xproindia

XPRO GLOBAL LIMITED

ANNUAL REPORT 2017/18

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Xpro Global Limited will be held at the Registered Office of the Company at "Birla Building", 2nd floor, 9/1, R. N. Mukherjee Road, Kolkata 700001 on Friday, July 20, 2018 at 10.30 a.m. to transact the following business:

1. To consider and adopt the Directors' Report and audited Financial Statements of the Company for the financial year ended March 31, 2018, and the Auditor's Report thereon.

2. To appoint a Director in place of Sri S Ragothaman (DIN: 00042395) who retires by rotation and being eligible, offers himself for reappointment.

New Delhi
May 24, 2018

By order of the Board

Registered Office :
"Birla Building", 2nd Floor
9/1, R N Mukherjee Road,
Kolkata 700 001
CIN : U36900WB2001PLC093098

C. Bhaskar
Director
e-mail: xprocal@xproindia.com
Tel.:+91-33-3057 3700/3041 0900

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. The Proxy Form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.

BOARD OF DIRECTORS	***REGISTERED OFFICE***
Sri Sidharth Birla	Birla Building, 2nd Floor,
Sri C. Bhaskar	9/1, R.N. Mukherjee Road,
Sri S. Ragothaman	Kolkata 700 001
Sri U. C. Jain	*CIN:U36900WB2001PLC093098*

REPORT OF THE DIRECTORS TO THE MEMBERS

We have pleasure in presenting herewith our Annual Report together with the Audited Financial Statements of the Company for the year ended March 31, 2018.

Review of Operational Matters

The financial year just ended was marked by the challenges arising from the lingering effects of liquidity constraints in the market and the implementation of GST, which affected the textile market sentiments in particular. With these temporary impacts dissipating gradually, the economy showed signs of revival in the later part of the year. The Company continued focus on trading in synthetic as well as wool-blended woven fabrics. Market acceptance for woven fabrics (including as 'combo packs') remained encouraging. However, in the market circumstances, sales decreased substantially to about 2,00,000 mtrs. (from 6,70,000 mtrs. in the previous year). The Company in pursuance of its long term strategy, continues to seek further opportunities for domestic and international trade within the polymers segment (seen as high growth potential areas) besides the textiles segment.

Sales during the year were lower at Rs. 302.77 lacs against Rs.799.18 lacs during the previous year. Total income during the year was Rs.308.29 lacs (Rs. 804.44 lacs previous year). Working for the year yielded a profit before tax of Rs.5.29 lacs (Rs.13.99 lacs previous year) out of which a provision for tax of Rs.1.52 lacs has been made, and the balance amount, including amounts brought forward, of Rs.25.94 lacs is carried to the balance sheet.

No dividend is proposed considering the need to conserve resources for growth.

Statutory and Other Matters

Sri S Ragothaman (DIN: 00042395), Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

Having taken reasonable and bonafide care, pursuant to Section 134 (3)(c) of the Companies Act, 2013, the Directors indicate that (i) in the preparation of the annual accounts the applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 Company's assets and for preventing and detecting fraud and other irregularities; (iv) the Directors had prepared the annual accounts on a 'Going Concern' basis; and (v) 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.

During the year, Board Meetings were held on May 8, September 5 & November 16, 2017 and on February 2, 2018.

Auditors' observations are self-explanatory and do not call for any further clarifications.

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

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company. The provisions of Section 197 (particulars of employees) of the Companies Act, 2013 are not applicable to the Company as there were no relevant employees during the year. No complaint relating to sexual harassment at work place has been received during the year.

The Company has not during the year (i) given any loans or guarantees or made any investments; or (ii) entered into any related party transactions which may have a potential conflict of interest with that of the Company and to which Section 188(1) of the Act applies.

Particulars of Conservation of Energy and Technology absorption prescribed under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 are not applicable to the Company. There was no Foreign Exchange earning or outgo during the year (previous year: Nil).

Other provisions of Section 134(3) of the Companies Act, 2013 and relevant Rules are not applicable to the Company.

For and on behalf of the Board

SIDHARTH BIRLA
C. BHASKAR
S RAGOTHAMAN
Directors

New Delhi
May 24, 2018

ANNEXURE TO THE DIRECTORS' REPORT

FORM NO. MGT – 9: EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U36900WB2001PLC093098
ii)	Registration Date	April 10, 2001
iii)	Name of the Company	XPRO GLOBAL LIMITED
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered Office and contact details	"Birla Building", 2nd Floor, 9/1, R N Mukherjee Road, Kolkata – 700 001, West Bengal e-mail: xprocal@xproindia.com Tel.:+91-33-3057 3700/3041 0900
vi)	Whether listed Yes/No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of textiles (Woven fabrics)	464 4641 46411	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Xpro India Limited Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202 West Bengal	L25209WB1997PLC085972	Holding Company	100%	2(46)

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

i) Category-wise Shareholding:

Category of Shareholders	Number of Shares held at the beginning of the year				Number of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.									
c) State Govt.(s)									
d) Bodies Corporate	-	1000000	1000000	100	-	1000000	1000000	100	Nil
e) Bank(s)/FI									
f) Any other									
Sub-total (A)(1):	-	1000000	1000000	100	-	1000000	1000000	100	Nil
(2) Foreign									
a) NRIs-Individuals									
b) Others – Individuals									
c) Bodies Corporate									
d) Bank(s)/FI									
e) Any other									
Sub-total (A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters [A=(A)(1)+(A)(2)	-	1000000	1000000	100	-	1000000	1000000	100	Nil
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/UTI									
b) Banks/FI									
c) Central Govt.									
d) State Govt.(s)									
e)VC Funds									
f) Insurance Cos.									
g) FIIs									
h) Foreign VC Funds									
i) Others									
Sub-total (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian									
ii) Oversea									
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs.1Lac									
ii) Individual share-holders holding nominal share capital in excess of Rs.1Lac									
iii) Others									
Sub-total (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding [B=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1000000	1000000	100	-	1000000	1000000	100	Nil

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Xpro India Limited	1000000	100%	NIL	1000000	100%	NIL	NIL

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	No change during the year			
	Datewise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus /sweat equity etc.):	No change during the year			
	At the end of the year	No change during the year			

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	-	-	-	-
	Datewise Increase/Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus /sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: **(Rs.)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,350	-	-	1,350
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,350	-	-	1,350
Change in Indebtedness during the financial year				
- Addition	9,82,942	-	-	9,82,942
- Reduction	-	-	-	-
Net Change	9,82,942	-	-	9,82,942
Indebtedness at the end of the financial year				
i) Principal Amount	9,84,292	-	-	9,84,292
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**9,84,292**	**-**	**-**	**9,84,292**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (Rs.)
		----	-----	
1.	Gross Salary	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others			
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Sri Sidharth Birla	Sri S. Ragothaman	Sri C. Bhaskar	Sri U. C. Jain	
1.	Independent Directors	-	-	-	-	-
	- Fee for attending Board/ Committee Meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total B (1)	-	-	-	-	-
2.	Other Non-Executive Directors					
	- Fee for attending Board/ Committee Meetings	1500	2000	2000	1000	6500
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total B (2)	1500	2000	2000	1000	6500
	Total (B) = (1+2)	1500	2000	2000	1000	6500
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs.)
		CEO	Company Secretary	CFO	
1.	Gross Salary	-	-	-	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-	-
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others…	-	-	-	-
	Total (C)	-	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS

Report on the Financial Statements

1. We have audited the accompanying financial statements of **XPRO GLOBAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Company had prepared separate sets of statutory financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, which were audited by us and our reports to the shareholders of the Company dated May 8, 2017 and May 5, 2016 respectively expressed unmodified opinion on those financial statements. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the 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 March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

    f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

        i) the Company does not have any pending litigations which would impact its financial position;

        ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For S.V. Kedia & Co.
Chartered Accountants
Firm Registration No.324122E

Kolkata
May 24, 2018

Vineet Kedia
Proprietor
Membership No.059660

Annexure "I"

Annexure "I" to the Independent Auditor's Report of even date to the members of Xpro Global Limited, on the financial statements for the year ended March 31, 2018

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i) The company does not have any fixed assets as yet and hence clauses i(a) , i(b) and i(c) of paragraph 3 of the Order are not applicable.

ii) In respect of its inventory, as explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such verification;

iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and hence clauses (a), (b) and (c) of para iii of the order are not applicable;

iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments, given guarantees or provided security as provided under section 185 and 186 of the Companies Act, 2013.

v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Accordingly, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable;

vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence the clause is not applicable to the Company;

vii) According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed dues, including Income-tax, Sales Tax, Wealth Tax, Service Tax, GST, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities and there were no undisputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Service Tax, GST, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable;

b) The Company has no material dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, GST, Custom Duty, Excise Duty, Value Added Tax or Cess which have not been deposited with the appropriate authorities on account of any dispute;

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from government and has not issued any debentures;

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company;

x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration and hence para 3(xi) of the order is not applicable to the Company;

xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable;

xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards;

xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company;

xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934;

For S.V. Kedia & Co.
Chartered Accountants
Firm Registration No.324122E

Kolkata
May 24, 2018

Vineet Kedia
Proprietor
Membership No.059660

Annexure "II"

Independent Auditors' Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Xpro Global Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.V. Kedia & Co.
Chartered Accountants
Firm Registration No.324122E

Kolkata
May 24, 2018

Vineet Kedia
Proprietor
Membership No.059660

BALANCE SHEET
As at March 31, 2018

	Note No.	**As at March 31, 2018 Rs. in lacs**	As at March 31, 2017 Rs. in lacs	As at April 1, 2016 Rs. in lacs
ASSETS				
Current assets				
a. Inventories	4	2.97	2.42	0.22
b. Financial assets				
Trade receivables	5	70.99	278.28	31.90
Cash and cash equivalents	6	93.23	113.46	87.09
c. Other current assets	7	25.07	0.22	0.75
Total current assets		192.26	394.38	119.96
Total Assets		**192.26**	**394.38**	**119.96**
EQUITY AND LIABILITIES				
Equity				
a. Equity Share Capital	8	52.50	52.50	52.50
b. Other Equity	9	25.93	22.17	12.95
Total equity		**78.43**	**74.67**	**65.45**
Liabilities				
Current liabilities				
a. Financial liabilities				
Borrowings	10	9.84	0.01	-
Trade payables	11	14.34	220.35	22.19
Other financial liabilities	12	87.88	94.65	31.14
b. Provisions	13	1.77	4.70	1.18
Total current liabilities		**113.83**	**319.71**	**54.51**
Total liabilities		**113.83**	**319.71**	**54.51**
Total equity and liabilities		**192.26**	**394.38**	**119.96**

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For **S. V. Kedia & Co.**
Chartered Accountants
Firm Registration No.324122E

Vineet Kedia
Proprietor
Membership No.059660
Kolkata
May 24, 2018

For and on behalf of the Board

Sidharth Birla
C. Bhaskar
S. Ragothaman
Directors

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2018

	Note No.	**Year ended March 31, 2018 Rs. in lacs**	Year ended March 31, 2017 Rs. in lacs
INCOME			
Revenue from Operations	14	302.77	799.18
Other income	15	5.52	5.26
Total		**308.29**	**804.44**
Expenses			
Purchase of stock-in-trade	16	250.80	632.96
Changes in inventories (of finished goods, work-in-progress & stock-in-trade)	17	(0.55)	(2.20)
Employee Benefits Expense	18	11.42	20.73
Finance Costs	19	2.66	1.42
Other expenses	20	38.67	137.54
Total		**303.00**	**790.45**
Profit before tax		**5.29**	**13.99**
Tax expense			
Current Tax		1.77	4.70
Short/(Excess) tax provisions for earlier years (net)		(0.25)	0.08
Total		**1.52**	**4.78**
Profit for the year		**3.77**	**9.21**
Other comprehensive income		-	-
Total comprehensive income for the year		**3.77**	**9.21**
Earnings per equity share (Face Value of Rs.10/- each)			
- Basic & Diluted (Rs.)		**0.72**	**1.76**
Number of shares used in computing earnings per share			
- Nominal value: Rs.10 each		**5,25,000**	**5,25,000**

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For **S. V. Kedia & Co.**
Chartered Accountants
Firm Registration No.324122E

Vineet Kedia
Proprietor
Membership No.059660
Kolkata
May 24, 2018

For and on behalf of the Board

Sidharth Birla
C. Bhaskar
S. Ragothaman
Directors

CASH FLOW STATEMENT

For the year ended March 31, 2018

		Year ended March 31, 2018 Rs. in lacs	Year ended March 31, 2017 Rs. in lacs
A.	**Cash flow from Operating Activities**		
	Net Profit/(Loss) before tax	5.29	13.99
	Adjusted for:		
	Finance costs	2.66	1.42
	Interest income	(5.24)	(3.63)
	Operating Profit/(Loss) before Working Capital changes	**2.71**	**11.78**
	Adjusted for:		
	Increase in Trade and other Receivables	182.43	(245.84)
	Increase in Inventories	(0.55)	(2.20)
	Increase in Trade payables and other liabilities	(205.88)	265.19
	Direct Taxes	(1.52)	(4.78)
	Net Cash Flow from Operating activities	**(22.81)**	**24.15**
B.	**Cash flow from Investing Activities**		
	Interest Received	5.24	3.64
	Net Cash Flow from Investing Activities	**5.24**	**3.64**
C.	**Cash flow from Financing Activities**		
	Finance costs	(2.66)	(1.42)
	Net Cash Flow from Financing Activities	**(2.66)**	**(1.42)**
	Net increase/(decrease) in Cash or Cash equivalents	**(20.23)**	**26.36**
	Cash and Cash Equivalents at the beginning of the year	**113.46**	**87.10**
	Cash and Cash Equivalents at the end of the year (refer note 6)	**93.23**	**113.46**

Notes:

The Cash Flow Statement has been prepared as per the "indirect method" set out in Ind AS 7 on Statement of Cash Flow.

The accompanying notes are an integral part of the financial statements

In terms of our report attached
For **S. V. Kedia & Co.**
Chartered Accountants
Firm Registration No.324122E

Vineet Kedia
Proprietor
Membership No.059660
Kolkata
May 24, 2018

For and on behalf of the Board

Sidharth Birla
C. Bhaskar
S. Ragothaman
Directors

STATEMENT OF CHANGES IN EQUITY
For the year ended March 31, 2018

A. Equity Share Capital
(Note 8) Rs. in lacs

Particulars	Number of shares	Amount
Issues and Paid-up Capital		
Balance as at April 1, 2016	10,00,000	52.50
Changes in equity share capital during the year	-	-
Balance as at March 31, 2017	10,00,000	52.50
Changes in equity share capital during the year	-	-
Balance as at March 31, 2018	10,00,000	52.50

B. Other Equity
(Note 9) Rs. in lacs

Particulars	Retained Earnings	Other comprehensive Income	Total
Balance as at April 1, 2016	**12.95**	-	**12.95**
Profit for the year	9.21	-	9.21
Other comprehensive income/(loss) for the year	-	-	-
Balance as at April 1, 2017	**22.16**	-	**22.16**
Profit for the year	3.77	-	3.77
Other comprehensive income/(loss) for the year	-	-	-
Balance as at March 31, 2018	**25.93**	-	**25.93**

In terms of our report attached
For **S. V. Kedia & Co.**
Chartered Accountants
Firm Registration No.324122E

Vineet Kedia
Proprietor
Membership No.059660
Kolkata
May 24, 2018

For and on behalf of the Board

Sidharth Birla
C. Bhaskar
S. Ragothaman
Directors

Notes forming part of the Financial Statements

1. **Company Information:**
Xpro Global Limited ("the Company") is a public company incorporated on April 10, 2001 under the Companies Act, 1956; domiciled in India, its registered office is located at "Birla Building", 2nd Floor, 9/1, R N Mukherjee Road, Kolkata 700 001. The Company is a wholly owned subsidiary of Xpro India Limited, a listed public company incorporated in India. At present, the principal activity of the Company is general trade which includes trading in yarn and woven fabrics, besides import, distribution and marketing of high-end consumer products.

2. **Basis for Preparation:**

a. Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.
Financial statements for the year ended March 31, 2018 are the first to have been prepared in accordance with Ind AS. For all the periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the generally accepted accounting principles in India, including accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The date of transition to Ind AS is April 1, 2016. The opening Balance Sheet as at April 1, 2016 and the financial statements for the year ended March 31, 2017 have been restated in accordance with Ind AS for comparative information. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's financial statements are provided in note 24.

These financial statements of the Company for the year ended March 31, 2018, were authorized for issue by Board of Directors on May 24, 2018.

b. Basis of measurement

These 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 financial statements.

c. Functional and presentation currency

The financial statements of the Company are presented in Indian Rupees (Rs.), which is also its functional currency. All financial amounts disclosed in the financial statements and notes have been rounded to the nearest lakh (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. The Company has identified a period of twelve months as its operating cycle.

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 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 3(k) - Financial Instruments.

3. <u>Significant accounting policies</u>:

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

a. 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.

b. Inventories

Inventories are valued at the lower of 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 FIFO basis. The cost of purchase consists of the purchase price including duties & 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.

c. 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 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 financial statements.

d. 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.

e. Foreign currency transactions and translations

In preparing the financial statements of the Company, the transactions in currencies other than the entity's functional currency (INR) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Exchange differences arising on monetary items are recognized in profit or loss in the period in which they arise.

f. Revenue recognition

Sale of Goods: Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and claims. It excludes Goods and Services Tax, value added tax/sales tax and Excise Duty. The above mentioned factors coincides with dispatch of goods from the factory/ storage area and port (in case of exports).

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 a financial asset is recognized when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Incomes: Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

g. Employee Benefits

Employee benefits include compensated absences, while other benefits including PF, and ESI are not yet applicable

Short-term employee benefits:

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.

h. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Rental expense from operating lease is generally recognized on a straight line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessors expected inflationary cost increase, such increases are recognized in the year in which such benefits accrue. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

i. Income tax

Income tax expense comprises current tax, which 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.

j. 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.
The Company did not have any potential dilutive securities in any period presented.

k. 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

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement:

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 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

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 the profit or loss on disposal of that financial asset.

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) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets 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 such that 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

The measurement of financial liabilities depends on their classification, as described below:

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 profit or 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 profit or 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 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.

l. Use of estimates and management judgements

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

m. Ind AS First-time adoption – mandatory exception & optional exemptions

Overall Principle

The Company has prepared the opening standalone balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities.

4. INVENTORIES

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Inventories (lower of cost and net realizable value)			
Finished Goods	2.97	2.42	0.22
Total	**2.97**	**2.42**	**0.22**

5. TRADE RECEIVABLES

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, considered good			
Outstanding for a period exceeding six months from due date	-	-	-
Less: Provision for Bad Debts	-	-	-
Others	70.99	278.27	31.90
Total	**70.99**	**278.27**	**31.90**
Break-up of trade receivables			
Trade receivables	70.99	278.27	31.90
Receivables from related parties	-	-	-
Total	**70.99**	**278.27**	**31.90**

6. CASH AND CASH EQUIVALENTS

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks in Current Account	20.46	44.86	10.42
Fixed Deposit Accounts	72.63	68.39	76.55
Cash on Hand	0.14	0.21	0.12
Total	**93.23**	**113.46**	**87.09**

7. OTHER CURRENT ASSETS

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Customs, Central Excise and Central Sales Tax and GST	10.33	0.22	0.75
Others	14.74	-	-
Total	**25.07**	**0.22**	**0.75**

8. EQUITY SHARE CAPITAL

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised Share Capital			
10,00,000 (as at March 31, 2017 and as at April 1, 2016 : 10,00,000) Equity shares of Rs.10 each	100.00	100.00	100.00
Issued, Subscribed & Paid-up			
50,000 (as at March 31, 2017 and as at April 1, 2016 : 50,000) Equity shares of Rs.10 each fully paid	5.00	5.00	5.00
9,50,000 (as at March 31, 2017 and as at April 1, 2016 : 9,50,000) Equity shares of Rs.10 each partly paid-up of Rs.5 each	47.50	47.50	47.50
	52.50	**52.50**	**52.50**

8.1 The Company has issued only one class of equity shares having a par value of Rs. 10 per share. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. All shares rank equally with regard to the Company's residual assets.

8.2 The entire Paid-up Share Capital of the Company is held by the holding Company, Xpro India Limited and its nominees.

8.3 Reconciliation of number of Shares

There has been no movement in the number of Shares outstanding or in the Share Capital during the year or in any period presented.

8.4 Shareholder(s) holding more than 5% shares in the Company

Name of the Shareholder(s)	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Xpro India Limited			
- No. of Shares	**10,00,000**	**10,00,000**	**10,00,000**
- % of Shares held	100.00	100.00	100.00

9. OTHER EQUITY

(Rs.in lacs)

	As at March 31, 2018	As at March 31, 2017
Retained earnings		
Balance at the beginning of the year	22.16	12.95
Add: Profit for the year	3.77	9.21
Add: other comprehensive income	-	-
Balance as at the end of the year	25.93	22.16
Total Other Equity	**25.93**	**22.16**

10. BORROWINGS

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Secured – at amortised cost			
Cash credit facility from Bank	9.84	0.01	-
Total	**9.84**	**0.01**	**-**

Cash credit facility from bank carrying interest at 2.4% per annum over one-year MCLR is repayable on demand and is secured by hypothecation of the entire stocks of the Company's current assets including inventories and receivables.

11. TRADE PAYABLES

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Acceptances	14.34	220.35	22.19
Total	**14.34**	**220.35**	**22.19**

There are no dues to Micro and Small Enterprises as on March 31, 2018, March 31, 2017 and April 1, 2016. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

12. OTHER FINANCIAL LIABILITIES

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Other payables	87.88	94.65	31.14
Total	**87.88**	**94.65**	**31.14**

13. PROVISIONS

(Rs.in lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current				
Provision for Tax		1.77	4.70	1.18
	Total	**1.77**	**4.70**	**1.18**

14. REVENUE FROM OPERATIONS

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products		302.77	799.18
	Total	**302.77**	**799.18**

PARTICULARS OF SALE OF PRODUCTS

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Woven fabrics		302.77	799.18
	Total	**302.77**	**799.18**

15. OTHER INCOME

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Interest income comprises			
- From Banks		5.22	3.64
- From Others		0.02	-
Miscellaneous income		0.28	-
	Total	**5.52**	**3.64**

16. PURCHASE OF STOCK-IN-TRADE

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Woven Fabrics		250.80	632.96
	Total	**250.80**	**632.96**

17. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year			
- Stock-in-trade		2.75	2.42
Inventories at the beginning of the year			
- Stock-in-trade		2.20	0.22
	Net (Increase)/Decrease	**(0.55)**	**(2.20)**

18. EMPLOYEE BENEFITS EXPENSE

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages, Bonus, etc.		11.41	20.73
Contribution to Provident and Other Funds		-	-
Staff Welfare Expenses		0.01	-
	Total	**11.42**	**20.73**

19. FINANCE COSTS

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses		0.75	
Other		1.91	-
	Total	**2.66**	**-**

20. OTHER EXPENSES

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Advertising & Sponsorship		-	21.06
Director's Fees		0.06	0.07
Freight, Forwarding & Shipment Charges		0.30	2.95
Miscellaneous		7.94	8.10
Payment to Auditors *(towards audit fees)*		0.05	0.05
Professional & Legal		5.53	10.73
Rebates & Discounts		16.25	50.05
Sales Commission		-	20.21
Sales incentives		-	6.00
Travel & Conveyance		8.54	18.32
	Total	**38.67**	**137.54**

PAYMENT TO AUDITORS

(Rs.in lacs)

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
To Statutory Auditors			
- For Statutory Audit		0.05	0.05
- For Other Services		0.10	-
- Reimbursement of expenses		-	-
	Total	**0.15**	**0.05**

21. FINANCIAL INSTRUMENTS AND RISK REVIEW

a) **Capital management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in note 10 offset by cash and bank balances) and total equity of the Company.

Gearing Ratio

(Rs.in lacs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt *(a)*	9.84	0.01	-
Less: Cash and bank Balances	93.23	113.46	87.09
Net Debt	(83.39)	(113.45)	(87.09)
Total equity	78.44	74.67	65.45
Net debt to Equity Ratio	*(b)*	*(b)*	*(b)*

(a) Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings as described in note

(b) not determined as net debt is negative.

b) **Category-wise classification of financial instruments**

(Rs.in lacs)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial Assets				
Measured at amortised cost				
a. Trade receivables		70.99	278.27	31.90
b. Cash and cash equivalents		93.23	113.46	87.09
c. Other Current Assets		25.08	0.22	0.75
	Total	189.30	391.95	119.74
Financial Liabilities				
Measured at amortised cost				
a. Borrowings		9.84	0.01	-
b. Trade payables		14.34	220.35	22.19
c. Other financial liabilities		87.88	94.65	31.14
	Total	112.06	315.01	53.33

In respect of financial instruments, measured at amortised cost, the fair value approximates the amortised cost.

c) **Financial Risk Management Objectives**

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company financial assets comprise mainly of cash and cash equivalents, other balances with banks, loans, trade receivables and other financial assets.

The Company's business activities are exposed to a variety of financial risks, namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The company's Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework who are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the Company. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Management of Market Risk

The Company's size and operations results in it being exposed to market risks in the nature of interest rate risk that arises from its use of financial instruments.

Interest rate risk is the risk that the future cash flow with respect to interest payments on borrowing will fluctuate because of change in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's cash credit loan obligation with floating interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows: -

(Rs.in lacs)

Particulars	Increase/Decrease in basis points	Effect on Profit Before Tax
As at March 31, 2018	100 bps	0.07
As at March 31, 2017	100 bps	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years

Management of Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligation resulting in financial loss to the Company and it arises principally from the Company's Receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer including the default risk of the industry also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business (Refer note 5 – Trade receivables).

Management of Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining 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.

The details of contractual maturities of significant financial liabilities are as under:

(Rs.in lacs)

Particulars		Carrying Amount	< 1 year	1 – 5 years	>5 years	Total
As at March 31, 2018						
Borrowings		9.84	9.84	-	-	9.84
Trade payables		14.34	14.34	-	-	14.34
Financial Liabilities		87.88	9.76	78.12	-	87.88
	Total	**112.06**	**33.94**	**78.12**	**-**	**112.06**
As at March 31, 2017						
Borrowings		0.01	0.01	-	-	0.01
Trade payables		220.35	220.35	-	-	220.35
Financial Liabilities		94.65	94.65	-	-	94.65
	Total	**315.01**	**315.01**	-	-	**315.01**
As at April 1, 2016						
Borrowings		-	-	-	-	-
Trade payables		0.22	0.22	-	-	0.22
Financial Liabilities		31.14	31.14	-	-	31.14
	Total	**31.36**	**31.36**	-	-	**31.36**

22. RELATED PARTY DISCLOSURES

In accordance with Ind AS 24 'Related Party Disclosures'

a) List of Related Parties:
   i) Holding Company: Xpro India Limited
   ii) Fellow subsidiary of Holding Company: Xpro Global Pte. Ltd., Singapore

b) Transactions with Related Party:
   i) With related party referred to in a(i):
      - Expenses incurred on behalf of the Company: Rs. 10,62,039 (*previous year : Rs. 30,09,776*)
      - Outstanding at the year end: Rs. 39,00,959 (*previous year : Rs. 30,09,776*)
   ii) No transactions with related party referred to in a(ii) during the year or previous year

c) Related party relationships have been identified by the management and relied upon by the auditors.

23. EARNINGS PER SHARE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax (Rs. In lacs)	3.77	9.21
Number of equity shares	5,25,000	5,25,000
Nominal value per share (Rs.each)	10.00	10.00
Basic and diluted EPS (Rs.)	**0.72**	**1.76**

24. First-time Ind AS adoption reconciliation

a) Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2017

	As at March 31, 2017 (end of last year presented under previous GAAP)		
	Previous GAAP	**Effect of Transition**	**As per Ind AS Balance Sheet**
	Rs. lacs	Rs. lacs	Rs. lacs
Revenue from Operations	799.18	-	799.18
Other income	5.26	-	5.26
Total Income	**804.44**	**-**	**804.44**
EXPENSES			
Purchase of Stock-in-trade	632.96	-	632.96
Changes in inventories (of finished goods, work-in-progress & stock-in-trade)	(2.20)	-	(2.20)
Employee Benefits Expense	20.73	-	20.73
Finance Costs	1.42	-	1.42
Other expenses	137.54	-	137.54
Total Expenses	**790.45**	**-**	**790.45**
Profit before tax	**13.99**	**-**	**13.99**
Tax expense			
Current Tax	4.70	-	4.70
Short/(Excess) tax provisions for earlier years (net)	0.08	-	0.08
Total	**4.78**	**-**	**4.78**
Profit for the year	9.21	-	9.21
Other comprehensive income	-	-	-
Total comprehensive income for the year	**9.21**	**-**	**9.21**

b.) Effect of Ind AS adoption on the Balance Sheet at March 31, 2017 and April 1, 2016

(Rs.in lacs)

Particulars	As at March 31, 2017 (End of last period presented under previous GAAP)			As at April 1, 2016 (Date of transition)		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
ASSETS						
Current Assets						
a. Inventories	2.42	-	2.42	0.22	-	0.22
b. Financial assets						
(i) Trade receivables	278.28	-	278.28	31.90	-	31.90
(ii) Cash and cash equivalents	113.46	-	113.46	87.09	-	87.09
c. Other current assets	0.22	-	0.22	0.75	-	0.75
Total current assets	**394.38**	**-**	**394.38**	**119.96**	**-**	**119.96**
Total assets	**394.38**	**-**	**394.38**	**119.96**	**-**	**119.96**
EQUITY AND LIABILITIES						
Equity						
a. Equity Share Capital	52.50	-	52.50	52.50	-	52.50
b. Other Equity	22.17	-	22.17	12.95	-	12.95
Total Equity	**74.67**	**-**	**74.67**	**65.45**	**-**	**65.45**
Liabilities						
Current liabilities						
a. Financial liabilities						
(i) Borrowings	0.01	-	0.01	-	-	-
(ii) Trade Payables	220.35	-	220.35	22.19	-	22.19
(iii) Other financial liabilities	94.65	-	94.65	31.14	-	31.14
b. Provisions	4.70	-	4.70	1.18	-	1.18
Total current liabilities	**319.71**	**-**	**319.71**	**54.51**	**-**	**54.51**
Total liabilities	**319.71**	**-**	**319.71**	**54.51**	**-**	**54.51**
Total Equity and Liabilities	**394.38**	**-**	**394.38**	**119.96**	**-**	**119.96**

In terms of our report attached
For **S. V. Kedia & Co.**
Chartered Accountants
Firm Registration No.324122E

Vineet Kedia
Proprietor
Membership No.059660
Kolkata
May 24, 2018

For and on behalf of the Board

Sidharth Birla
C. Bhaskar
S. Ragothaman
Directors