and (b) net defined benefit assets/liability measured at fair value of planned assets less present value of defined benefit obligations. The methods used to measure fair values are discussed further in notes to Consolidated financial statements.

d. Functional and presentation currency

The Consolidated financial statements of the Group are presented in Indian Rupees (INR), which is also its functional currency. All financial amounts disclosed in the Consolidated financial statements and notes have been rounded to the nearest lac (upto two decimals), unless stated otherwise.

e. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within twelve months after the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period;
- iv) There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Operating Cycle

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

f. Fair Value Measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability or in the absence of a principal market in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices, included in Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 4(s) - Financial Instruments.

Overall Considerations

The Consolidated financial statements have been prepared on going concern basis using the material accounting policies and measurement basis summarized below.

These accounting policies have been used throughout all periods presented in the Consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

4. Material accounting policy information:

A summary of the material accounting policy information applied in the preparation of the Consolidated financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

a. Property, plant and equipment

Property, plant and equipment and capital work-in-progress are stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

Xpro India Limited : Consolidated Annual Report 2023/24

Cost comprises the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, borrowing costs if capitalization criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if a) it is probable that future economic benefits associated with the item will flow to the entity; and b) the cost of the item can be measured reliably.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Consolidated Statement of Profit and Loss.

Value for individual assets acquired for a consolidated price, the consideration is apportioned to the various assets on a fair value basis as determined by competent valuers.

The Group has technically evaluated all the property, plant and equipment for determining the separate identifiable assets having different useful lives under the component approach. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation on property, plant and equipment is provided on a straight line method computed on the basis of useful life as per Schedule II of Companies Act, 2013, on pro-rata basis from the date the asset is ready to put to use.

Leasehold improvements are amortised over the lease period.

Depreciation on property, plant and equipment which are added/disposed off during the year is provided on pro-rata basis with reference to the date of addition/deletion. An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

Property, plant and equipment is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in the consolidated statement of profit and loss.

b. Intangible assets

Intangible assets that are acquired by the Group, having finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the Consolidated statement of profit and loss.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Amortisation of intangible assets such as software is computed on a straight-line basis, at rates representing estimated useful life of five years. Technical know-how fees are amortised over the life of the plant from the date of commencement of commercial production using such know-how. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

c. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. Capitalisation of borrowing costs ceases

when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised as an expense in the year in which they are incurred.

d. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of the other assets or CGUs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). To determine impairment of the Group's corporate assets which do not generate independent cash inflows, recoverable amount is determined for the CGUs to which the corporate assets belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to CGU, and then to reduce the carrying amounts of any other assets of the CGUs or group of CGUs on a pro-rata basis.

e. Assets held for sale

The Group classifies asset as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if the Management expects to complete the sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

f. Inventories

Inventories are valued at lower of the cost and net realisable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on a weighted average basis. Work-in-progress includes raw material cost, plus conversion cost depending upon stage of completion. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition. Stock in Transit is valued at lower of cost and net realisable value. Scrap is valued at estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the Consolidated statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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Contingent Assets are neither recognised nor disclosed in the Consolidated financial statements.

h. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and ultimate collection of the grant/subsidy is reasonably certain. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating revenues on a systematic basis in the periods in which such expenses are recognised.

i. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

k. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date the transaction first qualifies for recognition. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of short-term monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or as expenses in the year in which they arise.

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks in respect of its imports and exports. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognised in Consolidated statement of profit and loss.

l. Revenue recognition

Sale of Goods: Revenue from sale of products are recognised at a point of time when control of products is transferred i.e. on dispatch of goods and are accounted for net of returns, trade discounts, volume rebates and freight outward. Revenue is exclusive of goods and service tax.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). No element of financing is deemed present as the sales are largely made with credit term of not more one year.

The transaction price is allocated by the Group to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Sale of Services: Revenue from job work services and management consultancy services are recognized based on the services rendered in accordance with the terms of contracts.

Dividend Income: Dividend Income is recognized when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

Interest Income: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the consolidated statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently

become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Other Income: Income from export incentives is recognised on accrual basis.

m. Employee Benefits

Employee benefits include provident fund, Superannuation Fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans: The Group's contribution to Provident Fund, Superannuation Fund and employees state insurance scheme are considered as defined contribution plans and are charged as an expense based on the pre-determined amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to consolidated statement of profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognizes the following changes in the net defined benefit obligation as an expense in the Consolidated statement of profit and loss: (i) Service costs comprising current service costs, gains and losses on curtailments and settlements; and (ii) Net interest expense or income.

The retirement benefit obligation recognized in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Retirement benefit in the form of provident fund is a defined benefit scheme. The Group contributes its portion of contribution to Xpro India Ltd. Employees Provident Fund Trust ('the Trust'). The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and accounted by the Group as provident fund cost.

Other employee benefits: Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in the actuarial assumption are recognised in the Consolidated statement of profit and loss.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

n. Leases

The Group as a lessee: Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable; (b) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable under residual value guarantees, if any; (d) the exercise price of a purchase option if any, if the Group is reasonably certain to exercise that option; (e) payment for penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability

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for each period. Variable lease payments that depends on sales are recognised in the Consolidated statement of profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising (a) the amount of the initial measurement of lease liability; (b) any lease payments made at or before the commencement date less any lease incentives received; (c) any initial direct costs; and (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

Right-of-use assets are generally amortised over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the Consolidated statement of profit and loss. Short term leases are the leases with a lease term of 12 months or less.

o. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in Consolidated statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

p. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Group and the weighted average number of equity shares outstanding the year is adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.

q. Operating segment

In accordance with Ind AS 108, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Group predominantly fall within a single reportable operating segment, i.e., Polymer Processing. The Board of Directors is the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

r. Equity investment

Equity investments in subsidiary are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of financial assets is followed.

s. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the Consolidated statement of profit and loss.

Financial assets classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Group classifies its financial assets in the following measurement categories: Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Consolidated statement of profit and loss. The losses arising from impairment are recognised in the Consolidated statement of profit and loss. This category generally applies to trade and other receivables.

Investments carried at fair value through profit and loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss.

Investments carried at fair value through other comprehensive income (FVTOCI)

An investment in bond is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling the financial asset.

After initial measurement, fair value movements are recognised in the other comprehensive income (OCI).

However, the Group recognises interest income, impairment losses and reversals in the consolidated statement of profit and loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in Consolidated statement of profit and loss on disposal of that financial asset.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Consolidated statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Financial assets that are measured at FVTOCI e.g. investment in bonds.
- (c) Trade receivables under Ind AS 115.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period,

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credit quality of the instrument improves and there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or fair value through profit and loss.

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit and loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit and loss.

3. Offsetting

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

t. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of the financial year which are unpaid.

u. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in consolidated statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowing are de-recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in consolidated statement of profit and loss.

v. Use of estimates and management judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group and uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Such changes are reflected in the assumptions when they occur.

The following areas have been identified where material judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the material accounting policy information are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

In order to enhance understanding of the consolidated financial statements, information about areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most material effect on the amounts recognised in the consolidated financial statements have been identified as under:

Material management judgements:

1. Recoverable amount of property, plant and equipment

In assessing impairment, Group estimates the recoverable amount of each asset or cash-generating units based on expected market outlook and future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

2. Provisions and contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group. The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of material judgments and the use of estimates regarding the outcome of future events.

3. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Material management estimates:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Group reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

2. Employee benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. a) Property, plant and equipment (INR lacs)

| Particulars | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Computers | Equipment & Fittings | Total | Capital work- In Progress |
|-------------------------------------|-----------------|-------------------|----------------------|----------------|----------------|----------------------|-------------------|---------------------------|
| Gross Block | | | | | | | | |
| Balance as on April 1, 2022 | 41,34.96 | 2,52,73.02 | 3,34.58 | 3,40.82 | 1,58.07 | 120.19 | 3,03,61.64 | 37.30 |
| Additions (refer note d' below) | 51.23 | 1,19.41 | 2.07 | 1,43.66 | 10.69 | 7.88 | 3,34.94 | 2,28.20 |
| Less: Disposals/adjustments | - | 17,79.92 | 1,45.90 | 58.21 | 33.88 | 54.22 | 20,72.13 | 4.30 |
| Balance as on March 31, 2023 | 41,86.19 | 2,36,12.51 | 1,90.75 | 4,26.27 | 1,34.88 | 73.85 | 2,86,24.45 | 2,61.20 |
| Additions (refer note d' below) | 5.28 | 2,19.02 | 0.21 | 14.91 | 15.30 | 0.96 | 2,55.68 | 20,90.98 |
| Less: Disposals/adjustments | - | 79.65 | 36.76 | 23.84 | 6.77 | 2.70 | 1,49.72 | 1,86.29 |
| Balance as on March 31, 2024 | 41,91.47 | 2,37,51.88 | 1,54.20 | 4,17.34 | 1,43.41 | 72.11 | 2,87,30.41 | 21,65.89 |
| Accumulated Depreciation | | | | | | | | |
| Balance as on April 1, 2022 | 11,06.34 | 1,27,25.71 | 2,62.22 | 90.49 | 1,34.05 | 1,07.00 | 1,44,25.81 | - |
| Add: Depreciation for the year | 1,31.52 | 9,06.60 | 15.45 | 37.75 | 8.23 | 7.87 | 11,07.42 | - |
| Less: Disposals | - | 17,46.92 | 1,37.85 | 18.93 | 33.88 | 52.46 | 19,90.04 | - |
| Balance as on March 31, 2023 | 12,37.86 | 1,18,85.39 | 1,39.82 | 1,09.31 | 1,08.40 | 62.41 | 1,35,43.19 | - |
| Add: Depreciation for the year | 1,33.77 | 8,52.06 | 11.30 | 49.99 | 10.44 | 4.22 | 10,61.78 | - |
| Less: Disposals | - | 61.54 | 32.24 | 15.12 | 6.55 | 2.52 | 117.97 | - |
| Balance as on March 31, 2024 | 13,71.63 | 1,26,75.91 | 1,18.88 | 1,44.18 | 1,12.29 | 64.11 | 1,44,87.00 | - |
| Balance as on March 31, 2024 | 28,19.84 | 1,10,75.97 | 35.32 | 2,73.16 | 31.12 | 8.00 | 1,42,43.41 | 21,65.89 |
| Balance as on March 31, 2023 | 29,48.33 | 1,17,27.12 | 50.93 | 3,16.96 | 26.48 | 11.44 | 1,50,81.26 | 2,61.20 |

Notes:

- Refer note 22 for information on property, plant and equipment pledged as security by the Group;
- Refer note 12 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The Group 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 of the Holding Company is of the view that no impairment provision is considered in these consolidated financial statements;
- Exchange differences on all long-term monetary items resulted in INR Nil (March 31, 2023: deletion of INR 1.24 lacs to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset;
- The Group has constructed buildings on leasehold lands which are shown under note 47 - Leases; There are no separate title deeds for such buildings.

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| 5. b) Capital Work-in-progress (CWIP) | | Amount in CWIP for a period of | | | | (INR lacs) |
|--|--|--------------------------------|-----------------------|-----------------------|-----------|------------|
| | | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | Total |
| <u>As at March 31, 2024</u> | | | | | | |
| Projects in progress | | 20,90.98 | 74.91 | - | - | 21,65.89 |
| <u>As at March 31, 2023</u> | | | | | | |
| Projects in progress | | 2,28.20 | 33.00 | - | - | 2,61.20 |
| <p>There are no projects as on end of each reporting period (a) where activity has been suspended and (b) which has exceeded cost as compared to its original plan or where completion is overdue. CWIP balance includes certain directly attributable expenses in the nature of travelling, salaries, insurance, consulting and other expenses aggregating to INR 198.22 lacs.</p> | | | | | | |
| 6. Intangible assets | | Computer software | Technical knowhow | (INR lacs) | | |
| | | | | Total | | |
| Gross block | | | | | | |
| Balance as at April 1, 2022 | | 28.32 | 3,48.38 | 3,76.70 | | |
| Additions | | - | - | - | | |
| Balance as at March 31, 2023 | | 28.32 | 3,48.38 | 3,76.70 | | |
| Additions | | - | - | - | | |
| Balance as at March 31, 2024 | | 28.32 | 3,48.38 | 3,76.70 | | |
| Accumulated amortisation | | | | | | |
| Balance as at April 1, 2022 | | 28.32 | 3,48.38 | 3,76.70 | | |
| Add: Amortisation during the year | | - | - | - | | |
| Balance as at March 31, 2023 | | 28.32 | 3,48.38 | 3,76.70 | | |
| Add: Amortisation during the year | | - | - | - | | |
| Balance as at March 31, 2024 | | 28.32 | 3,48.38 | 3,76.70 | | |
| Net balance as at March 31, 2023 | | - | - | - | | |
| Net balance as at March 31, 2024 | | - | - | - | | |
| 7. a) Intangible assets under development | | | | (INR lacs) | | |
| | | | As at | As at | | |
| | | | <u>March 31, 2024</u> | <u>March 31, 2023</u> | | |
| Opening balance | | | - | - | | |
| Addition during the year | | | 24.01 | - | | |
| Closing Balance | | | 24.01 | - | | |
| 7. b) Ageing of intangible assets under development | | Amount in CWIP for a period of | | | | (INR lacs) |
| | | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | Total |
| <u>As at March 31, 2024</u> | | | | | | |
| Projects in progress | | 24.01 | - | - | - | 24.01 |
| <u>As at March 31, 2023</u> | | | | | | |
| Projects in progress | | - | - | - | - | - |
| <p>Note: refer note 12 for disclosure of contractual commitment for the acquisition of Intangible assets</p> | | | | | | |
| 8. Investments (Non-current) | | | | (INR lacs) | | |
| | | | As at | As at | | |
| | | | <u>March 31, 2024</u> | <u>March 31, 2023</u> | | |
| Investments in equity shares (Fair value through Profit and Loss): (refer note 45) | | | | | | |
| 13,57,547 equity shares (March 31, 2023: Nil) of INR10 each in TP Mercury Limited | | | 15.73 | - | | |
| Investments in bonds (quoted) (Fair value through other comprehensive income): | | | | | | |
| Tax Free Bonds (refer details below*) | | | 4,69.72 | 4,64.83 | | |
| Total investments | | | 4,85.45 | 4,64.83 | | |
| Aggregate amount of unquoted investments (net of impairment) | | | 15.73 | - | | |
| Aggregate amount of quoted investments * | | | 4,69.72 | 4,64.83 | | |

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* Market value of Quoted investments

| | As at | | As at | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | <u>March 31, 2024</u> | | <u>March 31, 2023</u> | |
| | Number of Units | Amount (INR lacs) | Number of Units | Amount (INR lacs) |
| 8.66% IIFCL Tax Free Bond - 2034 (maturity: January 1, 2034) (Face Value: INR 1,000 each) | 20000 | 2,53.87 | 20000 | 2,48.50 |
| 8.48% IIFCL Tax Free Bond - 2028 (maturity: September 9, 2028) (Face Value: INR 10,00,000 each) | 10 | 1,12.86 | 10 | 1,13.89 |
| 8.66% NTPC Tax Free Bond - 2033 (maturity: December 16, 2033) (Face Value: INR 1,000 each) | 3463 | 43.86 | 3463 | 43.31 |
| 8.63% IRFC Tax Free Bond - 2029 (maturity: March 26, 2029) (Face Value: INR 1,000 each) | 2500 | 28.87 | 2500 | 28.91 |
| 8.66% IIFCL Tax Free Bond - 2034 (maturity: January 22, 2034) (Face Value: INR 1,000 each) | 1499 | 19.00 | 1499 | 18.78 |
| 8.54% PFC Tax Free Bond - 2028 (maturity: November 16, 2028) (Face Value: INR 1,000 each) | 1000 | 11.26 | 1000 | 11.44 |
| | | <u>4,69.72</u> | | <u>4,64.83</u> |

The aggregate amount of investment in bonds at purchase price is INR 5,10.98 lacs (March 31, 2023: INR 5,10.98 lacs)

The Group designated the investments shown above as debt instruments as FVTOCI because these debt instruments represent investments which are long term in nature and the Group intends to hold these investments till maturity.

9. Loans (Non-current)

(Considered good, unsecured)

| | (INR lacs) | |
|--------------------|-----------------------|-----------------------|
| | As at | |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Loans to employees | 23.22 | 22.13 |
| Total | <u>23.22</u> | <u>22.13</u> |

Note: There are no loans due by directors or other officers of the Group either severally or jointly with any other persons or amounts due by firms or private companies in which any director is a partner or a director or a member

10. Other financial assets (Non-current)

(Considered good, unsecured)

| | (INR lacs) | |
|---|-----------------------|-----------------------|
| | As at | |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Security deposits | 2,66.97 | 1,80.20 |
| VAT Subsidy | 54.22 | 1,56.78 |
| Bank Deposits with more than 12 months maturity | 6.28 | 4.45 |
| Total | <u>3,27.47</u> | <u>3,41.43</u> |

11. Non-current income tax assets (net)

| | (INR lacs) | |
|---|-----------------------|-----------------------|
| | As at | |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Pre-paid taxes (net of provision for tax INR 801.45; previous year INR Nil) | 2,41.35 | 1,71.80 |
| Total | <u>2,41.35</u> | <u>1,71.80</u> |

12. Other assets (Non-current)

(Considered good, unsecured)

| | (INR lacs) | |
|---|-----------------------|-----------------------|
| | As at | |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Capital advances [refer note (a) below] | 53,83.33 | 35,17.10 |
| Advances other than capital advances | | |
| - Pre-paid expenses | 10,98.44 | 11.78 |
| - Balances with statutory authorities | 26.53 | 28.55 |
| Total | <u>65,08.30</u> | <u>35,57.43</u> |

Notes:

i) Capital commitment:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts (net of capital advances): INR 2,56,95.32 lacs (March 31, 2023: INR 2,55,03.70 lacs)

ii) Prepaid expenses include INR 8,98.19 lacs towards unamortised insurance premium on the drawn and undrawn external commercial borrowing from BpiFrance S.A., amounting to EURO 1,29,76,862.84.

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13. Inventories

(valued at lower of cost and net realisable value)

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|--|--------------------------------|--------------------------------|
| Raw material | 27,07.10 | 30,64.19 |
| Work-in-progress | 2,03.03 | 2,70.39 |
| Finished goods (including goods in transit of INR 86.17 lacs; March 31, 2023: Nil) | 12,62.05 | 10,26.84 |
| Stores and spares | 4,08.33 | 3,70.71 |
| Total | 45,80.51 | 47,32.13 |

14. Trade receivables

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|---|--------------------------------|--------------------------------|
| Trade receivables: Considered good, unsecured | 54,45.43 | 50,98.39 |
| Total | 54,45.43 | 50,98.39 |

Notes:

(a) There are no amounts due by directors or other officers of the Group either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

(c) Trade receivables ageing schedule (INR lacs)

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|--|------------|---|----------------------|----------------|----------------|-----------|----------|
| | | < 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | > 3 years | |
| <u>March 31, 2024</u> | | | | | | | |
| Undisputed trade receivables | | | | | | | |
| i) considered good | 47,73.78 | 6,67.59 | 1.40 | 2.66 | - | - | 54,45.43 |
| ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) credit impaired | - | - | - | - | - | - | - |
| <u>March 31, 2023</u> | | | | | | | |
| Undisputed trade receivables | | | | | | | |
| i) considered good | 44,92.71 | 6,03.02 | 2.66 | - | - | - | 50,98.39 |
| ii) which have significant increase in credit risk | - | - | - | - | - | - | - |
| iii) credit impaired | - | - | - | - | - | - | - |

15. Cash and cash equivalents

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|--|--------------------------------|--------------------------------|
| Balance with banks in current accounts | 10.98 | 13.03 |
| Debit balance in cash credit accounts | 1,49.64 | - |
| Cash on hand | 3.50 | 2.13 |
| Total * | 1,64.12 | 15.16 |

*There are no restrictions on usage of cash and cash equivalents by the Group as at the end of current and previous years.

16. Bank balances other than cash and cash equivalents

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|---|--------------------------------|--------------------------------|
| Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months | 2,08,37.86 | 26,25.90 |
| Unpaid dividend accounts | 7.49 | 3.69 |
| Balances held as margin money | 1,10,97.83 | 3,71.52 |
| Total | 3,19,43.18 | 30,01.11 |

17. Loans (Current)

(Considered good, unsecured)

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|--------------------|--------------------------------|--------------------------------|
| Loans to employees | 16.49 | 12.44 |
| Total | 16.49 | 12.44 |

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| | | |
|--|-----------------------|-----------------------|
| 18. Other financial assets (Current) | (INR lacs) | |
| <i>(Considered good, unsecured)</i> | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Security deposits | 0.55 | 0.57 |
| Interest accrued but not due (on tax-free bonds) | 11.60 | 11.52 |
| Total | <u>12.15</u> | <u>12.09</u> |

| | | |
|-------------------------------------|-----------------------|-----------------------|
| 19. Other current assets | (INR lacs) | |
| <i>(Considered good, unsecured)</i> | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Advance to suppliers | 84.46 | 28.58 |
| Prepaid expenses | 2,58.89 | 1,94.94 |
| Balance with statutory authorities | 3,44.91 | 59.96 |
| Other receivable | | |
| Loans - considered good, unsecured | 14.17 | 49.71 |
| Total | <u>7,02.43</u> | <u>3,33.19</u> |

Note:

Balance with statutory authorities represents goods and services tax (earlier service tax) paid on inputs (earlier input and services) availed by the Group and eligible for utilization towards discharge of goods and services tax (earlier service tax liability) in respect of services rendered by the Group. The Group expects the utilization of outstanding balances as at each date of consolidated financial statements within twelve months thereof.

| | | |
|---|-----------------------|-----------------------|
| 20. Equity share capital | (INR lacs) | |
| <u>Particulars</u> | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Authorised Share Capital | | |
| 3,50,00,000 (March 31, 2023: 3,50,00,000) Equity shares of INR 10 each | 35,00.00 | 35,00.00 |
| Issued, Subscribed & Paid-up | | |
| 2,20,34,641 (March 31, 2023: 1,82,12,231) equity shares of INR 10 each fully paid | 22,03.46 | 18,21.22 |
| Share Capital Suspense | | |
| 13 (March 31, 2023:13) equity shares of INR 10 each fully paid | * | * |
| (*rounded off to INR Nil) | <u>22,03.46</u> | <u>18,21.22</u> |

a) 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 (as amended) and 1 equity share of INR 10 pending to be allotted as fully paid to a non-resident share holder by way of bonus share in terms of RBI regulations.

b) Reconciliation of number of equity shares outstanding:

| | <u>For the year ended March 31, 2024</u> | | <u>For the year ended March 31, 2023</u> | |
|---|--|-------------------|--|-------------------|
| | Number of equity shares | Amount (INR lacs) | Number of equity shares | Amount (INR lacs) |
| At the beginning of the year | <u>1,82,12,244</u> | <u>18,21.22</u> | <u>1,18,13,500</u> | <u>11,81.35</u> |
| Bonus equity shares issued during the year | - | - | 59,06,744 | 5,90.67 |
| Equity shares issued on conversion of fully paid warrants | 16,40,000 | 1,64.00 | 3,28,000 | 32.80 |
| Bonus equity shares issued on conversion of fully paid warrants | 8,20,000 | 82.00 | 1,64,000 | 16.40 |
| Shares issued pursuant to Qualified Institutions Placement [refer note (h) below] | 13,62,397 | 1,36.24 | - | - |
| At the end of the year | <u>2,20,34,641</u> | <u>22,03.46</u> | <u>1,82,12,244</u> | <u>18,21.22</u> |

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c) **Terms/rights attached to equity shares**

The Holding Company has issued only one class of equity shares having a face value of INR 10 per share. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding Company after distribution of all preferential amounts, if any, in proportion to their respective shareholding. All shares rank equally with regard to the Holding Company's residual assets.

d) Shareholder(s) holding more than 5% shares in the Holding Company:

| Name of the Shareholder(s) | As at | As at |
|---------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| i) Intellipro Finance Private Limited | | |
| - No. of shares | 34,57,500 | 34,57,500 |
| - % of shares held | 15.69 | 18.98 |
| ii) iPro Capital Limited | | |
| - No. of shares | 44,09,999 | 44,09,999 |
| - % of shares held | 20.01 | 24.21 |
| iii) Malabar India Fund Limited | | |
| - No. of shares | 24,60,000 | - |
| - % of shares held | 11.16 | - |

e) Shareholding of Promoters:

| Sl. | Promoter Name | Shares held by Promoters/Promoter Group | | | | % change during the year |
|--------------------------------|--------------------------------------|---|-------------------|----------------------|-------------------|--------------------------|
| | | As on March 31, 2023 | | As on March 31, 2024 | | |
| | | No. of Shares | % of total shares | No. of Shares | % of total shares | |
| 1 | Birla Eastern Limited | 27600 | 0.15 | 27600 | 0.13 | (0.02) |
| 2 | Birla Holdings Limited | 249975 | 1.37 | 249975 | 1.13 | (0.24) |
| 3 | Birla, Madhushree Smt. | 150187 | 0.82 | 150187 | 0.68 | (0.14) |
| 4 | Birla, Sidharth Kumar | 152812 | 0.84 | 152812 | 0.69 | (0.15) |
| 5 | Birla, S K | 829 | 0.00 | 829 | 0.00 | 0.00 |
| 6 | Sudarshan Kumar Birla (HUF) | 234 | 0.00 | 234 | 0.00 | 0.00 |
| 7 | Birla, Sumangala Smt. | 2290 | 0.01 | 2290 | 0.01 | 0.00 |
| 8 | Central India General Agents Limited | 805500 | 4.42 | 805500 | 3.66 | (0.76) |
| 9 | IntelliPro Finance Private Limited | 3457500 | 18.98 | 3457500 | 15.69 | (3.29) |
| 10 | iPro Capital Limited | 4409999 | 24.21 | 4409999 | 20.01 | (4.20) |
| 11 | Janardhan Trading Co. Ltd. | 99000 | 0.54 | 99000 | 0.45 | (0.09) |
| Promoter/Promoter Group Total: | | 9355926 | 51.34 | 9355926 | 42.45 | (8.89) |

Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013

f) During the year ended March 31, 2024, the Holding Company issued and allotted 8,20,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares (previous year ended March 31, 2023: (a) 59,06,744 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares outstanding on record date, and (b) 1,64,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares). There have been no other shares which has been issued for a consideration other than cash and no shares bought back by the Holding Company during the period of 5 years immediately preceding the reporting date.

g) There are no options outstanding as at the end of the year.

h) Pursuant to a Qualified Institutions Placement ("QIP"), 13,62,397 fully paid-up equity shares were issued and allotted to 21 subscribers, at INR 1,101 (face value INR 10 plus premium of INR 1,091) per equity share by Holding Company, on February 29, 2024 (refer note 49), increasing the share capital by INR 1,36.24 lacs and the securities premium by INR 1,48,63.75 lacs.

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| 21. Other Equity | (INR lacs) | | | | | | |
|---|-------------------------------|-----------------------|--------------------|----------------------|---------------------------------------|--|------------|
| Particulars | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Financial assets through OCI | Money received against warrants | Total |
| Balance as at April 1, 2022 | 60.50 | 4,06.58 | 67,50.00 | 50,68.29 | (13.12) | 37,49.04 | 1,60,21.29 |
| Profit for the year | - | - | - | 45,36.41 | - | - | 45,36.41 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.17) | (21.42) | - | (21.59) |
| Payment of Dividend | - | - | - | (2,36.27) | - | - | (2,36.27) |
| Issue of Bonus shares | - | (4,06.58) | (2,00.49) | - | - | - | (6,07.07) |
| Balance proceeds from warrants | - | - | - | - | - | 18,74.52 | 18,74.52 |
| Issue of shares against warrants | - | 24,66.56 | - | - | - | (24,99.36) | (32.80) |
| Balance as at March 31, 2023 | 60.50 | 24,66.56 | 65,49.51 | 93,68.26 | (34.54) | 31,24.20 | 2,15,34.49 |
| Profit for the year | - | - | - | 43,87.94 | - | - | 43,87.94 |
| Other comprehensive income/(loss) (net of tax) | - | - | - | (0.82) | 3.66 | - | 2.84 |
| Payment of Dividend | - | - | - | (4,13.44) | - | - | (4,13.44) |
| Issue of Bonus shares | - | (82.00) | - | - | - | - | (82.00) |
| Balance proceeds from warrants | - | - | - | - | - | 93,72.60 | 93,72.60 |
| Issue of shares against warrants | - | 1,23,32.80 | - | - | - | (1,24,96.80) | (1,64.00) |
| On preferential issue of warrants | - | - | - | - | - | 48,99.50 | 48,99.50 |
| Issue of shares pursuant to QIP | - | 1,48,63.75 | - | - | - | - | 1,48,63.75 |
| Share issue expenses incurred for QIP | - | (5,53.42) | - | - | - | - | (5,53.42) |
| Balance as at March 31, 2024 | 60.50 | 2,90,27.69 | 65,49.51 | 1,33,41.94 | (30.88) | 48,99.50 | 5,38,48.26 |

Nature and purpose of reserves

a) Capital subsidy reserve

This represents the profit earned by the Group through a special transaction in the nature of a government subsidy that is not available for distributing dividend.

b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

c) General reserve

General reserve is a distributable reserve created by way of transfer from time to time from annual profits. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

d) Retained earnings

Represents the accumulated balances of profits earned over the years after appropriation for general reserves, and adjustments for dividends or other distributions paid to shareholders.

e) Money received against warrants

Represents amount received towards preferential allotment of convertible warrants issued.

| 22. Non-current financial liabilities - Borrowings | (INR lacs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| <u>Loans from banks - Secured</u> | | |
| Term loans (refer note a to d) | - | 9,47.10 |
| Foreign currency borrowings (refer note e) | 19,47.23 | - |
| Vehicle loans (refer note f) | - | 9.27 |
| Total | 19,47.23 | 9,56.37 |

- a. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding Nil (previous year: INR 11,00.90 lacs), carried interest linked to the bank's MCLR, was repayable in (i) 47 monthly instalments of INR 33.33 lacs each starting from January 2022 & (ii) last instalment of INR 33.49 lacs in December 2025 and was secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC). The said loan has been repaid during the year.

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- b. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding Nil (previous year: INR 1,40.62 lacs), carried interest linked to the bank's MCLR, was repayable in (i) 35 monthly instalments of INR 6.38 lacs each commencing from February 2022 & (ii) last instalment of INR 6.70 lacs in January 2025 and was secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC. The said loan has been repaid during the year.
- c. Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding Nil (previous year: INR 2,89.67 lacs), carried interest linked to the bank's MCLR, was repayable in 48 monthly instalments of INR 8.96 lacs each starting from April 2022 and was secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC. The said loan has been repaid during the year.
- d. The above-mentioned term loans carried interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).
- e. External Commercial Borrowing ("ECB") from BpiFrance S.A., in the nature of term loan, outstanding € 2,244,832.84 (excluding transaction cost of Euro 1,30,286.53), equivalent to INR 20,57.16 lacs (excluding transaction cost of INR 109.04), (previous year: Nil), carries annual interest at 3.845% and is repayable in 20 semi-annual instalments, commencing from May 2025, with interest, commencing from May 2024 as and when due, and is secured under BpiFrance Assurance Export credit guarantee;
- f. Vehicle Loan of Nil (previous year: INR 29.98 lacs) carried interest at between 7 to 7.8 % per annum was repayable in 36 monthly instalment(s) commencing from date of disbursement, and was secured by hypothecation of specified vehicles. The said loan has been repaid during the year;
- g. There has been no default in servicing of loans and interest due thereon during and as at the end of the year;
- h. Pledge of 15% of promoters equity shareholding in the Holding Company to further secure loans to the Group from Indian banks have been released by the banks;
- i. Interest accrued and not due on above borrowings is Nil (March 31, 2023: INR 2.12 lacs).

| 23. Non-current financial liabilities - Others | (INR lacs) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Security deposits | 0.77 | 6.57 |
| Total | 0.77 | 6.57 |

| 24. Provisions | (INR lacs) | |
|--------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Employee benefits | | |
| Non-current | | |
| Gratuity (refer note 39) | 70.40 | 18.98 |
| | <u>70.40</u> | <u>18.98</u> |
| Current | | |
| Compensated absences | 4.54 | - |
| | <u>4.54</u> | <u>-</u> |

| 25. Deferred tax | (INR lacs) | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| A. Components of Income Tax Expense | | |
| I. Tax expense recognized in the consolidated statement of Profit and Loss | | |
| Current tax | 8,01.45 | 7.83 |
| Tax adjusted for earlier years | 1.94 | (32.69) |
| | <u>8,03.39</u> | <u>(24.86)</u> |
| Deferred Tax | 8,25.16 | 14,11.53 |
| Total | 16,28.55 | 13,86.67 |
| II. Recognized in Other Comprehensive Income | | |
| Tax impact on | | |
| - Re-measurement on defined benefit plan | 0.28 | 0.06 |
| - Change in fair value of tax free bonds | (1.23) | 11.62 |
| Total | (0.95) | 11.68 |

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| B. Reconciliation of tax expense and the accounting profit | (INR lacs) | |
|--|-----------------------|-----------------------|
| | Year ended | Year ended |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Profit before tax | 60,16.49 | 59,23.08 |
| Enacted income tax rate in India adopted by the Group (%) | 25.17 | 25.17 |
| Tax expense at statutory income tax rate | 15,14.35 | 14,90.84 |
| Tax adjustment for earlier years | 1.94 | (32.69) |
| Lease | 9.17 | 7.01 |
| Share issue expense | (1,13.11) | - |
| CSR | 16.36 | 47.50 |
| Others | 2,08.15 | (1,01.11) |
| Change in fair value of tax free bond | (8.31) | (3.30) |
| Profit on sale of Biax Unit I (refer note 50) | - | (21.58) |
| Total tax expense | 16,28.55 | 13,86.67 |

| <u>Deferred tax assets/liabilities (net)</u> | (INR lacs) | |
|--|-----------------------|-----------------------|
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Deferred tax liability | | |
| Fixed assets: | 18,27.24 | 15,46.41 |
| Impact of difference between book and tax depreciation | 18,27.24 | 15,46.41 |
| Gross deferred tax liability | | |
| Deferred tax assets | | |
| Carried forward losses/unabsorbed depreciation | - | 5,84.68 |
| Provision for employee benefits | 19.14 | 4.78 |
| Other expenses allowable on payment basis | 26.27 | - |
| Investment at fair value through OCI | 10.39 | 11.62 |
| Gross deferred tax assets | 55.80 | 6,01.08 |
| Deferred tax assets to the extent recognized | 55.80 | 6,01.08 |
| Net deferred tax asset/(liability) | (17,71.44) | (9,45.33) |

| Movement in Deferred tax liabilities/assets (net) | | | | (INR lacs) |
|--|--------------------------------|---|--------|---------------------------------|
| <u>March 31, 2024</u> | | | | |
| Particulars | Balance as at April 1, 2023 | Recognised during the year In Consolidated Statement of Profit and Loss | | Balance as at March 31, 2024 |
| | | In Consolidated Statement | In OCI | |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | 15,46.41 | 2,80.83 | - | 18,27.24 |
| | 15,46.41 | 2,80.83 | - | 18,27.24 |
| Deferred tax assets | | | | |
| Carry forward of losses | 5,84.68 | (5,84.68) | - | - |
| Provision for employee benefits | 4.78 | 14.08 | 0.28 | 19.14 |
| Other expenses allowable on payment basis | - | 26.27 | - | 26.27 |
| Investment at fair value through OCI | 11.62 | - | (1.23) | 10.39 |
| | 6,01.08 | (5,44.33) | (0.95) | 55.80 |
| Net deferred tax asset/(liability) | (9,45.33) | (8,25.16) | (0.95) | (17,71.44) |

| <u>March 31, 2023</u> | | | | |
|--------------------------------------|--------------------------------|---|--------|---------------------------------|
| Particulars | Balance as at April 1, 2022 | Recognised during the year In Consolidated Statement of Profit and Loss | | Balance as at March 31, 2023 |
| | | In Consolidated Statement | In OCI | |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | 6,15.28 | 9,31.13 | - | 15,46.41 |
| | 6,15.28 | 9,31.13 | - | 15,46.41 |
| Deferred tax assets | | | | |
| Carry forward of losses | 10,20.98 | (4,36.30) | - | 5,84.68 |
| Provision for employee benefits | 48.82 | (44.10) | 0.06 | 4.78 |
| Investment at fair value through OCI | - | - | 11.62 | 11.62 |
| | 10,69.80 | (4,80.40) | 11.68 | 6,01.08 |
| Net deferred tax asset/(liability) | 4,54.52 | (14,11.53) | 11.68 | (9,45.33) |

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| | | |
|--|-----------------------|-----------------------|
| 26. Current financial liabilities - Borrowings | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Secured | | |
| Loans repayable on demand | | |
| - Working capital loan from banks (refer note (a) and (b) below) | 17,25.80 | 20,41.51 |
| - Current maturities of long term borrowings (refer note 22) | - | 6,06.92 |
| Total | <u>17,25.80</u> | <u>26,48.43</u> |

- a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated.
- b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the year.

| | | |
|--|-----------------------|-----------------------|
| 27. Current financial liabilities – Trade payables | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Trade payables | | |
| Total outstanding dues of micro enterprises and small enterprises | 2,87.90 | 1,41.04 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 35,67.31 | 36,91.22 |
| Acceptances | <u>10,42.24</u> | <u>12,06.28</u> |
| Total | <u>48,97.45</u> | <u>50,38.54</u> |

Notes:

- a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 46 for information on the Group's credit risk management processes.
- b) Acceptances include arrangements where operational supplies of goods and services are paid by banks on due date which are normally effected within a period of 90 days from the date of transaction.
- c) Disclosures with respect to related party transactions is given in note 42.
- d) Micro enterprises and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Group on the basis of the information available with the Group and the auditors have relied on the same. Disclosure pursuant to MSMED Act on the amount due to micro and small enterprises is given below:

| | | |
|--|-----------------------|-----------------------|
| | | (INR lacs) |
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Principal amount due and remaining unpaid | 2,87.90 | 1,41.04 |
| Interest due on above and remaining unpaid | - | - |
| Interest due and payable for the period of delay in making payment (beyond the appointed day during the year) | - | - |
| Payment made to suppliers (other than interest) beyond appointed day | - | - |
| Interest paid in terms of Sec.16 of MSMED Act | - | - |
| Further interest remaining due and payable in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act | - | - |
| Interest due and payable to suppliers under MSMED Act towards payments made | - | - |
| Interest accrued and remaining unpaid | - | - |

| | | | | | | |
|--------------------------------------|----------|--|-------------|-------------|-----------|------------|
| e) Trade payables ageing schedule | | | | | | (INR lacs) |
| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
| | | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | |
| <u>March 31, 2024</u> | | | | | | |
| i) MSME | - | 2,87.90 | - | - | - | 2,87.90 |
| ii) Others | 869.06 | 38,39.80 | 0.04 | 0.65 | - | 46,09.55 |
| iii) Disputed Dues - MSME | - | - | - | - | - | - |
| iv) Disputed Dues - Others | - | - | - | - | - | - |
| v) Creditors for capital expenditure | - | 2,83.88 | - | - | - | 2,83.88 |

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| Particulars | Unbilled | Outstanding for following periods from due date of payment | | | | Total |
|--|----------|---|-------------|-------------|-------------------------------------|-------------------------------------|
| | | | | | | |
| | | < 1 year | 1 – 2 years | 2 – 3 years | > 3 years | |
| <u>March 31, 2023</u> | | | | | | |
| i) MSME | - | 1,40.56 | - | - | - | 1,40.56 |
| ii) Others | 10,10.50 | 38,44.97 | 1.07 | 0.02 | 40.94 | 48,97.50 |
| iii) Disputed Dues - MSME | - | 0.48 | - | - | - | 0.48 |
| iv) Disputed Dues - Others | - | - | - | - | - | - |
| v) Creditors for capital expenditure | - | 49.61 | - | - | - | 49.61 |
| 28. Current financial liabilities – Others | | | | | | (INR lacs) |
| | | | | | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
| Creditors for capital expenditure | | | | | 2,83.88 | 49.61 |
| Interest accrued but not due on ECB | | | | | 3.26 | - |
| Unpaid dividend | | | | | 7.49 | 3.69 |
| Employees payables | | | | | 2,49.81 | 1,90.24 |
| Security deposit received | | | | | 65.00 | 7.50 |
| Total | | | | | <u>6,09.44</u> | <u>2,51.04</u> |
| 29. Other current liabilities | | | | | | (INR lacs) |
| | | | | | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
| Contract liabilities | | | | | 82.56 | 13.52 |
| Statutory dues payable | | | | | 3,53.27 | 5,16.81 |
| Total | | | | | <u>4,35.83</u> | <u>5,30.33</u> |
| 30. Revenue from operations | | | | | | (INR lacs) |
| | | | | | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
| Sale of products (<i>refer note 48</i>) | | | | | | |
| - Finished goods | | | | | 4,60,90.48 | 5,01,89.06 |
| Other operating income | | | | | | |
| - Scrap sale | | | | | 4,14.18 | 3,28.77 |
| - Export incentives | | | | | 36.44 | 70.75 |
| - Processing charges | | | | | - | 5,08.45 |
| Total | | | | | <u>4,65,41.10</u> | <u>5,10,97.03</u> |
| 31. Other income | | | | | | (INR lacs) |
| | | | | | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
| Interest on | | | | | | |
| - Fixed deposits at amortised cost | | | | | 8,07.37 | 1,07.08 |
| - Other financial assets carried at fair value through other comprehensive income | | | | | 33.18 | 33.02 |
| - Others | | | | | 8.10 | 8.04 |
| - Income-tax refund | | | | | 21.32 | 7.89 |
| - Dividend Income | | | | | 0.05 | 0.08 |
| - Other non-operating income | | | | | | |
| - Foreign currency transactions (net) | | | | | 57.40 | 48.95 |
| - Excess provision written back | | | | | 2,01.88 | 0.15 |
| - Profit on sale of property, plant and equipment including assets held for sale (<i>refer note 50</i>) | | | | | 1.24 | 80.15 |
| - Miscellaneous income | | | | | 88.45 | 100.19 |
| Total | | | | | <u>12,18.99</u> | <u>3,85.55</u> |

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| 32. Cost of materials consumed | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|---|------------------------------|--|
| Raw material at the beginning of the year | 30,64.19 | 25,42.50 |
| Add: Purchases during the year | 3,13,61.19 | 3,52,16.73 |
| Less: Raw material at the end of the year | <u>27,07.10</u> | <u>30,64.19</u> |
| Cost of materials consumed | 3,17,18.28 | 3,46,95.04 |
| | | |
| 33. Changes in inventories of finished goods and work-in-progress | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
| Inventories at the beginning of the year | | |
| Finished goods | 10,26.84 | 14,32.81 |
| Work-in-progress | 2,70.39 | 1,79.67 |
| | <u>12,97.23</u> | <u>16,12.48</u> |
| Inventories at the end of the year | | |
| Finished goods | 12,62.05 | 10,26.84 |
| Work-in-progress | 2,03.03 | 2,70.39 |
| | <u>14,65.08</u> | <u>12,97.17</u> |
| Net decrease/(increase) | (1,67.85) | 3,15.25 |
| | | |
| 34. Employees benefits expense | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
| Salaries, wages and bonus | 22,73.36 | 20,42.01 |
| Contribution to provident and other funds | 2,66.10 | 2,17.59 |
| Staff welfare expenses | 1,42.11 | 1,38.96 |
| Total | <u>26,81.57</u> | <u>23,98.56</u> |
| | | |
| Note: In the current year, contractual wages of INR 7,01.69 lacs (previous year: INR 6,08.40 lacs) has been included in "other expenses" for better presentation. Accordingly corresponding previous year figures have been reclassified. | | |
| Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 39. | | |
| | | |
| 35. Finance costs | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
| Interest expense on borrowings measured at amortised cost | 3,79.20 | 5,92.51 |
| Interest on lease liability (refer note 47) | 27.79 | 27.36 |
| Other borrowing costs | 93.64 | 1,33.32 |
| Total | <u>5,00.63</u> | <u>7,53.19</u> |
| | | |
| <i>Other borrowing costs includes charges towards letters of credit, bank guarantee, and ancillary costs towards borrowing.</i> | | |
| | | |
| 36. Depreciation and amortisation expenses | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
| Depreciation on tangible assets | 10,61.78 | 11,07.42 |
| Amortisation on right-of-use assets (refer note 47) | 51.92 | 44.76 |
| Total | <u>11,13.70</u> | <u>11,52.18</u> |
| | | |
| 37. Other expenses | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
| Consumption of stores and spares | 9,97.35 | 9,45.92 |
| Processing charges | 44.35 | 36.93 |
| Power and Fuel | 23,67.96 | 29,70.48 |
| Rent (refer note 47) | 12.48 | 31.13 |

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Other expenses (contd.)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|------------------------------|------------------------------|
| | | (INR lacs) |
| Repairs to: | | |
| - Buildings | 10.36 | 25.57 |
| - Plant and Machinery | 1,37.16 | 1,91.56 |
| - Others | 36.46 | 38.62 |
| Communication | 18.27 | 20.73 |
| Contractual wages | 7,01.69 | 6,08.40 |
| Director's fees | 88.39 | 56.95 |
| IT expenses | 12.43 | - |
| Insurance | 1,35.55 | 1,54.45 |
| Legal and professional | 1,80.93 | 1,28.73 |
| Rates and taxes | 57.49 | 41.62 |
| Security expenses | 97.08 | 78.52 |
| Travelling and conveyance | 2,60.75 | 2,12.09 |
| Rebate and commission | 1,98.69 | 2,44.03 |
| Payment to auditors (refer note 'a' below) | 33.14 | 27.42 |
| Other selling expenses | 6.65 | 26.17 |
| Corporate social responsibility (refer note 44) | 67.50 | 47.50 |
| Assets written off | 22.98 | - |
| Miscellaneous expenses | 2,07.61 | 3,58.46 |
| Total | 56,95.27 | 62,45.28 |
| a) Payment to auditors | | |
| - As auditors | 27.50 | 25.00 |
| - For other matters * | 1.75 | 0.75 |
| - Reimbursement of expenses | 3.89 | 1.67 |
| | 33.14 | 27.42 |

*Excludes INR 53.00 lacs (previous year: Nil) towards fees related to issue of equity shares through QIP which has been adjusted with the securities premium as Share Issue expenses;

38.A) Earnings per share (EPS)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--|------------------------------|------------------------------|
| | | (INR lacs) |
| a) Profit attributable to equity shareholders (A) | 43,87.94 | 45,36.415 |
| b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS (B) * | 2,01,15,507 | 1,77,41,811 |
| Add: impact of convertible warrants | 38,086 | 8,84,424 |
| Weighted average number of equity shares outstanding during the year for computation of Diluted EPS (C) * | 2,01,53,593 | 1,86,26,235 |
| Nominal value per share (INR) | 10 | 10 |
| c) Basic earnings per equity share (face value INR10 each) (A/B) (INR) | 21.81 | 25.57 |
| Dilutive earnings per equity share (face value INR 10 each) (A/C) (INR) | 21.77 | 24.35 |

B) Details of Dividends:

Dividend of INR 2 per equity share of face value INR 10 each for the financial year ended March 31, 2023, was approved by shareholders of the Holding Company at Annual General Meeting held on August 10, 2023 and was paid on August 22, 2023 with a total appropriation of INR 4,13.44 lacs.

The Board of Directors of the Holding Company, at its meeting held on May 28, 2024, has recommended for approval by Members at the ensuing Annual General Meeting a dividend of INR 2 per fully paid-up equity share of INR 10 each for the financial year ended March 31, 2024, and which, if approved, would result in a cash outflow of INR 4,40.69 lacs.

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39. Employee benefits

a) Defined Contribution Plan

The Group makes contribution towards provident fund and ESI for qualifying employees to government administered /approved funds wherein the Group is required to contribute a specified percentage of payroll cost to the schemes to fund the benefits. The Group has no further obligations beyond the periodic contributions.

The Group recognized INR 138.40 lacs (March 31, 2023: INR 98.04 lacs) towards provident fund contributions and ESI contribution in the Consolidated Statement of Profit and Loss included in "Employee benefits expense" (note 34).

b) Defined Benefit Plan

Gratuity

The Group provides for gratuity as per the Payment of Gratuity Act, 1972 or as per applicable Group rules, whichever is higher. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Group accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

The following table sets out the status of the gratuity plan, based on the actuarial valuation obtained in this respect and the amounts recognised in the consolidated financial statements as at balance sheet date:

| | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|------------------------------|--|
| (i) Liability recognised in consolidated balance sheet | | |
| Present value of the obligation at end of the year | 11,80.31 | 10,60.37 |
| Fair value of plan assets | 11,09.91 | 10,41.39 |
| Net liability recognised in balance sheet as provision | 70.40 | 18.98 |
| (ii) Amount recognised in the consolidated statement of profit and loss is as under: | | |
| Current service cost | 59.08 | 50.54 |
| Net interest cost | 1.69 | 11.35 |
| Expense recognised in the consolidated statement of profit and loss | 60.77 | 61.89 |
| (iii) Amount recognised in other comprehensive income is as under: | | |
| Actuarial loss for the year on defined benefit obligation | (5.61) | (2.68) |
| Actuarial gain for the year on plan assets | 4.51 | 2.45 |
| Total actuarial loss for the year | (1.10) | (0.23) |
| (iv) Movement in the liability recognised in the consolidated balance sheet is as under: | | |
| Present value of defined benefit obligation as at start of the year | 10,60.37 | 11,02.26 |
| Current service cost | 59.08 | 50.54 |
| Interest cost | 75.29 | 77.38 |
| Actuarial loss recognised during the year | 5.61 | 2.68 |
| Benefits paid | (20.04) | (1,72.49) |
| Present value of defined benefit obligation as at the end of the year | 11,80.31 | 10,60.37 |
| (v) Movement in the plan assets recognised in the consolidated balance sheet is as under: | | |
| Fair value of plan assets at beginning of the year | 10,41.39 | 9,08.30 |
| Expected return on plan assets | 73.60 | 66.03 |
| Employer's contribution | 1.75 | 1,02.00 |
| Benefits paid | (11.34) | (37.39) |
| Actuarial gain on plan assets | 4.51 | 2.45 |
| Fair value of plan assets at the end of the year | 11,09.91 | 10,41.39 |
| Expected return on plan assets | 78.11 | 68.48 |
| (vi) Breakup of actuarial (gain)/loss on defined benefit obligation: | | |
| Actuarial gain on arising from change in financial assumption | 114.18 | 5.20 |
| Actuarial loss on arising from experience adjustment | (119.79) | (7.88) |
| Total actuarial loss for the year | (5.61) | (2.68) |
| (vii) Actuarial assumptions: | | |
| Discount rate (%) | 7.10 | 7.02 |
| Future salary increase (%) | 6.00 | 6.00 |
| Expected average remaining working lives of employees (years) | 9.75 | 10.21 |

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

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These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

| | <u>Year ended</u> <u>March 31, 2024</u> | <u>Year ended</u> <u>March 31, 2023</u> |
|--|--|--|
| (viii) Sensitivity analysis for gratuity liability | | |
| Impact of the change in discount rate | | |
| Effect on present value of gratuity obligation at the end of the year | | |
| - Impact due to increase of 1 % | (21.36) | (21.56) |
| - Impact due to decrease of 1 % | 24.87 | 25.15 |
| Impact of the change in salary increase | | |
| Effect on present value of gratuity obligation at the end of the year | | |
| - Impact due to increase of 1 % | 24.90 | 25.15 |
| - Impact due to decrease of 1 % | (21.76) | (21.94) |
| (ix) Expected (undiscounted) benefit payments in future years | | |
| Projections are for current members and their currently accumulated benefits | | |
| Year- 1 | 8,68.13 | 7,84.96 |
| Year- 2 | 76.49 | 13.77 |
| Year- 3 | 23.85 | 62.63 |
| Year- 4 | 55.97 | 18.18 |
| Year- 5 | 31.04 | 44.76 |
| Year- 6 to Year- 10 | 72.68 | 1,58.49 |
| (x) Category of plan assets | | |
| LIC managed fund | 100 % | 100 % |

(xi) The Group expects to contribute INR 50 lacs (2023-24: INR 1.75 lacs) to the funded plan during the financial year 2024-25.

Provident Fund

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Group to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Group is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Group's contribution is transferred to Government administered pension fund. The contributions made by the Group and the shortfall of interest, if any, are recognised as an expense in consolidated statement of profit and loss under employee benefits expense. During the current year the Group has recognised an amount of INR Nil (March 31, 2023: INR 1,79.68 lacs) being the decline in market value of certain investments of the trust.

C. Other long term benefits:

The leave obligations cover the Group's liability for earned leave. The liability towards compensated absences based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution to the plan assets resulted in a net liability of INR 4.54 lacs as on March 31, 2024 (net asset of INR 21.34 lacs as on March 31, 2023) which have been shown under "Current provisions" (March 31, 2023: "Other current assets") in the Consolidated Financial Statements.

40. Consortium lenders had retained a right to recompense for NPV loss that may have arisen on rescheduling of term loans (without sacrifice) effective April 1, 2016. During the year ended March 31, 2024, consortium banks exercised their right to recompense, notwithstanding the prepayment of outstanding loans in the previous year, and a sum of INR 202.00 lakhs was demanded and paid during the year. This payment has been disclosed as an exceptional item.

41. Contingent liabilities

| | As at | (INR lacs) |
|--|-----------------------|-----------------------|
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Claims against the Group, not acknowledged as debt | 2.50 | 2.50 |
| Sales tax, Excise and Customs matters | 4,61.72 | 3,89.24 |
| Others (<i>claims not acknowledged as debt</i>) | 36.68 | 36.68 |

Note: The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Group as no reliable estimate can yet be made.

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42. Related party disclosures: According to Ind AS 24 'Related Party Disclosures'

Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS24. However, they are not KMPs as per Companies Act, 2013

A. List of Related Parties:

1. Entities exercising significant influence over the Group
 - a) iPro Capital Limited
 - b) Intellipro Finance Pvt. Ltd.
2. Entities over which Key Managerial Personnel have control *
 - a) Central India General Agents Ltd.
 - b) Kriscore Financial Advisors Private Limited
3. Post-employment benefit funds
 - a) Xpro India Limited Employees Provident Fund Trust
 - b) Xpro India Limited Senior Officers Superannuation Fund
 - c) Xpro India Limited Employees Gratuity Fund
4. Key managerial personnel
 - a) Executive Directors:

| | |
|---|--|
| (i) Sri Sidharth Birla, <i>Chairman</i> | (ii) Sri C Bhaskar, <i>Managing Director & CEO</i> |
|---|--|
 - b) Non-executive Independent Directors:

| | |
|---|--|
| (i) Sri K Balakrishnan (<i>w.e.f. 25/5/2022</i>) | (ii) Sri Amitabha Guha |
| (iii) Sri Ashok Kumar Jha | (iv) Ms Suhana Murshed |
| (v) Sri Utsav Parekh | (vi) Sri S Ragothaman |
| (vii) Sri Manoj Mohanka (<i>w.e.f. 1/9/2023</i>) | (viii) Ms Nandini Khaitan (<i>w.e.f. 1/2/2024</i>) |
| (ix) Sri Umrao Chand Jain (<i>upto 29/5/2023</i>) | |
 - c) Non-executive Non-Independent Directors:

| | |
|--------------------------|--|
| (i) Smt Madhushree Birla | (ii) Sri Bharat Jhaver (<i>w.e.f. 25/5/2022</i>) |
|--------------------------|--|
 - d) Others:
 - (i) Sri H Bakshi, *Sr. President & COO*
 - (ii) Sri V K Agarwal, *President (F) & CFO*
 - (iii) Sri Kamal Kishor Sewoda, *Company Secretary (w.e.f. 15/2/2023)*
 - (iv) Sri Amit Dhanuka, *Company Secretary (upto 14/1/2023)*
 - e) Relatives of Key managerial personnel *:

| | |
|---------------------------------------|---------------------------|
| (i) Sri Sudarshan Kumar Birla | (ii) Smt Sumangala Birla |
| (iii) Sri Sudarshan Kumar Birla (HUF) | (iv) Smt Vasusri Jhaver |
| (v) Smt Meenakshi Apoorva Bajaj | (vi) Smt Usha Ragothaman |
| (vii) Smt Kiran Jhaver | (viii) Smt Mousumi Bakshi |

* with whom the Group had transactions during the current year and previous year

B. Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Transactions with Related Parties:

| Related Party | Nature of transaction | (INR lacs) | |
|---|--|------------------------------|------------------------------|
| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Xpro India Ltd. Employees Provident Fund Trust | Employer's contribution to post employment benefit fund | 71.89 | 1,79.68 |
| Xpro India Ltd. Senior Officers Superannuation Fund | Contribution to post employment benefit fund (with LIC) | 63.59 | 61.67 |
| Xpro India Ltd. Employees Gratuity Fund | Contribution to post employment benefit fund (with LIC) | 1.75 | 1,02.00 |
| iPro Capital Limited | Dividend paid | 88.20 | 58.80 |
| | Bonus shares issued (<i>face value of INR 10 each</i>) | - | 1,47.00 |
| Intellipro Finance Pvt. Ltd. | Dividend paid | 69.15 | 46.10 |
| | Bonus shares issued (<i>face value of INR 10 each</i>) | - | 1,15.25 |

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| <u>Related Party</u> | <u>Nature of transaction</u> | (INR lacs) | |
|--|--|-------------------------------------|-------------------------------------|
| | | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
| Central India General Agents Ltd. | Proceeds from warrants | 255.94 | 14,97.33 |
| | Issue of equity shares (face value of INR 10 each) | - | 26.20 |
| | Bonus shares issued (face value of INR 10 each) | - | 13.10 |
| | Dividend paid | 16.11 | 5.50 |
| Kriscore Financial Advisors Private Ltd. | Dividend paid | 0.16 | - |
| Sri Sidharth Birla | Remuneration paid | 1,41.00 | 1,34.20 |
| | Dividend paid | 3.06 | 2.04 |
| Sri C Bhaskar | Bonus shares issued (face value of INR 10 each) | - | 5.09 |
| | Remuneration paid | 1,76.41 | 1,56.33 |
| | Dividend paid | 1.41 | 1.15 |
| | Bonus shares issued (face value of INR 10 each) | - | 2.89 |
| Sri K Balakrishnan | Sitting fees | 0.05 | 0.04 |
| | Sitting Fees | 9.90 | 5.00 |
| Sri Amitabha Guha | Sitting Fees | 13.25 | 9.40 |
| Sri Ashok Kumar Jha | Sitting Fees | 10.50 | 7.00 |
| Sri Manoj Mohanka | Sitting Fees | 5.00 | - |
| Ms. Suhana Murshed | Sitting Fees | 9.30 | 6.00 |
| | Sitting Fees | 11.45 | 8.90 |
| Sri Utsav Parekh | Dividend paid | 0.02 | 0.01 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.03 |
| | Sitting Fees | 12.35 | 9.54 |
| | Dividend paid | 2.03 | 1.37 |
| Sri S Ragothaman | Bonus shares issued (face value of INR 10 each) | - | 3.42 |
| | Sitting Fees | 7.55 | 6.04 |
| | Dividend paid | 3.00 | 2.00 |
| Smt Madhushree Birla | Bonus shares issued (face value of INR 10 each) | - | 5.01 |
| | Sitting Fees | 2.00 | - |
| Ms Nandini Khaitan | Sitting Fees | 7.00 | 5.00 |
| | Sitting Fees | 0.01 | 0.03 |
| Sri Bharat Jhaver | Sitting Fees | 7.00 | 5.00 |
| Sri Umrao Chand Jain | Sitting Fees | 0.01 | 0.03 |
| Sri H Bakshi | Remuneration paid | 1,30.58 | 1,25.31 |
| | Dividend paid | 0.30 | 0.20 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.51 |
| | Remuneration paid | 107.46 | 98.36 |
| Sri V K Agarwal | Dividend paid | 0.25 | 0.17 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.42 |
| | Sitting fees | 0.03 | - |
| Sri Kamal Kishor Sewoda | Remuneration paid | 23.96 | 2.35 |
| Sri Amit Dhanuka | Remuneration paid | - | 15.61 |
| Sri Sudarshan Kumar Birla | Dividend paid | 0.02 | 0.01 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.03 |
| Smt Sumangala Birla | Dividend paid | 0.05 | 0.03 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.08 |
| Sri Sudarshan Kumar Birla (HUF) | Dividend paid | 0.00 | 0.00 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.01 |
| Smt Vasuri Jhaver | Dividend paid | 1.57 | 1.05 |
| | Bonus shares issued (face value of INR 10 each) | - | 2.62 |
| Smt Meenakshi Apoorva Bajaj | Dividend paid | 5.00 | 3.50 |
| | Bonus shares issued (face value of INR 10 each) | - | 8.75 |
| Smt Usha Ragothaman | Dividend paid | 0.09 | 0.07 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.18 |
| Smt Kiran Jhaver | Dividend paid | 0.15 | 0.10 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.25 |
| Smt Mousumi Bakshi | Dividend paid | 0.00 | 0.00 |
| | Bonus shares issued (face value of INR 10 each) | - | 0.00 |

Note: Provisions for gratuity and leave benefits are made for the Group as a whole, hence the amount pertaining to key management personnel are not specifically identified and are not included in remuneration above

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- 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.
- E. Related party relationships have been identified by the management and relied upon by the auditors.

43. Segment Information

The Group operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India. There are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

Revenue of INR 1,65,24.71 lacs (previous year: INR 1,73,54.77 lacs) was derived from two external customers each accounting for over ten percent of the revenue.

44. CSR Expenditure

| | Year ended March 31, 2024 | (INR lacs) Year ended March 31, 2023 |
|--|------------------------------|--|
| i) Gross amount required to be spent during the year as per provisions of Section 135 of the Companies Act 2013 | 75.58 | 36.90 |
| ii) Amount spent during the year on the following: | | |
| a) Construction/acquisition of any asset | - | - |
| b) On purposes other than (a) above | 67.50 | 47.50 |
| iii) Excess amount spent as per Section 135 of the Companies Act 2013 | | |
| Carried forward Opening balance | 17.46 | 6.86 |
| Amount required to be spent during the year | 75.58 | 36.90 |
| Amount spent during the year | 67.50 | 47.50 |
| Carried forward Closing balance | 9.38 | 17.46 |
| iv) Total of previous years shortfall | - | - |
| v) Reason for shortfall | Not applicable | Not applicable |
| vi) Nature of CSR Activities: | | |
| Areas selected from those identified and prescribed under the Companies Act, 2013. The Group has adopted a policy to support duly registered and qualified external bodies including NGOs or Government relief funds including through financial contribution. Activities supported during the current, and previous year, included promoting education/special education, health-care, employment enhancing vocational skills especially among children, women and the differently abled. | | |
| vii) The Group does not carry any provisions for CSR expenses for the current year and previous year; | | |
| viii) The Group intends to carry forward the excess amount of INR 9.38 lacs spent during the year (2022-23: INR 17.46 lacs); | | |

45. Fair Value Measurement

Financial instrument by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, bank balances other than cash and cash equivalent, interest receivable, trade payables, employee related liabilities and short term loans from banks, are measured at amortised cost.

Fair Value hierarchy

Financial assets and financial liabilities measured at fair value in the consolidated financial statements are categorised into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: if there are unobservable inputs for the asset or liability, then the instrument is included in level 3.

Financial assets and financial liabilities measured at fair value – recurring fair value measurements

| March 31, 2024 | Level 1 | Level 2 | (INR lacs) Level 3 |
|--|---------|---------|-----------------------|
| Financial assets | | | |
| Fair value through other comprehensive income | | | |
| Tax Free Bonds | 4,69.72 | - | - |
| Fair value through profit and loss | | | |
| Investment in equity shares | - | - | 15.73 |
| Total | 4,69.72 | - | 15.73 |
| Financial Liabilities | | | |
| Total | - | - | - |

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| March 31, 2023 | Level 1 | Level 2 | Level 3 |
|--|----------------|----------|----------|
| Financial assets | | | |
| Fair value through other comprehensive income | | | |
| Tax Free Bonds | 4,64.83 | - | - |
| Fair value through profit and loss | | | |
| Investment in equity shares | - | - | - |
| Total | 4,64.83 | - | - |
| Financial Liabilities | | | |
| Total | - | - | - |

Valuation process and technique used to determine the fair value

i) Fair value through other comprehensive income

Investment in tax free bonds are valued at fair value which is based on direct and market observable inputs

ii) Fair value through profit and loss

Investment in equity shares are valued at fair value which is derived on the basis of income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

| Particulars | (INR lacs) | | | |
|--|-------------------|-------------------|-----------------|-----------------|
| | March 31, 2024 | | March 31, 2023 | |
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| Financial assets | | | | |
| - Trade Receivables | 54,45.43 | 54,45.43 | 50,98.39 | 50,98.39 |
| - Cash and cash equivalents | 1,64.11 | 1,64.11 | 15.16 | 15.16 |
| - Bank balances other than cash and cash equivalents | 3,19,43.18 | 3,19,43.18 | 30,01.11 | 30,01.11 |
| - Loans | 39.71 | 39.71 | 34.57 | 34.57 |
| - Other financial asset | 3,39.62 | 3,39.62 | 3,53.52 | 3,53.52 |
| Total | 3,79,32.05 | 3,79,32.05 | 85,00.02 | 85,02.75 |
| Financial liabilities | | | | |
| - Borrowings | 36,73.03 | 36,73.03 | 36,04.80 | 36,04.80 |
| - Other financial liabilities | 6,10.21 | 6,10.21 | 2,57.61 | 2,57.61 |
| - Trade payables | 48,97.45 | 48,97.45 | 50,38.54 | 50,38.54 |
| - Lease liabilities | 2,26.95 | 2,26.95 | 2,63.39 | 2,63.39 |
| Total | 94,07.64 | 94,07.64 | 91,64.34 | 91,64.34 |

The management assessed that for current assets including security deposits, loans, cash and cash equivalents, trade receivables, other recoverable and borrowings, trade payables, other current financial liabilities, the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(i) The Group has repaid all its term loans as on March 31, 2024 except ECB in the nature of term loan carrying fixed interest rate at 3.84% p.a. derived as EURIBOR plus margin (previous year: variable rate facilities which were subject to changes in underlying interest rate indices). The management believes that the carrying rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

46. Financial risk management

i) Financial instrument by category

| Particulars | (INR lacs) | | | | | |
|----------------------------|----------------|----------------|-------------------|----------------|-----------------|----------------|
| | March 31, 2024 | | | March 31, 2023 | | |
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| - Investments | 15.73 | 4,69.72 | - | - | 4,64.83 | - |
| - Trade receivable | - | - | 54,45.43 | - | - | 50,98.39 |
| - Cash and cash equivalent | - | - | 1,64.11 | - | - | 15.16 |
| - Other Bank balances | - | - | 3,19,43.18 | - | - | 30,01.11 |
| - Loans | - | - | 39.71 | - | - | 34.57 |
| - Other financial assets | - | - | 3,39.62 | - | - | 3,53.52 |
| Total | 15.73 | 4,69.72 | 3,79,32.05 | 4,64.83 | 85,02.75 | - |

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| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|-------------------------------|----------------|-------|----------------|----------------|-------|----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial liabilities | | | | | | |
| - Borrowings | - | - | 36,73.03 | - | - | 36,04.80 |
| - Trade payables | - | - | 48,97.45 | - | - | 50,38.54 |
| - Other financial liabilities | - | - | 6,10.21 | - | - | 2,57.61 |
| - Lease liabilities | - | - | 2,26.95 | - | - | 2,63.39 |
| Total | - | - | 94,07.64 | - | - | 91,64.34 |

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

ii) Risk management

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk management framework. "This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the consolidated financial statements.

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets:

i) Low credit risk; ii) Moderate credit risk and iii) High credit risk on financial reporting date

The Group provides for expected credit loss on the following:

| <u>Asset group</u> | <u>Basis of categorisation</u> | <u>Provision for expected credit loss</u> |
|--------------------|--|---|
| Low credit risk | Cash and cash equivalents, bank balances other than cash and cash equivalent, loans, trade receivables, plan assets and other financial assets | 12 month expected credit loss |

Based on business environment in which the entity operates, there have been no defaults on financial assets of the entity by the counterparty.

Assets are written off when there is no reasonable expectation of recovery, such a debtor declaring bankruptcy or a litigation decided against the entity. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity does not have any of the debts which are recoverable.

Assets under credit risk -

| <u>Credit rating</u> | <u>Particulars</u> | <u>As at</u> <u>March 31, 2024</u> | <u>As at</u> <u>March 31, 2023</u> |
|----------------------|--|---------------------------------------|---------------------------------------|
| Low credit risk | Cash and cash equivalents, bank balances other than cash and cash equivalent, loans, trade receivables, plan assets and other financial assets | 3,79,32.05 | 85,02.75 |

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems for corporate customers, thereby, limiting the credit risk. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivables become one year past due.

Plan assets

The Holding Company has taken group gratuity insurance policy from LIC of India for funding of its employees benefit obligations, LIC of India generally invest in securities of high credit rating.

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Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposit and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are written defined limits.

Expected credit risk losses for financial assets other than trade receivables

Group provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

| Particulars | Estimated gross carrying amount at default | Expected probability of default | Expected credit losses | (INR lacs) |
|--|--|---------------------------------|------------------------|---|
| | | | | Carrying amount net of impairment provision |
| March 31, 2024 | | | | |
| Investments | 4,85.45 | 0 % | - | 4,85.45 |
| Loans | 39.71 | 0 % | - | 39.71 |
| Trade receivables | 54,45.43 | 0 % | - | 54,45.43 |
| Cash and cash equivalents | 1,64.11 | 0 % | - | 1,64.11 |
| Bank balances other than cash and cash equivalents | 3,19,43.18 | 0 % | - | 3,19,43.18 |
| Other financial assets | 3,39.62 | 0 % | - | 3,39.62 |
| March 31, 2023 | | | | |
| Investments | 4,64.83 | 0 % | - | 4,64.83 |
| Loans | 34.57 | 0 % | - | 34.57 |
| Trade receivables | 50,98.39 | 0 % | - | 50,98.39 |
| Cash and cash equivalents | 15.16 | 0 % | - | 15.16 |
| Bank balances other than cash and cash equivalents | 30,01.11 | 0 % | - | 30,01.11 |
| Other financial assets | 3,53.52 | 0 % | - | 3,53.52 |

Expected credit loss for trade receivables under simplified approach

The Group recognizes life-time expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analyzing historical trends of default. There have been no significant past due trade receivables as Group receives its significant revenue from selling to major customers directly, wherein there are very low or no chances of non-recoverability. For the rest of operations there were no significant past due receivables.

| Particulars | (INR lacs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Gross amount of trade receivables where no default has occurred | 54,45.43 | 50,98.39 |
| Expected loss rate | (%) | - |
| Expected credit loss (loss allowance provision) | - | - |

B. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors of the Holding Company. The Holding Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual discounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

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| Particulars | (INR lacs) | | | |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| | < 1 year * | 1 - 5 years * | >5 years * | Total |
| <u>As at March 31, 2024</u> | | | | |
| Borrowings | 17,25.80 | 7,78.89 | 1,168.34 | 36,73.03 |
| Trade payables | 48,97.45 | - | - | 48,97.45 |
| Lease liabilities | 41.68 | 1,85.27 | - | 2,26.95 |
| Other financial liabilities | 6,09.44 | 0.77 | - | 6,10.21 |
| Total | 72,74.37 | 9,64.93 | 1,168.34 | 94,07.64 |
| <u>As at March 31, 2023</u> | | | | |
| Borrowings | 26,48.43 | 9,56.37 | - | 36,04.80 |
| Trade payables | 50,38.54 | - | - | 50,38.54 |
| Lease liabilities | 36.44 | 2,26.95 | - | 2,63.39 |
| Other financial liabilities | 2,51.04 | 6.57 | - | 2,57.61 |
| Total | 79,74.45 | 11,89.89 | - | 91,64.34 |

*interest outflow of the said liabilities has not been considered

C. Market risk

Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Group's exposure to foreign currency at each reporting date is disclosed herein.

Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

| Particulars | | As at | As at |
|---|-------------|-----------------------|-----------------------|
| | | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Financial liabilities | | | |
| Payable on imports | USD | 1,245,165 | 1,455,180 |
| | INR in lacs | 10,46.93 | 11,94.85 |
| Borrowings (including accrued interest) | Euro | 2,247,706 | - |
| | INR in lacs | 20,59.80 | - |
| Financial assets | | | |
| Receivables on export | USD | 252,295 | 164,635 |
| | INR in lacs | 2,08.35 | 1,35.18 |
| | Euro | 86,848 | 116,233 |
| | INR in lacs | 79.59 | 1,03.76 |

Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, assuming no change in other variables.

| Particulars | As at | As at |
|---|-----------------------|-----------------------|
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| (INR lacs) | | |
| USD sensitivity | | |
| INR/USD - increase by 200 basis points (200 bps) | (16.70) | (21.19) |
| INR/USD - decrease by 200 basis points (200 bps) | 16.70 | 21.19 |
| Euro sensitivity | | |
| INR/Euro - increase by 200 basis points (200 bps) | (39.61) | 2.08 |
| INR/Euro - decrease by 200 basis points (200 bps) | 39.61 | (2.08) |

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's ECB borrowings and the investments in Fixed Deposits bear fixed interest rates.

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Interest rate risk exposure

The Group's overall exposure to interest rate risk is as under:

| <u>Particulars</u> | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|--------------------------|--------------------------------|--------------------------------|
| Variable rate borrowings | 17,25.80 | 36,04.80 |
| Fixed rate borrowings | <u>19,47.23</u> | <u>-</u> |
| Total borrowings | 36,73.03 | 36,04.80 |

Sensitivity

The sensitivity of profit or loss before tax and equity to interest rate is:

| <u>Particulars</u> | <u>On Profit/Loss for the</u> | | <u>On Equity</u> | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | Year ending <u>March 31, 2024</u> | Year ending <u>March 31, 2023</u> | Year ending <u>March 31, 2024</u> | Year ending <u>March 31, 2023</u> |
| Interest sensitivity | | | | |
| Interest rates | | | | |
| - Increase by 100 basis points (100 bps) | 17.26 | 36.05 | 17.26 | 36.05 |
| - Decrease by 100 basis points (100 bps) | (17.26) | (36.05) | (17.26) | (36.05) |

Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

| <u>Particulars</u> | Year ending <u>March 31, 2024</u> | Year ending <u>March 31, 2023</u> |
|--|--------------------------------------|--------------------------------------|
| Long-term borrowings | 19,47.23 | 9,56.37 |
| Current maturities of long-term borrowings | - | 6,06.92 |
| Short-term borrowings | <u>17,25.80</u> | <u>20,41.51</u> |
| Total borrowings | 36,73.03 | 36,04.80 |
| Less: Cash and cash equivalents | 1,64.11 | 15.16 |
| Less: Bank balance other than above | <u>3,19,43.18</u> | <u>30,01.11</u> |
| Net debt | (2,84,34.26) | 5,88.53 |
| Total equity * | 5,60,51.72 | 2,33,55.71 |
| Net debt to equity ratio | (50.73%) | 2.52 % |

* Equity includes equity share capital and other equity of the Group that are managed as capital

47. Leases

- a. The Group has adopted Ind AS 116 - 'Lease' from April 1, 2019, which resulted in changes in accounting policies in the consolidated financial statements.

b. Practical expedients applied

The Group has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

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- c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities is 11.25%.
- d. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good condition of repair and return the property in the original condition at the end of the lease.
- e. The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the balance sheet:

| Right-of-use assets | No. of right-of-use assets leased | Range of remaining term (Years) | Average remaining lease term (years) |
|---------------------|-----------------------------------|---------------------------------|--------------------------------------|
| Building | 2 | 3 - 4 | 3.75 |
| Land | 3 | 68 - 82 | 76.00 |

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

- f. **Amounts recognized in Consolidated Balance Sheet and Consolidated Statement of Profit and Loss:**

The balance sheet shows the following amounts relating to leases:

| | (INR lacs) | | |
|---|--|---|---------|
| | Category of right-of-use assets | | |
| | Land | Building | Total |
| Balance as at April 1, 2022 | 7,11.17 | 1,70.05 | 8,81.22 |
| Add: Additions | - | 73.63 | 73.63 |
| Less: Amortisation charged on the right-of-use assets | 8.89 | 35.87 | 44.76 |
| Balance as at March 31, 2023 | 7,02.28 | 2,07.81 | 9,10.09 |
| Add: Additions | - | - | - |
| Less: Amortisation charged on the right-of-use assets | 8.89 | 43.03 | 51.92 |
| Balance as at March 31, 2024 | 6,93.39 | 1,64.78 | 8,58.17 |
| | Movement in lease liabilities | | |
| | Land | Building | Total |
| | - <th style="text-align: center;">- <th style="text-align: center;">- </th></th> | - <th style="text-align: center;">- </th> | - |
| Balance as at April 1, 2022 | - | 2,17.82 | 2,17.82 |
| Add: Additions | - | 73.44 | 73.44 |
| Add: Interest expense on lease liabilities | - | 27.36 | 27.36 |
| Less: Lease rental paid | - | 55.23 | 55.23 |
| Balance as at March 31, 2023 | - | 2,63.39 | 2,63.39 |
| Add: Interest expense on lease liabilities | - | 27.79 | 27.79 |
| Less: Lease rental paid | - | 64.23 | 64.23 |
| Balance as at March 31, 2024 | - | 2,26.95 | 2,26.95 |

- g. **Amount recognised in Consolidated Statement of Profit and Loss:**

| Particulars | (INR lacs) | |
|---|-----------------------|-----------------------|
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| i) Amortisation of right-of-use assets (classified under Depreciation and amortisation expense) | 51.92 | 44.76 |
| ii) Interest on lease liabilities (classified under Finance costs) | 27.79 | 27.36 |
| iii) Expenses related to short term leases (classified under Other expenses) | 12.48 | 31.13 |

- h. The total cash outflow for leases for the year ended March 31, 2024 was INR 64.23 lacs (March 31, 2023: INR 55.23 lacs)

- i. **Lease liabilities included in Consolidated Balance Sheet:**

| Particulars | (INR lacs) | |
|-------------|-----------------------|-----------------------|
| | As at | As at |
| | <u>March 31, 2024</u> | <u>March 31, 2023</u> |
| Current | 41.68 | 36.44 |
| Non-current | 1,85.27 | 2,26.95 |

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j. Future minimum lease payments are as follows: (INR lacs)

| <u>As on March 31, 2024</u> | | | |
|------------------------------------|-----------------------|------------------------|--------------------------|
| <u>Minimum lease payments due:</u> | <u>Lease Payments</u> | <u>Finance charges</u> | <u>Net present value</u> |
| Within 1 year | 65.13 | (23.45) | 41.68 |
| 1 - 2 years | 75.28 | (17.95) | 57.33 |
| 2 - 3 years | 76.27 | (11.13) | 65.14 |
| 3 - 4 years | 66.37 | (3.57) | 62.80 |
| Total | 2,83.05 | (56.10) | 2,26.95 |
| <u>As on March 31, 2023</u> | | | |
| <u>Minimum lease payments due:</u> | <u>Lease Payments</u> | <u>Finance charges</u> | <u>Net present value</u> |
| Within 1 year | 64.23 | (27.79) | 36.44 |
| 1 - 2 years | 65.13 | (23.45) | 41.68 |
| 2 - 3 years | 75.28 | (17.95) | 57.33 |
| 3 - 4 years | 76.27 | (11.13) | 65.14 |
| 4 - 5 years | 66.37 | (3.57) | 62.80 |
| Total | 3,47.28 | (83.89) | 2,63.39 |

48. Revenue related disclosures (in accordance with Ind AS 115)

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets; (ii) Thermoformed liners; (iii) Coextruded cast films and (iv) Dielectric Films (and speciality biaxially oriented films). The disaggregation of the Group's revenue from contract with customers is set out below:

| | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
|--|-------------------------------------|-------------------------------------|
| Revenue from contracts with customers | | |
| (i) Sale of products: | | |
| (a) Coextruded sheets | 1,90,33.72 | 2,11,80.84 |
| (b) Thermoformed Liners | 65,30.01 | 80,14.70 |
| (c) Coextruded cast films | 59,37.63 | 53,58.07 |
| (d) Dielectric Films (and speciality biaxially oriented films) | 1,45,89.12 | 1,56,35.45 |
| (e) Toll manufacture (BOPP films) | - | 5,08.45 |
| (ii) Other operating income | <u>4,50.62</u> | <u>3,99.52</u> |
| Total revenue covered under Ind AS 115 | 4,65,41.10 | 5,10,97.03 |

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

| | Year ended <u>March 31, 2024</u> | Year ended <u>March 31, 2023</u> |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Contract liabilities | | |
| Advance received from customers | <u>82.56</u> | <u>13.52</u> |
| Total contract liabilities | 82.56 | 13.52 |
| Receivables | | |
| Trade receivables | <u>54,45.43</u> | <u>50,98.39</u> |
| Total receivables | 54,45.43 | 50,98.39 |

C. Significant changes in the contract liabilities balances during the year:

| | As at <u>March 31, 2024</u> | As at <u>March 31, 2023</u> |
|---|--------------------------------|--------------------------------|
| Contract liabilities - Revenue received in advance | | |
| Opening balance | 13.52 | 1,13.94 |
| Addition during the year | 82.56 | 13.52 |
| Revenue recognized during the year | <u>(13.52)</u> | <u>(1,13.94)</u> |
| Closing balance | 82.56 | 13.52 |

D. Refer note No.43 for disclosure regarding two external customers each accounting for over ten percent of the revenue.

E. Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

Contract liabilities are on account of the advance payment received from customers for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls within 120 days from the completion of performance obligation.

49. a) Pursuant to the special resolution passed at the Extraordinary General Meeting held on December 29, 2021, and relevant regulatory provisions, the Holding Company issued and allotted on January 11, 2022 by way of preferential allotment 19,68,000 warrants at a price of INR 762 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR10 of the Holding Company (including premium of INR 752 each). The Holding Company received allotment money of INR 37,49.04 lacs, being 25% of the total warrant price in 2021-22. Promoter group warrant holders, holding 3,28,000 warrants exercised their option in full on payment of the balance 75% (INR 18,74.52 lacs) during 2022-23. Other warrant holders exercised their option in full on payment of the balance 75% (INR 93,72.60 lacs) during the year. As per the offer letter, the issue proceeds may be utilized for growth capital and expansion/diversification requirements (whether organic or inorganic), to meet capital expenditure, to reduce borrowings, to enhance long-term resources and strengthen the financial structure, for meeting working capital requirements and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being utilized for the purposes stated.
- b) Pursuant to the special resolution passed at the Extraordinary General Meeting held on January 16, 2024, and relevant regulatory provisions, the Holding Company issued and allotted on January 29, 2024 by way of preferential allotment 14,35,750 warrants at a price of INR 975 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR10 of the Holding Company (including premium of INR 965 each). The Holding Company received allotment money of INR 48,99.50 lacs, being 35% of the total warrant price during the year. As per the offer letter, the issue proceeds may be utilized for Capital expenditure for expansion of capacity by adding new manufacturing lines for Dielectric and other technical grades of biaxially oriented polypropylene film, at the existing location in Barjora, West Bengal and in UAE directly or through subsidiary, including upgradation of the existing facilities, Working Capital of the Holding Company and its subsidiary and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being utilized for the purposes stated.
- c) Pursuant to the special resolution passed at the Extraordinary General Meeting held on January 16, 2024, and relevant regulatory provisions, the Holding Company issued and allotted by way of a Qualified Institutions Placement ("QIP"), 13,62,397 fully paid-up equity shares to 21 subscribers, at INR 1,101 (face value INR 10 plus premium of INR 1,091) per equity share, on February 29, 2024. Issue expenses of INR 5,53.42 lacs have been adjusted with securities premium account. In terms of the offer documents, the issue proceeds may be utilized for Capital expenditure for equipment and machinery, pre-payment of outstanding borrowings, Working Capital, towards ERP system, and for other general corporate purposes. The proceeds of the said issue are being utilized for the purposes stated.
50. The management of the Holding Company decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Unit 1 Barjora were presented as 'Assets held for sale' separately from other assets in the balance sheet. The sale/business transfer was completed on October 20, 2022 at a consideration of INR 678 lacs for fixed assets. Accounting for the transaction resulted in an increase of other income by INR 85.75 lacs during the previous year ended March 31, 2023.

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51. 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 Company | Net Assets (Total Assets minus total liabilities) | | Share in Profit | | Other Comprehensive Income (OCI) | | (INR lacs) Total Comprehensive Income (TCI) | |
|--------------------------|--|------------------|-----------------------------|-----------------|----------------------------------|----------------|--|-----------------|
| | As % of Consolidated Net Assets | Net Assets | As % of Consolidated Profit | Profit | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| | | | | | | | | |
| 2023 - 24 | | | | | | | | |
| Parent Company | | | | | | | | |
| Xpro India Ltd. | 100.00 | 560,49.49 | 100.00 | 43,87.89 | 100.00 | 2.84 | 100.00 | 43,90.73 |
| Indian Subsidiary | | | | | | | | |
| Xpro Global Ltd. | 0.00 | 2.23 | 0.00 | 0.05 | - | - | 0.00 | 0.05 |
| | 100.00 | 560,51.72 | 100.00 | 43,87.94 | 100.00 | (2.84) | 100.00 | 43,90.78 |
| 2022 - 23 | | | | | | | | |
| Parent Company | | | | | | | | |
| Xpro India Ltd. | 99.99 | 233,53.53 | 100.00 | 45,36.35 | 100.00 | (21.59) | 100.00 | 45,14.76 |
| Indian Subsidiary | | | | | | | | |
| Xpro Global Ltd. | 0.01 | 2.18 | 0.00 | 0.06 | - | - | 0.00 | 0.06 |
| | 100.00 | 233,55.71 | 100.00 | 45,36.41 | 100.00 | (21.59) | 100.00 | 45,14.82 |

52. Ratios

| Ratio | Ratio Formula | Year 2023-24 | Year 2022-23 | Variance (%) | Explanation for variance |
|-------------------------------------|--|--------------|--------------|--------------|--|
| a) Current ratio | $\frac{\text{Current assets}}{\text{Current liabilities}}$ | 5.56 | 1.55 | 258.7 | Increase in current assets (bank balances) due capital raise and also Reduction in current liabilities |
| b) Debt-equity ratio | $\frac{\text{Total debt}}{\text{Shareholder's equity (excluding lease liabilities)}}$ | 0.07 | 0.15 | (53.33) | Repayment of term loans; lower working capital borrowing, profit earned and infusion of capital |
| c) Debt service coverage ratio | $\frac{\text{Earnings available for Debt Service (i.e. net profit after taxes + interest and lease payment + depreciation and amortization expenses + loss on sale of PPE)}}{\text{Debt Service (i.e. Interest and lease payments + principal repayments during the year)}}$ | 2.49 | 1.03 | 141.7 | Sustained profitability, with accelerated reduction in debt, including through pre-payment |
| d) Return on equity (%) | $\frac{\text{Profit for the year}}{\text{Avg. shareholder's equity}}$ | 11.05 | 22.37 | (50.60) | Lower PAT due exceptional items, higher taxation, along with increase in equity |
| e) Inventory turnover ratio | $\frac{\text{Cost of goods sold}}{\text{Average inventory}}$ | 6.78 | 7.53 | (10.04) | - |
| f) Trade receivables turnover ratio | $\frac{\text{Revenue from operations}}{\text{Average trade receivables}}$ | 8.83 | 8.71 | 1.36 | - |
| g) Trade payables turnover ratio | $\frac{\text{Purchase of raw materials}}{\text{Average trade payables}}$ | 6.31 | 6.51 | (3.06) | - |
| h) Net capital turnover ratio | $\frac{\text{Revenue from operations}}{\text{Working capital (i.e. Current assets - current liabilities)}}$ | 1.32 | 10.88 | (87.83) | Due to substantial increase in current assets on account of bank deposits |
| i) Net profit before tax ratio (%) | $\frac{\text{Profit before tax for the year}}{\text{Revenue from operations}}$ | 12.93 | 11.60 | 11.42 | - |
| j) Net profit ratio (%) | $\frac{\text{Profit for the year}}{\text{Revenue from operations}}$ | 9.43 | 8.88 | 6.20 | - |

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| Ratio | Ratio Formula | Year 2023-24 | Year 2022-23 | Variance (%) | Explanation for variance |
|-----------------------------------|--|-----------------|-----------------|-----------------|---|
| k) Return on capital employed (%) | <i>Earning before interest & taxes / Capital employed (i.e. total equity + borrowings including accrued interest + deferred tax liability)</i> | 10.60 | 23.92 | (55.70) | Marginal increase in earning before interest and tax but Substantial increase in equity |
| l) Return on investment (%) | <i>Income earned on investment / average investment</i> | 6.49 | 6.46 | 0.48 | - |

53. Significant events after the reporting period

The Board of Directors of the Holding Company has recommended a dividend of INR 2.00 per share for the year 2023-24, (March 31, 2023 - INR 2.00 per share) subject to approval by the shareholders at the ensuing Annual General Meeting of the Holding Company; No liability has been recognised as at March 31, 2024 (Nil as at March 31, 2023).

There were no other significant adjusting events that occurred subsequent to the reporting period other than events disclosed in the relevant notes.

54. The Ministry of Corporate Affairs (MCA) has issued a notification "Companies (Accounts) Amendment Rules, 2021" which is effective from April 1, 2023, and which states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The new requirement is applicable with effect from the financial year beginning on April 1, 2023.

The Holding Company uses two accounting software for the maintenance of its books of account. During the current financial year, the audit trail (edit log) feature for any direct changes made at the database level was not enabled for one of the accounting software used for the maintenance of accounting records by the Holding Company. However, the audit trail (edit log) at the application level (entered from the frontend by users) for the accounting software were operating for all relevant transactions recorded in the software.

Further, for another accounting software, the feature of recording audit trail (edit log) facility was enabled and the same has been operated throughout the year for all relevant transactions recorded in the software. However, the software did not capture the details of user id at the time of entering new record and in case of subsequent edits for the period April 1 to September 4, 2023.

55. During the current year, the Holding Company acquired 26% of the issued equity share capital of TP Mercury Limited (a special purpose vehicle for sourcing of solar power through open access for the Ranjangaon Unit of the Holding Company under the Group Captive Scheme) for INR 135.75 lacs pursuant to the Share Purchase Agreement dated September 13, 2023 with Tata Power Renewable Energy Limited and TP Mercury Limited). The Holding Company is entitled to receive back face value of the amount invested at the end of the term of agreement and accordingly this investment is accounted as a financial asset measured at fair value through profit and loss in accordance with IND AS 109.

56. Additional Regulatory Information:

- There are no immovable properties where the title deeds are not held in the name of the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group);
- There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or period of repayment;
- The Group does not have any Benami property, and no proceedings have been initiated or is pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988;
- The Group has been regular in filling quarterly returns or statements of current assets with banks and those are in agreement with the books of accounts;
- The Group has not been declared a wilful defaulter by any bank or financial institution;
- The Group has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956;
- The Group does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period;

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- h. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year;
- i. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017;
- j. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- k. The Group does not have any scheme of arrangement which needs to be accounted for in the books of accounts of the Group;
- l. The Group has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;
- m. The Group has not received any funds from any person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;
- n. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
57. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
58. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure. Reclassification were due to changes in presentation/classification of items under paragraph 41 of IND AS 1. The impact of such regrouping/reclassification are not material to consolidated financial statements.
59. The audited consolidated financial results along with the report thereon are also available on the Holding Company's website www.xproindia.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
60. The consolidated financial statements were approved for issue by the Board of Directors at their meeting held at New Delhi on May 28, 2024.

In terms of our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 28, 2024

Kamal Kishor Sewoda
Company Secretary

V. K. Agarwal
President (Finance) &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director &
Chief Executive Officer
(DIN: 00003343)