



XPRO INDIA LIMITED

ANNUAL REPORT 2013/14

Board of Directors

Sri Sidharth Birla

Chairman

Smt. Madhushree Birla

Sri Amitabha Guha

Sri Ashok Kumar Jha *(from July 26, 2013)*

Sri Haigreve Khaitan

Sri P. Murari

Sri Utsav Parekh

Sri S. Ragothaman

Sri C. Bhaskar

Managing Director & Chief Executive Officer

Registered Office

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

*Tel.:+91-3241-257263/4
e-mail: cosec@xproindia.com
website: www.xproindia.com*

Company Secretary

Sri S.C. Jain

Corporate Office

1, Industrial Area, NIT,
Faridabad 121 001, Haryana

Senior Executives

Sri H. Bakshi

President & Chief Operating Officer

Sri V.K. Agarwal

Joint President & Chief Financial Officer

Sri N. Ravindran

Joint President (Marketing)

Sri Anil Jain

Executive Vice President, Coex Division (RNJ)

Sri Sunil Mehta

Executive Vice President, Biax Division (Pithampur)

Sri U.K. Saraf

Executive Vice President, Coex Division (FBD & GRN)

Biax Division

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

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

Coex Division

3, Industrial Area, NIT,
Faridabad 121 001, Haryana
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

Registrars & Share Transfer Agents

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

Auditors

M/s Deloitte Haskins & Sells
Ahmedabad

Company Identification Number

L25209WB1997PLC085972

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NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Xpro India Limited will be held on Thursday, July 31, 2014 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202 to transact the following business:

1. To consider and adopt the Directors' Report and the audited financial statements of the Company for the financial year ended March 31, 2014 and the Auditors' report thereon.
2. To appoint a Director in place of Smt Madhushree Birla (DIN: 00004224) who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Auditors of the Company for a term of three years and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED that M/s Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 117365W), Ahmedabad be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting, until the conclusion of the twentieth Annual General Meeting of the Company (i.e. for a term of three years) at a remuneration to be decided by the Board of Directors in consultation with M/s Deloitte, Haskins & Sells."

SPECIAL BUSINESS :

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

4. AS A SPECIAL RESOLUTION

"RESOLVED that pursuant to the Articles of Association of the Company and provisions of Sections 198, 269, 309 & 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and/or Section 197 read with Schedule V to the Companies Act, 2013 or any re-enactment thereof, the Company hereby approves the re-appointment of Sri Sidharth Birla (DIN: 00004213), Chairman in the whole time employment of the Company whose office shall not be liable to retirement by rotation under the Companies Act, for a period of three years with effect from March 1, 2014 to February 28, 2017 subject generally to the Rules as laid down by the Board, at remuneration by way of salary, commission, perquisites and other allowances as detailed herein below:

- i) Salary, commission (not exceeding 2% of the net profits), perquisites and other benefits/allowances (as per the rules of the Company) as may be decided by the Board of Directors from time to time subject in aggregate to a maximum of 5% of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 1956 or Section 197 of the Companies Act, 2013 or any re-enactment thereof, as may be applicable; or
- ii) Where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Sri Sidharth Birla by way of salary, house rent allowance, special allowance and other benefits/allowances (as per the rules of the Company) as may be approved by the Board of Directors of the Company from time to time as minimum remuneration, within the limits specified in Part II, Section II, Para 1(B) of Schedule XIII of the Companies Act, 1956 or limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 or any re-enactment thereof, as may be applicable; whichever of (i) or (ii) is higher.

RESOLVED FURTHER that Sri Sidharth Birla shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified here-in-above in accordance with the provisions of Schedule XIII to the Companies Act, 1956 or Schedule V to the Companies Act, 2013 and any statutory modifications or re-enactment thereof, if the Company has no profits or its profits are inadequate:

- a) contribution to provident, superannuation or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of un-availed leave at the end of the tenure."

5. AS A SPECIAL RESOLUTION

"RESOLVED that pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the existing Article 143 of the Articles of Association of the Company be and is hereby altered by deleting the same and substituting in its place and stead the following as new Article 143:

143. At every Annual General Meeting of the Company, all the Directors of the Company, other than Independent Directors and Whole-time Directors, are liable to retire by rotation."

6. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri Haigreva Khaitan (DIN:00005290), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the fifth consecutive Annual General Meeting of the Company hereafter."

7. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri P. Murari (DIN:00020437), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the fifth consecutive Annual General Meeting of the Company hereafter."

8. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri Amitabha Guha (DIN:02836707), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the fifth consecutive Annual General Meeting of the Company hereafter."

9. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri Utsav Parekh (DIN: 00027642), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the fifth consecutive Annual General Meeting of the Company hereafter."

10. AS AN ORDINARY RESOLUTION

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri S. Ragothaman

(DIN:00042395), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the fifth consecutive Annual General Meeting of the Company hereafter.”

11. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri Ashok Kumar Jha (DIN:00170745), Director of the Company whose present period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office until the conclusion of the fifth consecutive Annual General Meeting of the Company hereafter.”

12. AS A SPECIAL RESOLUTION

“RESOLVED that in supersession of the resolution passed by the Company in terms of Section 293(1)(d) of the Companies Act, 1956 with respect to the borrowing powers of the Board of Directors at the Annual General Meeting held on July 26, 2012, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), or any statutory modification or re-enactment thereof, to the Board of Directors of the Company to borrow any sum of moneys from time to time notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, as the Board may, from time to time, deem necessary for the purpose of the Company, provided, however, that the total amount so borrowed and outstanding at any one time shall not exceed Rs.500 Crores (Rupees Five Hundred Crores only).”

13. AS A SPECIAL RESOLUTION

“RESOLVED that in supersession of the resolution passed by the Company in terms of Section 293(1)(a) of the Companies Act, 1956 at the Annual General Meeting held on July 6, 2002, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to anyone or more of the Company’s Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of anyone or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other person, of such amount or amounts not exceeding Rs.500 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Loans, Debentures or other financial instruments or assistance.

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RESOLVED FURTHER that the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto."

14. AS AN ORDINARY RESOLUTION

"RESOLVED that in supersession of the resolution passed by the Company in terms of Section 293(1)(e) of the Companies Act, 1956 at the Annual General Meeting held on December 11, 1999, consent of the Company be and is hereby accorded in terms of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors of the Company to contribute and/or subscribe and/or otherwise to assist from time to time to any bonafide charitable and other funds, notwithstanding that such contributions and/or subscriptions do not directly relate to the business of the Company or the welfare of its employees upto a total sum of Rs.50,00,000/- (Rupees Fifty lacs only) in any Financial Year, as may be considered proper by the Board, notwithstanding that such amounts in any Financial Year may exceed 5% of the Company's average net profits as determined in accordance with the provisions of Section 198 of the Companies Act, 2013, during the three immediately preceding Financial Years."

New Delhi
May 9, 2014

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

By Order of the Board

S.C. JAIN
Company Secretary
e-mail: cosec@xproindia.com
Tel.: +91-3241-257263/4
website: www.xproindia.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members of the Company will remain closed from July 24, 2014 to July 31, 2014 (both days inclusive).
4. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrars & Share Transfer Agents, MCS Share Transfer Agent Limited., 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026, quoting their folio numbers. **Further, please note that in the case of dematerialized shares any change(s) required in Address, Bank details, Bank Mandate, ECS Mandate, Power of Attorney and also requests for registration of Nomination, Transmission, etc., are to be intimated to your DP and not to the Company or our Registrars.**
5. **Please note that SEBI has made it mandatory for Companies to distribute dividends or other cash benefits to Investors through electronic mode only. Accordingly, Investors who hold shares in Demat mode are requested to provide their Bank Account details to the Depository Participant for effecting e-payment of dividend etc. Investors who hold physical shares are requested to provide their ECS Mandate in prescribed format to the Company's Registrars & Share Transfer Agents at Kolkata as stated in Note No. 4 above. Also please note that SEBI has made it mandatory to print Bank Account details of Investors on physical payment instruments for payment of dividend etc. Accordingly, you are requested to provide necessary Bank Account details to the Company or its Registrars.**
6. Members holding shares in the same name(s) but under different Ledger Folios, are requested to apply for consolidation of such folios and send the relevant Share Certificates to the Company's Registrar and Share Transfer Agents at Kolkata as stated in Note No.4 above for endorsement of the consolidated folio number.

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We request you to provide your e-mail ID to our Registrars, MCS Share Transfer Agent Limited., 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026 (mcssta@rediffmail.com), if you are holding shares in physical form or to your Depository participants if you are holding shares in Demat form.

7. Electronic copy of Annual Report for the year 2013-14 and Notice of the 17th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies are being sent in the permitted mode.
8. Members may also note that the Notice of the 17th Annual General Meeting and the Annual Report for year 2013-14 will also be available on the Company's website www.xproindia.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
9. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 17th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The instructions for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "Xpro India e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password /PIN for e-voting. Please note that the password is an initial password;
 - (ii) Launch internet browser by typing the following URL:<https://www.evoting.nsdl.com> ;
 - (iii) Click on Shareholder – Login;
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login;
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles;
 - (vii) Select "EVEN" of Xpro India Limited;
 - (viii) Now you are ready for e-voting as Cast Vote page opens;
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted;
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed;
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote;
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to xproscrutinizer@xproindia.com with a copy marked to evoting@nsdl.co.in;
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN
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 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) in A. above, to cast vote.
 - II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commences on July 24, 2014 (9.00 am) and ends on July 26, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. 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 (record date) of June 20, 2014.
 - VII. Mr. K. C. Khowala, Company Secretary (Membership No. ACS 4695 & CP No.2421) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - VIII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.xproindia.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the NSE and CSE.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.
 11. Members are hereby informed that the Company would transfer unpaid/unclaimed dividends, which remains unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 125(1) of the Companies Act, 2013. Details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such IEP Fund of the Central Government are as under:

Financial Year	Date of Declaration	Due date for transfer to IEP Fund
2006-07	July 26, 2007	September 1, 2014
2007-08	July 29, 2008	September 4, 2015
2008-09	July 23, 2009	August 29, 2016
2009-10	July 22, 2010	August 28, 2017
2010-11	August 11, 2011	September 17, 2018
2011-12	July 26, 2012	September 1, 2019
2012-13	July 26, 2013	September 1, 2020

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

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

Item No. 2

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

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Smt. Madhushree Birla, aged about 58 years, graduate from University of Ahmedabad, has served as Director and Advisor of various Corporate Bodies at different times. She is presently Executive Director of iPro Capital Limited, renders professional advisory services and is also engaged in social work.

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

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

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

Item No. 3

Members will please note that appointment of Auditors M/s Deloitte, Haskins & Sells, Chartered Accountants (Registration No. 117365W), Ahmedabad is being proposed to be made for a term of three consecutive years in terms of Section 139 of the Companies Act, 2013 and Rules made thereunder.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Item No. 4

Sri Sidharth Birla was appointed as a Whole-time Director of the Company designated as Chairman since March 1, 2000. Sri Birla's term as Whole-time Director expired on February 28, 2014. The Remuneration & Nomination Committee as well as the Board of Directors at their meetings held on January 21, 2014 and January 28, 2014 respectively have unanimously approved the re-appointment of Sri Sidharth Birla in the whole time employment of the Company for a period of three years with effect from March 1, 2014 upto February 28, 2017 on the payment of remuneration as proposed in the resolution, subject to the approval of the members of the Company in General Meeting.

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

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

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

I. General Information:

- | | |
|--|--|
| 1 Nature of Industry | Polymer Business (diversified) |
| 2 Date or Expected date of commencement of commercial production | The company has Manufacturing units at different locations where commercial production first commenced as per details below: |
| | a) Barjora, West Bengal - 1991 |
| | b) Pithampur, Madhya Pradesh - 2003 |
| | c) Faridabad, Haryana - 1984 |
| | d) Gr. Noida, Uttar Pradesh - 2003 |
| | e) Ranjangaon, Maharashtra – 2008 |

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3	In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus	Not Applicable								
4	Financial performance based on given indicators	<p>The net profit after tax for last three years was:</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th style="text-align: left;"><u>Net Profits</u> (In Rs. Crores)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>11.38</td> </tr> <tr> <td>2011-12</td> <td>33.61</td> </tr> <tr> <td>2012-13</td> <td>(4.11)</td> </tr> </tbody> </table>	<u>Year</u>	<u>Net Profits</u> (In Rs. Crores)	2010-11	11.38	2011-12	33.61	2012-13	(4.11)
<u>Year</u>	<u>Net Profits</u> (In Rs. Crores)									
2010-11	11.38									
2011-12	33.61									
2012-13	(4.11)									
5	Export performance and net foreign exchange collaborations	<p><u>Exports</u> (FOB Value)</p> <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Year</u></th> <th style="text-align: left;"><u>Amount</u> (In Rs. Crores)</th> </tr> </thead> <tbody> <tr> <td>2010-11</td> <td>2.90</td> </tr> <tr> <td>2011-12</td> <td>6.41</td> </tr> <tr> <td>2012-13</td> <td>3.90</td> </tr> </tbody> </table>	<u>Year</u>	<u>Amount</u> (In Rs. Crores)	2010-11	2.90	2011-12	6.41	2012-13	3.90
<u>Year</u>	<u>Amount</u> (In Rs. Crores)									
2010-11	2.90									
2011-12	6.41									
2012-13	3.90									
6	Foreign Investments or Collaborations, if any.	Nil								

II. Information about appointee:

1	Background details	Sri Sidharth Birla an Industrialist aged 57 years with experience in industry and business of over 36 years, is a Science Honors Graduate and holds a Master's Degree in Business Administration from IMEDE (now called IMD), Lausanne, Switzerland. He has also attended various management programs at the Harvard Business School, Boston, USA, including the Owner/President Management Program, Making Corporate Boards More Effective, etc
2	Past remuneration	<p><u>For the year 2013-14</u></p> <p>Salary : Rs.48.00 lacs Contribution to PF & Superannuation: Rs.6.76 lacs</p>
3	Recognition or Awards	<ul style="list-style-type: none"> - President of Federation of Indian Chambers of Commerce and industry (FICCI). - Member, Board of Governors, Birla Institute of Technology & Science, Pilani - Member of the 22nd (and earlier 19th and 21st) Council of the Institute of Chartered Accountants of India (Nominee of Central Government). - Member, Executive Committee, Indian Chamber of Commerce, Kolkata
4	Job Profile and its Suitability	He has been appointed in a wholtime capacity to provide inputs on matters relating to corporate governance, communicating with stakeholders, holding of high level reviews of strategy/plans, besides his valuable advice and guidance to the senior management in setting the Company's strategic direction in a dynamic, economic environment including providing necessary assistance and suggestions in matters relating to expansion, development and diversification of the Company's businesses. He has been associated with the businesses of the Company since 1984. Considering his background, he is eminently suitable to hold the position of Chairman in the Company.
5	Remuneration proposed	As per details contained in the Notice for the Annual General Meeting.
6	Comparative remuneration with respect to Industry Standards	The proposed remuneration is in line with remuneration payable to the Directorial personnel holding similar stature/position in the Industry.
7	Any Pecuniary Relationship	Besides remuneration, Sri Sidharth Birla is promoter director of the Company where he and his family members directly hold 1.75% of the Equity Shares of the Company, and also have interest in promoter group companies holding 46.83% of the Equity Shares of the Company.

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III. Other Information:

1	Reasons for loss or inadequate profit	The Company has been consistently earning profits since inception, barring the last few quarters, and has a strong net worth and effective capital. The loss incurred in recent quarters has been essentially due to generally depressed market conditions in India and globally, production cuts at major OEM customers, the rapid depreciation in the rupee impacting input costs and price pressure in a depressed and competitive market. The prevailing conditions are seen as transient and with stabilization in markets together with completion of significant investments profitability is expected to be restored to adequate levels. Your approval is sought by special resolution as stipulated under Part II Section II Para 1(B) of Schedule XIII to the Companies Act, 1956 / Part II Section II Para (A) of Schedule V to the Companies Act, 2013.
2	Steps taken/ proposed to be taken for improvement	
3	Projected Increase in productivity /profit	

IV. Disclosures:

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

Item No. 5

Article 143 is proposed to be substituted in order to facilitate compliance of provisions of the Companies Act, 2013.

The Board of Directors recommend the resolution for your approval.

None of the Directors, key managerial personnel of the Company and their relatives may be considered to be interested in passing of the resolution.

Item No. 6

Sri Haigreave Khaitan, aged about 44 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on October 13, 1999. He is a Law Graduate. Being an Advocate he has vast experience in Commercial & Corporate Laws, Tax Laws, Mergers & Acquisitions, Restructuring, Foreign Collaboration, Licensing etc.

Sri Khaitan is presently Director on the Boards of Ambuja Cement Ltd., AVTEC Ltd., Bajaj Corp Ltd., Bharat Fritz Werner Ltd., Ceat Ltd., Firstsource Solutions Ltd., Great Eastern Energy Corporation Ltd., Harrisons Malayalam Ltd., Inox Leisure Ltd., Jindal Steel & Power Ltd., Karam Chand Thapar & Bros (Coal Sales) Ltd., National Engineering Industries Ltd., Sterlite Technologies Ltd., Torrent Pharmaceuticals Ltd., Vinar Systems Pvt. Ltd., and Partner of Khaitan & Co. LLP, Bhasa Agri LLP, Harulika Ventures LLP, Perito Tessili Designs LLP, Azalia Estate Realty Solutions LLP and of Khaitan & Co. (Kolkata & Mumbai).

He is a member of Audit Committee of AVTEC Ltd., Harrisons Malayalam Ltd., Inox Leisure Ltd., Jindal Steel & Power Ltd., National Engineering Industries Ltd., Sterlite Technologies Ltd., Torrent Pharmaceuticals Ltd.; member of Shareholders Grievance Committee of National Engineering Industries Ltd.; chairman of Compliance Committee of Ambuja Cement Ltd., member of Remuneration Committee of Bajaj Corp Ltd., Harrisons Malayalam Ltd., National Engineering Industries Ltd. & Sterlite Technologies Ltd.; Member of Remuneration/ Compensation Committee and Share Transfer Committee of Great Eastern Energy Corporation Ltd. and member of Compensation & Remuneration Committee of Inox Leisure Ltd. besides being member of Remuneration & Nomination Committee of our Company.

Sri Haigreave Khaitan holds 51,000 (0.44%) Equity Shares of the Company.

Sri Khaitan retires by rotation at the ensuing Annual General Meeting under the provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Khaitan, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office for a term of five years until the conclusion of the fifth consecutive Annual General Meeting hereafter (i.e. the 22nd Annual General Meeting of the Company).

In the opinion of the Board, Sri Khaitan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the

management. Copy of the draft letter for appointment of Sri Khaitan as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Khaitan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Khaitan as an Independent Director, for the approval by the members of the Company.

Except Sri Haigreave Khaitan, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 7

Sri P. Murari, aged about 79 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on October 13, 1999. He holds a Masters Degree in Economics and has been a member of the Indian Administrative Services. He has vast administrative experience both at the Centre and in State and retired as a Secretary to the Government of India. His areas of experience are general industrial administration, formulation of industrial policies, administration of public sector and co-operative sector industrial undertakings including sick units, health and family planning sector management, energy sector, financial administration and food processing.

He has been Chairman of National Commission on Energy Conservation Awareness, National Commission on Media Strategy for Rural Employment Programmes, and National Commission on Food Processing of Government of India. Sri Murari is presently a Director on the Boards of Aban Offshore Ltd., Adayar Gate Hotel Ltd., Aditya Birla Nuvo Ltd., Bajaj Auto Ltd., Bajaj Holdings & Investment Ltd., Fortis Malar Hospitals Ltd., Great Eastern Energy Corporation Ltd., IDEA Cellular Ltd. And Pantaloon Fashion and Retail Ltd.

He is a Chairman of Audit Committee of Aban Offshore Ltd., Adayar Gate Hotel Ltd.; member of Audit Committee of Aditya Birla Nuvo Ltd, Fortis Malar Hospitals Ltd., Great Eastern Energy Corporation Ltd. And Pantaloon Fashion and Retail Ltd.; Chairman of Shareholders/ Investors Grievance Committee of Bajaj Holdings & Investment Ltd.; Chairman of Remuneration Committee of Great Eastern Energy Corporation Ltd., Member of Investor Relations & Finance Committee of Aditya Birla Nuvo Ltd., besides being Chairman of Remuneration & Nomination Committee, member of Audit Committee and CSR Committee of our Company.

Sri Murari does not hold by himself or for any other person on a beneficial basis, any Equity Shares in the Company.

Sri Murari retires by rotation at the ensuing Annual General Meeting under the provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Murari, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office for a term of five years until the conclusion of the fifth consecutive Annual General Meeting hereafter (i.e. the 22nd Annual General Meeting of the Company).

In the opinion of the Board, Sri Murari fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri Murari as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Murari as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Murari as an Independent Director, for the approval by the members of the Company.

Except Sri P. Murari, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 8

Sri Amitabha Guha, aged about 65 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on March 24, 2011. He holds a Masters Degree in Science from University of Kolkata. Sri Guha has expertise in finance and banking spanning over 3 decades. He was Managing Director of State Bank of Hyderabad and Deputy Managing Director of State Bank of India.

Presently he is Director and Non-Executive Chairman of South Indian Bank, and also Director on the Boards of Gangavaram Port Limited and Vijaysri Organics Limited. He is Chairman of Management Committee, Compensation Committee and member of Risk Management Committee, Customer Service Committee and Information Technology Committee of The South Indian Bank Limited and member of Audit Committee of Vijaysri Organics Limited, besides being member of Audit Committee and Stakeholders Relationship Committee of our Company.

Sri Guha does not hold by himself or for any other person on a beneficial basis, any Equity Shares in the Company.

Sri Guha is a Director whose present period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Guha, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office for a term of five years until the conclusion of the fifth consecutive Annual General Meeting hereafter (i.e. the 22nd Annual General Meeting of the Company). A notice has been received from a member proposing Sri Guha as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Guha fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri Guha as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Guha as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Guha as an Independent Director, for the approval by the members of the Company.

Except Sri Amitabha Guha, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 9

Sri Utsav Parekh, aged about 58 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on September 15, 1999. He holds a Bachelor's Degree in Commerce with honours. He has vast and continuing experience of about 33 years as Merchant Banker, and in Stock Broking and Financial Services. He is a member of the Calcutta Stock Exchange Ltd. Sri Parekh is presently a Director on the Boards of Bengal Aerotropolis Projects Ltd., Lend Lease Company (India) Ltd., McLeod Russell (India) Ltd., McNally Bharat Engg. Co. Ltd., SMIFS Capital Markets Ltd., Texmaco Infrastructure & Holdings Ltd. and Partner of Stewart & Co.

He is a member of Audit Committee of McNally Bharat Engg. Co. Ltd. & SMIFS Capital Markets Ltd.; member of Investors Grievance Committee of McLeod Russell (India) Ltd. & McNally Bharat Engg. Co. Ltd.; member of Remuneration Committee of McNally Bharat Engg. Co. Ltd., member of Committee of Directors of SMIFS Capital Markets Ltd. and member of Share Transfer Committee of SMIFS Capital Markets Ltd., besides being member of Audit Committee, Remuneration & Nomination Committee and Committee of Directors and Chairman of Stakeholders Relationship Committee of our Company.

Sri Utsav Parekh holds 51,000 (0.44 %) equity shares of the Company.

Sri Parekh is a Director whose present period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Parekh, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office for a term of five years until the conclusion of the fifth consecutive Annual General Meeting hereafter (i.e. the 22nd Annual General Meeting of the Company). A notice has been received from a member proposing Sri Parekh as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Parekh fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri Parekh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Parekh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Parekh as an Independent Director, for the approval by the members of the Company.

Except Sri Utsav Parekh, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 10

Sri S. Ragothaman, aged about 68 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on March 17, 2000. He is a Commerce Graduate and Chartered Accountant. He is presently a self-employed professional and was formerly a senior official of ICICI Ltd. He has to his credit vast experience of over 38 years in the field of Finance.

Sri Ragothaman is presently Director on the Boards of Digjam Ltd., Hinduja Foundries Ltd., National Peroxide Ltd., Sakthi Finance Ltd., Shreyas Relay Systems Ltd., Shreyas Shipping & Logistics Ltd., The Bombay Dyeing & Manufacturing Company Ltd. & Xpro Global Ltd. Sri Ragothaman is Chairman of Audit Committee of Digjam Ltd., Chairman of Remuneration Committee and Member of Audit Committee & Investors Grievance Committee of Hinduja Foundries Ltd., Chairman of Audit Committee and Member of Remuneration Committee of Shreyas Relay Systems Ltd., Member of Audit Committee and Remuneration Committee of Shreyas Shipping & Logistics Ltd., Member of Audit Committee and Remuneration Committee of The Bombay Dyeing & Mfg. Co. Ltd., Member of Remuneration Committee of Shakti Finance Ltd. besides being Chairman of the Audit Committee of the Company.

Sri Ragothaman holds 54,493 (0.47%) Equity Shares of the Company.

Sri Ragothaman is a Director whose present period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Ragothaman, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office for a term of five years until the conclusion of the fifth consecutive Annual General Meeting hereafter (i.e. the 22nd Annual General Meeting of the Company). A notice has been received from a member proposing Sri Ragothaman as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Ragothaman fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri Ragothaman as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Ragothaman as an Independent Director. Accordingly, the Board

recommends the resolution in relation to appointment of Sri Ragothaman as an Independent Director, for the approval by the members of the Company.

Except Sri S. Ragothaman, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 11

Sri Ashok Kumar Jha, aged about 67 years, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on July 26, 2013. Sri Jha, an IAS officer of the 1969 batch, has had a 39 year stint in the Civil Services and had 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, and has also served as Secretary (Economic Affairs), Secretary (Department of Industrial Policy and Promotion), etc. Following his retirement he had a two year stint as Executive President of Hyundai Motor India.

Sri Jha is presently Director on the Boards of Great Eastern Energy Corporation Ltd., Nuziveedu Seeds Ltd., and Setco Automotive Ltd. Sri Jha is Chairman of Economic Affairs committee and Member of Audit Committee of Nuziveedu Seeds Ltd.; Member of Audit Committee of Great Eastern Energy Corporation Ltd. and Setco Automotive Ltd.

Sri Ashok Kumar Jha does not hold by himself or for any other person on a beneficial basis, any Equity Shares in the Company.

Sri Jha is a Director whose present period of office is liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Jha, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director of the Company to hold office for a term of five years until the conclusion of the fifth consecutive Annual General Meeting hereafter (i.e. the 22nd Annual General Meeting of the Company). A notice has been received from a member proposing Sri Jha as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Jha fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri Jha as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Jha as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Jha as an Independent Director, for the approval by the members of the Company.

Except Sri Ashok Kumar Jha, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 12

The Company at its Annual General Meeting held on July 26, 2012, authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of the Company moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 500 Crores.

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (the 'Act'), the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. It may be mentioned that there is no change in the borrowing limit of Rs. 500 crores as earlier

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approved by the members at the aforesaid AGM. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 13

The Company at its Annual General Meeting held on July 6, 2002, authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure their financial assistance as mentioned in the above Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Item No. 14

The Company at its Annual General Meeting held on December 11, 1999, authorized the Board of Directors of the Company under Section 293(1)(e) of the Companies Act, 1956, to contribute to charitable and other institution(s) to the extent of Rs.15,00,000/- in any financial year.

Pursuant to the provisions of Section 181 of the Companies Act, 2013 (the 'Act'), the Board of Directors may contribute to charitable and other institutions in excess of 5% of the Company's average net profits as determined in accordance with the provisions of Section 198 of the Companies Act, 2013, during the three immediately preceding Financial years, only if authorised by the Company in General Meeting by a resolution which specifies the limit for such contribution. The Company may be required to contribute amounts in excess of the limit to bonafide charitable and other funds and would therefore attract the provisions of Section 181 of the Companies Act, 2013. The Board recommends to approve such donations/contributions etc. upto a limit of Rs.50,00,000/- (Rupees Fifty lacs only) in any Financial Year keeping in view the depreciation of Rupee during last 15 years.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, in the resolution.

Inspection of Documents

The Memorandum & Articles of Association of the Company along with a copy thereof incorporating the proposed alteration as set out in Item No.5 is open for inspection at the Registered Office of the Company between 10 a.m. and 12 noon on any working day prior to the date of the meeting.

New Delhi
May 9, 2014

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

By Order of the Board

S.C. JAIN
Company Secretary
e-mail: cosec@xproindia.com
Tel.:+91-3241-257263/4
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 Accounts of your Company for the year ended March 31, 2014.

FINANCIAL RESULTS

	<u>FY 2014</u>	(Rs. Lacs) <u>FY 2013</u>
Revenue from Operations	271,55.11	252,62.35
yielded a		
Profit before Depreciation and Tax	(3,87.63)	3,60.09
less : Depreciation	11,22.25	10,80.04
Profit / (Loss) Before Tax	(15,09.88)	(7,19.95)
less : Provisions for		
- Income & Wealth Tax	-	-
- Deferred Tax	(4,65.00)	(3,11.00)
- Tax pertaining to earlier years	-	2.18
Profit / (Loss) After Tax	(10,44.88)	(4,11.13)
add : Surplus brought forward	59,06.23	64,53.33
Balance available for appropriation	48,61.35	60,42.20
Which is appropriated as :		
- General Reserve	-	-
- Proposed Dividend	-	116.78
- Dividend Tax	-	19.19
- Surplus carried forward	48,61.35	59,06.23

In view of the above, with regret, the Directors find it prudent not to recommend any Dividend.

REVIEW OF KEY BUSINESS MATTERS

The business environment remained very challenging as the Indian economy continued to underperform and GDP growth rate weakened to an estimated 4.8%, with yet greater weakness in the industrial sector, consumer durables and capital goods. Inflation remained on the higher side affecting interest rate policies. India remained somewhat vulnerable on the macroeconomic front, with significant current account and fiscal deficits depreciating the rupee. While steps taken by the Government narrowed CAD down to 2.2% of GDP, the economy remains constrained by slow growth, contracting manufacturing, weak investment and reduced private consumption. The deceleration of economic growth can be argued to have bottomed out, but return to growth of 8-9% could take longer depending on the speed and effectiveness of implementation of economic policies and measures.

Markets for many of the Company's products, showed poor or negative growth, in part due to tighter market credit and poor market sentiment. Volatility in petro-product prices and highly competitive conditions added further dimensions. Due to these trying circumstances, the company turned in its lowest profit performance since inception. Marginally lower aggregate volumes at 18,963 MT, but gross sales 7% higher at Rs. 272 Crores against Rs. 253 Crores last year, reflects an increase in input costs. The loss before depreciation and tax was Rs.3.88 Crores against a profit of Rs.3.60 crores in the previous year. Performance is dealt with in greater detail in the Managements' Discussion & Analysis Report.

These conditions are however reasonably viewed by us as transitory. The potential for the Company's end-markets is essentially sound and Management is confident of the competitiveness and quality of its product offerings and the robustness of its business model. The year witnessed material progress in strategic initiatives of the Company,

with (a) completion of shifting the Ranjangaon unit of Coex Division to a neighbouring site with enhanced facilities and scope for expansion; and (b) completion of the largest investment in the Company's history, the extremely modern Dielectric (capacitor) Film project at Biax Division Barjora. The new unit (known as Biax Division Barjora Unit II) has commenced commercial production with effect from May 2, 2014. The product has been well received. Still, during the stabilization and volume build up period it can be reasonably expected that interest and depreciation burdens will exert significant pressure on the bottom line. But we are satisfied that the unit is capable of generating attractive returns under foreseeable market and economic conditions, subject of course to relevant risks. It may be noted no fresh capital was raised and the Company's contribution for these projects was met from internal accruals.

The strategic intent of the management is towards specialization in certain types of polymer films (including thin, dielectric and metalized films). The plants at Barjora and Pithampur concentrate on thin BOPP Films for special applications and the Company remains the only indigenous producer of such films. For the general application areas, the Indian BOPP Films industry continues to have significant over-supply thus resulting in about 70% capacity utilisation, and obvious un-remunerative pricing. In this situation, the Biax Division reported marginally higher sales volumes but seriously impacted financial results. BOPP Films is still a strong market with global demand growing at 5-6% p.a., and domestic demand at about 15%. Supply imbalances have arisen due to short term export market pressures, and a quantum jump in domestic capacity.

The consumer durables industry, particularly refrigerators (a significant client base for Coex Division) had negative growth. The Company was able to maintain levels at only marginally reduced volumes but value additions were significantly lower. Nevertheless, this segment holds good and long term potential and the end market - due to current low penetration levels - has been attracting significant global manufacturers to India which would help widen our customer base. The Company has continuously taken measures to improve operations, trim overheads, control discretionary spend and strengthen liquidity.

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

STATUTORY AND OTHER MATTERS

Information as per the requirements of the Companies Act, 1956, our report on Corporate Governance and the Managements' Discussion & Analysis Report form a part of this Report and are annexed hereto. In terms of General Circular No.2/2011 of February 8, 2011 issued by the Ministry of Corporate Affairs, the Board has consented by resolution not to attach balance sheets and other statements of subsidiary companies, Xpro Global Limited and Xpro Global Pte. Ltd., Singapore. Financial highlights in terms of the said notification are annexed. Shareholders of the holding company may obtain, upon request and free of cost, hard copies of annual accounts and related information of the subsidiaries. A copy of these Annual Accounts shall be kept open for inspection by shareholders at the Registered Office of the Company and of the subsidiary companies.

Relations with employees were generally cordial; we record our appreciation of contributions made by employees during the year.

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

Sri Haigreve Khaitan and Sri P. Murari retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for appointment as Independent Directors of the Company in terms of Section 149 and other applicable provisions of the Companies Act, 2013.

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Sri Amitabha Guha, Sri Utsav Parekh, Sri S. Ragothaman and Sri Ashok Kumar Jha, Directors, whose term of office is liable to determination by retirement of Directors by rotation under the applicable provisions of the Companies Act, 1956, being eligible, offer themselves for appointment, in terms of Section 149 and other applicable provisions of the Companies Act, 2013, as Independent Directors of the Company. Necessary notices have been received from members proposing them as candidates for the office of Directors of the Company.

The Company, having regard to its size and scope, is generally compliant with relevant guidelines on Corporate Social Responsibility (CSR). The Board has also constituted a committee to mentor and monitor CSR activities. Small steps have been always taken by our plants for social and inclusive development in their local areas; however given their relatively small size and geographical spread it has not been practical to undertake directly any significant projects outside these. The Company has accordingly budgeted for and adopted a policy to support external bodies including relevant bodies, NGOs or Government Relief Funds selected by the Board, including through financial contribution to them, with greater participation in the areas of health and social welfare, efforts towards reducing child mortality, promotion of education & socially responsible behavior, and employment enhancing vocational skills.

Pursuant to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 notified on December 9, 2013, the Company has set up a Committee to look into complaints under the said Act. The Company has not received any complaints relating to sexual harassment at work place from any woman employee during the year.

The CEO and CFO have certified as per requirements of Clause 49(V) of the Listing Agreement, which has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care, pursuant to Section 217(2AA) of the Companies Act, 1956 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year; (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and (iv) the directors had prepared the annual accounts on a going concern basis.

AUDITORS' OBSERVATIONS

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

AUDITORS

The Auditors M/s Deloitte, Haskins & Sells, Chartered Accountants, retire, and being eligible offer themselves for reappointment for a term of three years pursuant to the provisions of the Companies Act, 2013.

ACKNOWLEDGEMENTS

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from all its Bankers, particularly the lead bank, State Bank of India, all concerned Government and other authorities and Shareholders.

For and on behalf of the Board

New Delhi
May 9, 2014

Sidharth Birla
Chairman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

THE BOARD OF DIRECTORS

Composition

The Board presently consists of 9 Directors, of whom 6 are independent, and a total of 8 are non-executive. Current regulations require that the Company should have at least one Woman Director and that at least 50% of the Directors should be independent; these criteria are met. As per SEBI Regulations an independent Director will be one who (a) does not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management (this comprises all members of management one level below Executive Directors, including all functional heads) or its holding company, its subsidiaries and associates; (b) is not related to Promoters or persons occupying management positions at the Board level or at one level below the Board; (c) has not been an Executive of the Company in the immediately preceding 3 financial years; (d) is not a Partner or an Executive or was not a Partner or an Executive during the preceding 3 years of Statutory Audit or Internal Audit Firm associated with the Company and legal firm(s) and consulting firm(s) that have a material association with the company; (e) is not a material supplier, service provider or customer or a lessor or lessee of the Company; (f) is not a substantial shareholder of the Company i.e. owning 2% or more of the voting power; and (g) is not less than 21 years of age. Our Board has 6 independent Directors viz. Sri Amitabha Guha, a Banker, Sri Ashok Kumar Jha (IAS retired, formerly Finance Secretary, Govt. of India), Sri Haigreve Khaitan, Advocate, Sri P. Murari (IAS retired, formerly Secretary to the Govt. of India), Sri Utsav Parekh (Merchant Banker) and Sri S. Ragothaman (company director, formerly senior officer at ICICI).

Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. The Chairman and non-executive directors review the functioning and effectiveness of the Board and the attendance record of directors every year. As a policy, and the Articles of the Company, the identities, positions, duties and responsibilities of the Chairman and Chief Executive Officer are kept separate and suitably defined. Accordingly the Chairman's position, even where whole-time, has been considered non-executive in nature as his role specified by the Board does not cover routine managerial tasks and responsibilities. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, directorships (public limited companies only) ("B"), membership and chairmanship ("C" & "Ch") of SEBI specified committees, sitting fees (including committees) and commission (if any) paid during the year, and shareholding in the Company on March 31, 2014.

As required by law, the appointment(s) and remuneration(s) of any executive director(s) and of the Chairman (if whole-time) requires the approval of members; such approvals are for a period of not more than 5 years and, when eligible, they can be re-appointed at the end of the term. Independent Directors, as required under the Companies Act, 2013, are appointed for a term of upto 5 years in Annual General Meeting, and are eligible for re-appointment but cannot hold office for more than two consecutive terms (becoming eligible again after the expiry of three years from ceasing to be an independent director). 1/3rd of the other Directors retire every year and, when eligible,

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

Director / Category	Attendance	B / C / Ch	Fees/Commission (Rs.)	Shareholding
<u>Independent</u>				
Sri Amitabha Guha	4 / 4	4 / 3 / -	120,000	-
Sri Ashok Kumar Jha	3 / 3	4 / 3 / -	60,000	-
Sri Haigreve Khaitan	1 / 4	15 / 8 / -	40,000	51,000 (0.44%)
Sri P. Murari	2 / 4	10 / 5 / 3	90,000	-
Sri Utsav Parekh	2 / 4	7 / 5 / 1	1,25,000	51,000 (0.44%)
Sri S. Ragothaman	2 / 4	9 / 4 / 3	80,000	54,493 (0.47%)
<u>Representing Promoters</u>				
Smt. Madhushree Birla	4 / 4	3 / - / -	80,000	125 (neg.%)
Sri Sidharth Birla	4 / 4	5 / - / -	Nil	2,01,875 (1.73%)
<u>Executive (Managing Director)</u>				
Sri C Bhaskar	4 / 4	4 / 2 / -	Nil	80,001 (0.69%)

Sri Sidharth Birla & Sri C Bhaskar are employed by the Company;

Responsibilities

The Board's fundamental concentration is on strategic issues and approval, policy and control, and delegation of powers. The Board has specified a schedule of major matters (covering those required under law or regulations) that are reserved for its consideration and decision, besides review of corporate performance and reporting to shareholders. Respective roles of the Board and management are clearly demarcated. The management is required to (a) provide necessary inputs and basis to support the Board in its decision making and evaluation process in respect of the Company's strategy, policies, targets and code of conduct; (b) manage day-to-day affairs of the company to best achieve targets and goals approved by the Board; (c) implement all policies and the code of conduct, as approved by the Board; (d) provide timely, accurate, substantive and material information, including on all financial matters and exceptions, if any, to the Board and/or its committees; (e) be responsible for ensuring strict and faithful compliance of all applicable laws and regulations; and (f) implement sound, effective internal control systems and the Risk Management Procedure framed by the Board. The Board has laid down a general Code of Conduct for employees and adopted a Code of Conduct for Directors and Senior Executives. 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. The Board has also laid down a Code of Conduct for Prevention of Insider Trading, administered by the Compliance Officer. Management of the organization and conduct of affairs of the Company lie with the Managing Director & Chief Executive Officer, who heads the management team. The President & Chief Operating Officer holds operational responsibility for day-to-day activities of the divisions under his charge. The Joint President & Chief Financial Officer, heads the finance function discharging the responsibilities entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

BOARD MEETINGS AND COMMITTEES

Board meetings are normally held at Company offices, including at plants, and are typically scheduled well in advance. The Board meets at least once after the end of each quarter to, inter-alia, review all relevant matters and consider and approve quarterly financial results. Independent Directors are required (*w.e.f. April 1, 2014*) to meet at least once a year without the presence of non-independent directors and the management to, inter alia, discuss prescribed matters. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. Agenda for all meetings are prepared by the Secretary in consultation with the Chairman and papers are circulated to all directors in advance. Directors have access to the Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior officers are called to provide clarifications or presentations whenever required. To enable fuller and detailed attention to relevant matters, the Board from time to time delegates

specified issues and matters to committees which report to it. However no matter which under law or the Articles may not be delegated by the Board, or requires its explicit approval, is left to the final decision of any committee. During the year the Board met 4 times on April 27, July 26, October 28, 2013, & January 28, 2014.

Audit Committee

The terms of reference of the Audit committee, as specified by the Board in writing, includes the whole as specified in the Companies Act and in regulations, including review of audit procedures and techniques, financial reporting systems, 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 payments and also takes an overview of the financial reporting process to ensure that the financial statements are correct, sufficient and credible. Any financial reports of the Company can be placed in the public domain only after review by the Audit committee. The reports of the statutory as well as internal auditors are regularly reviewed, along with comments and action-taken reports of management. The committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it may require. The committee comprises Sri S. Ragothaman (as its Chairman), Sri Utsav Parekh, Sri P. Murari and Sri Amitabha Guha (*w.e.f. October 28, 2013*), and is mandated to meet at least four times in a year to assess the final audited accounts and to review each quarter the limited review reports before they are put up to the Board. The committee met 4 times during the year. The meeting on April 26, 2013 was attended by Sri S. Ragothaman and Sri P. Murari, that of July 26, 2013 by Sri S. Ragothaman and Sri Utsav Parekh, that of October 27, 2013 by Sri P. Murari and Sri Utsav Parekh while the meeting of January 28, 2014 was attended by Sri Utsav Parekh and Sri Amitabha Guha.

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) comprises of a majority of independent directors. It makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further directors to strengthen the Board. The Committee is entrusted with discharging the functions of a Compensation Committee as envisaged in SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The committee is fully enabled to ensure that non-executive directors make decisions on remuneration and progression of executive directors and is able to assess the same for senior officers; remuneration of the Chairman is recommended by the Committee to the Board of the Company and compensation to other non-executive Directors is a subject only for the whole Board. The committee comprises of Sri P. Murari, (as Chairman), Sri Sidharth Birla, Sri Haigreve Khaitan and Sri Utsav Parekh. The committee met on April 27, 2013 (attended by Sri P. Murari, Sri Sidharth Birla and Sri Haigreve Khaitan) and on January 21, 2014 (attended by Sri Haigreve Khaitan and Sri Utsav Parekh).

All directors other than the Chairman and any executive director(s) are paid sitting fees for meetings of the Board or its committees attended: Rs.20,000 each per meeting of the Board, Rs.20,000 each per meeting of the Audit Committee, Rs.5,000 each per meeting of the Stakeholders Relationship Committee and Rs.10,000 each per meeting for other committees. No fee is paid for meetings of the CSR Committee and Committee of Directors. Members have approved the payments of (i) a commission for non-executive directors with effect from April 1, 2012 not exceeding 1% of the net profits of the Company determined in accordance with relevant provisions of the Companies Act; (ii) a remuneration to Sri Sidharth Birla, Chairman, re-appointed by the Board of Directors with effect from March 1, 2014 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 provisions of Section 198 of the Companies Act, 1956 or Section 197 of the Companies Act, 2013 or any re-enactment thereof, as may be applicable (in aggregate subject to minimum remuneration as per limits specified in Part II, Section II, Para 1(B) of Schedule XIII of the Companies Act, 1956 or limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 or any re-enactment thereof, as may be applicable); (iii) a remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, re-appointed with effect from January 1, 2012 for 3 years, comprising of salary, commission (not exceeding 2% of net profits), perquisites and

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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 of Rs.4 lacs per month or such higher sum as may be permitted pursuant to an application to the Central Government or vide any statutory modification or re-enactment). Accordingly he is now paid a salary of Rs.4.50 lacs per month and perquisites (as approved by the Central Government). There are no severance fees (routine notice period not considered as severance fees) or other benefits.

Stakeholders Relationship Committee

The committee (earlier known as the Shareholders/Investors Grievance Committee) considers and resolves the grievances of security holders of the company, oversees the performance of the Registrar and Share Transfer Agents (RTA) of the Company, and recommends measures to improve the level of investor related services. The powers to approve share transfer / transmission have been delegated to the RTA. The Stakeholders Relationship Committee meets frequently and keeps a close watch on the status of resolution and disposal of all complaints/grievances of shareholders and also takes note of all approved share transfer/transmission cases as reported by the RTA. Sri S.C. Jain, Secretary, is the Compliance Officer under relevant regulations. The committee is chaired by Sri Utsav Parekh and includes Sri Amitabha Guha and Sri C. Bhaskar. The Company/RTA received 6 complaints/queries during the year from shareholders (directly or through regulatory bodies); as of March 31, 2014 (a) all complaints/queries were resolved and none were pending and (b) No share transfer applications were pending for registration.

Committee of Directors

A Committee of Directors comprising of Sri Sidharth Birla, Sri Utsav Parekh and Sri C. Bhaskar attends to matters specified and/or delegated appropriately by the Board from time to time. The Committee meets as and when required to attend to urgent matters delegated to it.

Corporate Social Responsibility ("CSR") Committee

The Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of the Companies Act, 2013 to (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the implementation of the said CSR Policy from time to time. The Committee comprises of Smt. Madhushree Birla, as Chairperson, Sri P. Murari and Sri C Bhaskar. Sri H. Bakshi, President & Chief Operating Officer of the Company shall be management invitee at the meetings of the CSR Committee. The Committee met on April 27, 2013.

SHAREHOLDER INFORMATION AND RELATIONS

The principal source of detailed information for shareholders is the Annual Report which includes, inter-alia, the Reports of the Directors and the Auditors, Audited Accounts, besides this report and Managements' Discussion & Analysis Report. The Management's statement on integrity and fair presentation of financial statements is provided to the Board as part of the accounts approval process. Shareholders are intimated through the print media about quarterly financial results, besides significant matters, within time periods stipulated from time to time by Stock Exchanges. Annual General Meetings of the Company are held at its Registered Office at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722 202, West Bengal. The last 3 AGMs were held at the Registered Office on August 11, 2011, July 26, 2012, & July 26, 2013. The next AGM shall be held at the Registered Office as per notice in this Annual Report and the Record Date will also be as per the notice. The last AGM was attended by Sri Sidharth Birla, Smt. Madhushree Birla, Sri Amitabha Guha, Sri Utsav Parekh, Sri S. Ragothaman and Sri C Bhaskar. Special Resolutions were passed at the AGM held on August 11, 2011 for re-appointment of Sri Sidharth Birla, Chairman, in the whole time employment of the Company with effect from March 1, 2011 and approval of Remuneration payable to him; and at the AGM held on July 26, 2012 for (a) payment of commission to Non-executive Directors @ 1% of the relevant net profit with effect from April 1, 2012 and (b) for re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer with effect from January 1, 2012 and approval of Remuneration payable to him. Dividend was paid last year and warrants were mailed by August 2, 2013 (8 days after AGM). The Company keeps shareholders informed via advertisements in appropriate newspapers of all relevant dates and items requiring notice. M/s MCS Share Transfer Agent Limited, 12/1/5,

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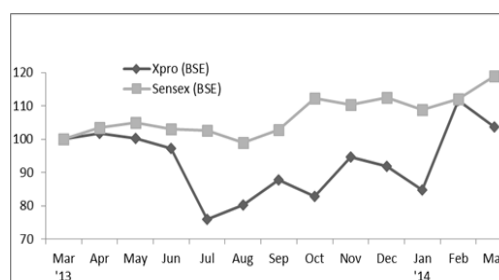
Manoharpukur Road, Ground Floor, Kolkata 700 026 are the Registrar and Share Transfer Agents. The general address for correspondence by shareholders is the Company Secretary (Tel. No.(033) 30573700; extn. 1267) at Birla Building (2nd Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; designated e-mail ID for grievance redressal is scjain@xproindia.com (of Compliance Officer) and mcssta@rediffmail.com (of Registrar and Share Transfer Agents). Shareholders may also write to the Registrars directly in matters relating to transfers etc. The Company publishes its quarterly results in English (usually Business Standard - 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 is displayed is at www.xproindia.com. No presentation has been made to institutional investors etc. The present financial year of the Company is April 1 to March 31. The Company's Equity Shares are listed at Calcutta Stock Exchange (Stock Code 10034003), the National Stock Exchange (Symbol: XPROINDIA, Series EQ) and are also admitted for trading on the Bombay Stock Exchange under the category of "Permitted Securities" (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). Of the 1,25,402 unclaimed shares held by 6,216 shareholders lying in "Xpro India Limited - Unclaimed Suspense Account" maintained in dematerialized form, as required under Listing Agreements with Stock Exchanges, 4 shareholders have during the year claimed 22 shares and the remaining 1,25,380 shares belonging to 6,212 shareholders remain unclaimed to the credit of this account. Shareholding distribution, pattern and high/low market price data are given below. The shares were not traded on the Calcutta Stock Exchange during the year.

Type of Shareholder	In %		Nominal Value of Shareholding	In %	
	Nos.	by amount		Nos.	by amount
Banks, FI's, Insurance Companies	15	0.03			
Domestic Companies	364	49.50	Upto Rs.5,000	39,107	14.13
Mutual Funds (including UTI)	6	0.08	Rs.5,001 to Rs.20,000	856	7.56
Non-residents/OCBs	104	0.59	Rs.20,001 to Rs.1,00,000	252	9.28
Resident individuals/others	39,780	49.80	Rs.1,00,001 and above	54	69.03
	40,269	100.00		40,269	100.00

Note: aggregate of Public shareholding: 51.42%

Share Price by Month	NSE		BSE	
	High	Low	High	Low
April 2013	32.80	27.55	31.75	28.00
May	32.90	28.05	31.00	27.15
June	32.05	26.25	31.80	27.15
July	28.00	21.05	28.70	20.20
August	25.10	18.50	24.90	18.80
September	37.70	21.55	37.50	22.20
October	26.95	23.80	26.95	23.80
November	33.00	23.10	32.80	23.45
December	28.20	24.10	27.90	24.95
January 2014	29.50	22.80	29.70	23.25
February	32.35	23.70	32.25	23.45
March	34.00	28.70	33.75	28.65
During the Financial Year	37.70	18.50	37.50	18.80

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



MANDATORY AND NON-MANDATORY PROVISIONS

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

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. All mandatory requirements (except where not relevant or applicable) of the SEBI regulations have been adopted. Of the non-mandatory suggestions, those relating to a Chairman's Office, the Remuneration Committee, audit qualifications, training of board members, and mechanism for evaluation of non-executive board members, have been adopted. A postal ballot system (except where compulsory under the Companies Act), whistle blower policy, tenure of

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Independent Directors of nine years in the aggregate and that of sending six-monthly information to each shareholder household have 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 9, 2014

Sidharth Birla
Chairman

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

I declare that the Company has received affirmation of compliance with "Code of Conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management personnel of the Company, to whom the same is applicable, for the financial year ended March 31, 2014.

New Delhi
May 9, 2014

C. Bhaskar
Managing Director & Chief Executive Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Xpro India Limited

We have examined the compliance of the conditions of Corporate Governance by **Xpro India Limited** for the year ended on March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

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

New Delhi
May 9, 2014

Gaurav J Shah
Partner
Membership No. 35701

MANAGEMENTS' DISCUSSION & ANALYSIS REPORT

We have pleasure in submitting the Managements' Discussion & Analysis Report ("MDA") on the Company's businesses. We have attempted to include discussions on all specified matters, to the extent relevant or within limits that in our opinion are reasonably imposed by the Company's strategic and competitive position. The year under review has been extremely challenging with continuing macro-economic challenges. Substantially slowed GDP growth, high inflation – particularly in food, weak currency, a high current account deficit, rising fuel & energy costs and poor consumer sentiments characterized the domestic situation. Global geo-political developments such as quantitative easing by the US treasury and adverse developments in parts of Asia and the Middle-East added to the concerns. Overall consumer confidence remained low in the backdrop of the uncertain political situation leading up to the general elections. Some steps taken by the Government yielded results but the limited excise relief on some consumer durables is yet to result in a market pull due to the huge pipe-line stocks accumulated in a depressed market.

In this scenario, the Company also had a depressed year. Total production was marginally lower by about 3% at 18,963 MT (19,490 MT previous year) while sales at Rs.271.55 Crores were about 7% higher. Significantly, production costs remained high due to various factors including lower volumes, higher finance cost, hike in petro-products prices and the high overall inflation, etc. Sales realization were lower and in overall not adequate in neutralizing cost increases as, in depressed and competitive markets, the Company could not pass on the higher costs. Operations resulted in a cash loss of Rs.387.63 lacs against a profit before depreciation of Rs.360.09 lacs in the previous year. Depreciation was higher at Rs.1122.25 lacs, and accordingly there was a loss before Tax of Rs.1509.88 lacs (Rs.719.95 lacs previous year).

Investments towards creation of fresh capacity for manufacture of sophisticated dielectric films at Biax Division, Barjora are expected to show financial results soon with the unit having gone into commercial production in May 2014. Relocation of the Coex Division, Ranjangaon, activities to a new expanded factory was completed and the leased premises vacated during the year.

These results were achieved in the face of prevailing recessionary conditions, volatile input prices, depressed margins and a competitive environment, balanced by efforts towards cost control and productivity enhancements. We believe that 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 financial performance is generally representative of competitiveness in core operations and high quality of our products and services.

Company and Industry Structure

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

POLYMERS BUSINESS <i>(net of inter-unit adjustments)</i>	2014		2013	
	Production MT	Sales Rs. Crores	Production MT	Sales Rs. Crores
Biax Division	3,020	68.04	2,862	58.37
Coex Division	15,943	203.51	16,628	194.25
	18,963	271.55	19,490	252.62

The industry structure in the field of polymers processing is spread wide, from miniscule to fairly large capacities. There is usually no direct thumb-rule in terms of "size vs. profitability"; it is possible for players to work out their own viable economics depending upon various factors, mainly a combination of product mix and market segment or niche. Supply chain linkages to clients play an additional role for some. Since polymers are freely available at prices synchronized to global prices, market focus besides technical and service competence has been the key to success. It is fair to say that the Company is a mid-sized player with significant strengths in its market segments, but remains subject to usual market pressures. In the overall, the Company's operations are relatively capital intensive; raw material and power constitute the largest proportions of direct costs. We believe that opportunities are substantial both in terms of market growth and product diversity and that threats from replacement products are

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not significant. The main raw materials used by the Company are Thermoplastic Resins (such as Polypropylene, Styrenic Polymers and LD/LLD Polyethylene, etc.).

We firmly recognize that total customer satisfaction is the key to our success. Our aim is to build sound customer relationships through creation of value for them, and in the process earn an equitable return for ourselves. Quality is built into products through appropriate manufacturing technology and work methods. Manufacturing at all units is carried out by suitably qualified personnel under strict quality standards. Continuous product development for specific applications and equipment up-gradation has helped us in proactively developing technically sustainable solutions with clear customer benefits. Quality Systems at all manufacturing units are certified under relevant ISO 9001:2008 standards.

Biax Division

Biax Division manufactures a range of coextruded Biaxially Oriented Polypropylene ("BOPP") Films and Dielectric Films on sophisticated, automated production lines, having multipurpose use in applications ranging from food packaging to specialized films for use in electronics, besides being used for print lamination, cigarette overwraps, adhesive tape etc. Flexible packaging in India has been growing at 17-18% (against 7-8% globally) during the last few years, driven by increasing per capita consumption of flexible packaging in India in line with changing consumption patterns for packaged food & other convenience products and trends in retail. BOPP films constitute a significant and growing input into this space with increasing shift from PET to BOPP and development of new applications, the market in India has exhibited rapid growth, significantly higher than the global growth rate. In this backdrop of strong past and anticipated growth, Indian BOPP industry continues to grow encouraging sizable investment by existing players and new entrants, notwithstanding prevailing downturn. With fall in export markets, dull domestic consumption and creation of substantial capacity (presently under-utilized across industry) for packaging films, domestic markets for these remained highly competitive. Volatility in input prices, competitive pressure in sales realization, cheap imports and seasonal swings compound matters. Our focus however remains dedicated within our core strengths to special products and niche markets, largely thin films for specialized electrical applications, which together with consistent high quality and service standards enabled us to maintain reasonable capacity utilization. Several customers in sophisticated segments have upgraded their processes and equipment thus requiring upgraded film products. Our strategic intent for BOPP films remains directed towards thin and dielectric films. Total production during the year was higher at 3,020 MT (against 2,862 MT last year). Increases in power tariff and fuel costs (for industrial use and for transport) remain an additional cause for concern. Trial production has commenced on the new and highly sophisticated Bruckner Dielectric film line during the year and commercial production has commenced since the close of the year. Films down to 4 mic have already been produced and thinner films are being developed. The initial samples and supplies have been generally well received and the new unit is expected to contribute substantially to the overall performance of the Company in the coming years.

Coex Division

Coex Division manufactures coextruded sheets, thermoformed refrigerator liners and coextruded cast films. Our products are usually custom-made to customer needs and based on various polymers including ABS, Polystyrene, PP and PE. Applications for our product range are wide, including sheets for refrigerator liners, disposable containers, automotive parts, etc. Cast films are high clarity films including stretch wrap and cling, specially formulated films for medical disposables, hygiene films, and others for packaging. 2013-14 was characterized by notable troughs in the production of consumer durables (including refrigerators) with the index recording monthly declines ranging upto 20%. Macro-economic challenges included commodity inflation, a weak currency, poor consumer sentiment, and cost increases. New stringent energy norms also added to price of consumer durables impacting demand further. However, this set-back is seen as temporary and a return to normalcy is expected and long-term growth remains promising and the low penetration of refrigerators continues to attract more global players to the country offering us new potential markets. We continue to be the leading supplier of sheets and liners to the white goods industry through consistent focus on product quality, development and superior service, which have also been recognized by major customers. In the cast films segment, our focus has been on special films and continuous innovation. Reflecting market circumstances, the total production of sheets, including as liners, (adjusted for inter-unit transfers) and cast films at this division at 15,943 MT during the year was about 4% lower

than during the previous year (16,628 MT). In keeping with strategic direction to arrest the decline of viability at Faridabad, focus at this location was on production of only cast films pending other steps to evolve new solutions. Work on building for relocation of facilities, including provision for expansion and growth, is progressing on schedule at Ranjangaon. Addition to sheet extrusion capacity to match planned growth in the refrigerator sector and equipment replacement is on the anvil.

OTHER MATTERS

Environment and Safety

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

Human Resources

Employees represent our greatest asset and potential. It is only through motivated, creative and business-minded employees that we can achieve our aims. Involvement, commitment, teamwork and updating of skills and knowledge are integral to our objectives of advancing a professional, productive culture. Permanent employment, including those recruited for the new project, was 376, of which officers and staff account for 225 and workmen for the balance (last year 356 and 209 respectively).

Others

There are no further or typical areas of risks or concerns outside the usual course of business foreseeable at this time. Our primary manufacturing processes (including extrusion) are well established and our focus remains on process and efficiency improvements, and product & application development to provide a competitive edge. Internal control systems have been found to be adequate and are continuously reviewed for improvements. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence. We have taken all care to comply with applicable laws and regulations. Overall financial performance is in line with and reflective of operational performance. The Company continues its initiatives towards operational improvements with a special emphasis on quality, control of overheads and broad-basing of markets, while focusing on managing uncertainties in a proactive manner. India's growth is expected to recover somewhat in 2014, supported by slightly stronger global growth, improving export competitiveness and the implementation of policies to curb inflation while boosting domestic markets & investment. Much depends on the stability and the consumer confidence that the general election results lead to. However, the external environment for the time being continues to remain challenging considering the prevailing uncertain economic and political conditions. In the overall our outlook continues to remain one of cautious optimism. Our sincere thanks are due to all employees and teammates whose dedicated and hard work allowed results to be achieved. We are grateful to all our Bankers and all concerned Authorities for their continued support, and to all our customers for their faith and confidence. We remain committed to fullest customer satisfaction.

CAUTIONARY STATEMENT

Statements in this Report which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from any expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, 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 negotiations.

For and on behalf of the Management Team

New Delhi
May 9, 2014

C. Bhaskar
Managing Director & Chief Executive Officer

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

ANNEXURE TO THE DIRECTORS' REPORT

(Information as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988)

A. CONSERVATION OF ENERGY :

- (a) Energy Conservation measures taken:
- Maintenance of near unity Power Factor; Installation of capacitors to improve PF
 - Recirculation of chilled water from regranulation plant and chill roll water bath
 - Central water treatment system
 - Use of natural lighting, wherever feasible
 - Replace conventional lamps with energy efficient lighting in several areas
 - Use of fan-less cooling tower and energy efficient chiller system
 - Use of process cooling water in place of chilled water
 - Variable frequency drive on one cooling water pump
 - Regular descaling
 - Improved process control in line and HVAC
- (b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:
- Solar energy sources / Energy efficient lamps for general lighting applications
 - Further Air washer, filter and spray system modification
 - Replace reciprocating compressors with screw compressors
 - DC Motors and drives with AC Motors in some areas
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
- Financial impact not quantified
- (d) Total Energy Consumption and Energy:
- Consumption per Unit of production as per prescribed Form A.
- Annexure A not applicable to the Company's production units

B. TECHNOLOGY ABSORPTION :

1. RESEARCH & DEVELOPMENT

- (a) Specific areas in which R&D carried out by the Company:
- Development of films and coextruded sheets for specialized applications
 - Development of high temperature application dielectric films
 - Development of films for DC Capacitors
- (b) Benefit derived as a result of above R&D:
- Development of new products to expand range offering a competitive edge in the market
 - Improved product quality, cost reduction and customer satisfaction
- (c) Future Plan of action:
- Continuous process improvement to increase yield and reduce wastage
 - Continuous product development for specialized applications
 - Assimilation of skills connected with process technology and system & process engineering
 - Upgradation of select production and laboratory facilities
- (d) R&D Expenditure:
- Capital expenditure: Nil; Recurring expenditure: Rs.15 lacs; Percentage of turnover: neg.

2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

- (a) Efforts in brief, made towards technology absorption, adaptation & innovation:
- Constant monitoring of process, technology and product upgradation taking place in advanced countries 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

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

- (b) Benefits derived as a result of the above efforts:
- Competitive advantage through ability to offer improved products to meet specialized market requirements
 - Improved work practices & productivity, cost reduction & enhanced quality
 - Import substitution
 - Improved work practices
 - Market expansion
- (c) Information regarding technology imported during last five years
- Technical Consultancy & Information for the manufacture of Electronic Capacitor Grade BOPP Films (Base and Metalized) and such knowledge fully assimilated and put into productive application at Pithampur plant

C. FOREIGN EXCHANGE EARNINGS & OUTGO

- (a) Activities relating to exports; initiative taken to increase exports; development of new export markets for products & services and export plans:
- Intensive efforts are continuing to identify and enter new markets for the company's products
 - Appointment of agents in virgin markets

(b) Total foreign exchange used & earned:		(Rs.)
	<u>2013-2014</u>	<u>2012-2013</u>
Total foreign exchange used	32,25,68,206	88,41,51,532
Total foreign exchange earned	4,65,57,158	3,90,38,170

For and on behalf of the Board

New Delhi
May 9, 2014

Sidharth Birla
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended March 31, 2014.

Name; Qualification; Designation/Nature of Duties; Date of Commencement of Employment; Remuneration (Rs.); Experience (Years); Age (Years) & Last Employment held

Bhaskar, C; B.Tech.(Chem), PGDM (IIM-C), MIMA, FIPI; Managing Director & Chief Executive Officer; 01.01.1984; 63,43,376; 35; 59; VXL India Limited.

- Notes:
- a. Remuneration includes Salary, Housing, Medical Reimbursement, Leave Travel Assistance, Company's Contribution to Provident & Superannuation Funds and other perquisites, and commission, if any.
 - b. The above appointment is contractual.

For and on behalf of the Board

New Delhi
May 9, 2014

Sidharth Birla
Chairman

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

ANNEXURE TO THE DIRECTORS' REPORT

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

Sl	Description	ESOP - 2008	ESOP - 2009
a.	Options Granted	437500	457500
b.	Date of Grant	29/4/2009	1/4/2010
c.	Exercise Price per option (Rs.) <i>(Each option is equivalent to one equity share of the face value of Rs.10/- each)</i>	11.00	30.85
d.	Pricing Formula	The Exercise Price, as approved by the shareholders, shall be the average closing price of the Company's shares on the National Stock Exchange in the immediate preceding 7-day period prior to the date of grant discounted by such percentage not exceeding 75% to be determined by the Compensation Committee subject to a minimum exercise price of Rs.10 per share	
e.	Vesting Period	30% of entitlement on expiry of 1 year from grant of Option; Further 30% of entitlement on expiry of 2 years from grant of Option; and the balance 40% of entitlement on expiry of 3 years from grant of Option	
f.	Options vested	437500	457500
g.	Options exercised	407500	252000
h.	Options lapsed/surrendered/forfeited	30000	35000
i.	Variations of terms of options	None	None
j.	Money realized by exercise	Rs.44,82,500	Rs.77,74,200
k.	Options in force - Vested - Unvested	Nil Nil	170500 Nil
l.	Details of options granted to Senior Management Personnel: Sri Amitabha Ghosh Sri Haigreve Khaitan Sri P. Murari Sri Utsav Parekh Sri S. Ragothaman Sri C. Bhaskar Sri H. Bakshi Sri Vinay Agarwal Sri S.C. Jain Sri Anil Jain Sri Manmohan Krishan Sri N. Ravindran Sri U.K. Saraf Sri Sunil Mehta	* 30,000 * 30,000 * 30,000 * 30,000 * 30,000 * 50,000 * 40,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 5,000	* 35,000 * 35,000 * 35,000 * 35,000 * 35,000 * 50,000 * 40,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 * 25,000 10,000
		<i>* denotes employee granted options amounting to 5% or more of total options granted during respective year; None of the employees were granted Options equal to or exceeding 1% of the Issued Capital of the Company</i>	
m.	Diluted EPS	Rs. (8.96)	

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

Sl	Description	ESOP - 2008	ESOP - 2009		
n.	Fair value of the options	Rs. 11.75	Rs. 17.00		
o.	The employee compensation costs has been calculated using the intrinsic value-based method of accounting for options granted and amounted to Rs. Nil for the financial year 2013-14. Had the compensation cost been determined in the manner consistent with the fair value approach, the Company's Net Loss for the year would be unchanged and proforma basic and diluted earnings per share would both remain Rs.(8.96). (ESOP-2009 issued at the market price prevailing on the date of the grant plus applicable taxes)				
p.	Description of the method and significant assumptions used during the year to estimate the fair values of the options	The fair value of each option is estimated using the Black Scholes Option Pricing Model after applying the following key assumptions on a weighted average basis: <ul style="list-style-type: none"> i) Risk-free interest rate: 6.6% ii) Expected Life: 7.1 years iii) Expected volatility: 0.40 iv) The Price of the underlying share in market at the time option grant <table style="float: right; border: none;"> <tr> <td>Rs. 17.50 (ESOP 2008)</td> </tr> <tr> <td>Rs. 30.85 (ESOP 2009)</td> </tr> </table> 		Rs. 17.50 (ESOP 2008)	Rs. 30.85 (ESOP 2009)
Rs. 17.50 (ESOP 2008)					
Rs. 30.85 (ESOP 2009)					

For and on behalf of the Board

New Delhi
May 9, 2014

Sidharth Birla
Chairman

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

Statements pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies:

a) Pursuant to Sec. 212(3) of the companies Act 1956

1. Name of Subsidiary Company:	<u>Xpro Global Ltd.</u>	<u>Xpro Global Pte. Ltd.</u>		
2. Financial year/period of the subsidiary ending on:	March 31, 2014	March 31, 2014		
3. Extent of Holding Company's Interest:				
(a) Number of equity shares:	10,00,000*	50,000		
	(*9,50,000 shares partly paid Rs. 5 each)			
(b) Percentage Holding:	100 %	100 %		
	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>
4. Net aggregate Profit/(Loss) for the financial year so far as it concerns the members of the Holding Company :				
(a) Dealt with in holding Company's Accounts:	Nil	Nil	Nil	Nil
(b) Not dealt with in holding Company's Accounts (Rs.):	8,62,999	8,04,067	5,34,683	(1,79,526)

b) Pursuant to Sec. 212(8) of the Companies Act 1956 (read with General Circular No.2/2011 dtd. February 8, 2011 issued by the Ministry of Corporate Affairs)

				(Rs.)
Name of Subsidiary Company:	<u>Xpro Global Ltd.</u>	<u>Xpro Global Pte. Ltd.</u>		
	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>
1 Capital	52,50,000	52,50,000	18,38,500	18,38,500
2 Reserves	8,62,999	8,04,067	5,34,683	(1,79,526)
3 Total Assets	69,53,942	68,46,839	24,24,254	17,05,783
4 Total Liabilities	8,40,943	7,92,772	51,079	46,809
5 Details of Investment (Except Investment in Subsidiaries)	-	-	-	-
6 Turnover	9,99,662	30,87,925	7,98,404	-
7 Profit before taxation	83,210	2,23,016	5,66,988	(1,90,532)
8 Provision for taxation (net)	24,278	69,000	-	-
9 Profit after Taxation	58,932	1,54,016	5,66,988	(1,90,532)
10 Proposed Dividend	Nil	Nil	Nil	Nil

For and on behalf of the Board

Sidharth Birla
Chairman

New Delhi
May 9, 2014

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF XPRO INDIA LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **XPRO INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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

Our responsibility is to express an opinion on these 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. 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.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date;
and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Gaurav J Shah
Partner
(Membership No. 35701)

New Delhi
May 9, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business, clauses (xii), (xiii), (xiv) and (xix) of paragraph 4 of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and

explanations given to us:

- (a) The Company has granted loans aggregating to Rs. 14,00,00,000 to a party during the year. At the year-end, the outstanding balances of such loans aggregated Rs. 4,25,00,000 from a party and the maximum amount involved during the year was Rs. 5,00,00,000 from a party.
- (b) The rate of interest of such loans is, in our opinion, *prima facie* not prejudicial to the interests of the Company. There are no other terms and conditions of such loans.
- (c) The Company is regular repaying the principal amount, when demanded and have been regular in payment of interest.
- (d) There are no overdue amounts during the year and hence the question of taking reasonable steps for recovery of principal amount and interest does not arise.

The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) 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 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014 on account of disputes are given below:

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

Statute	Nature of Dues	Forum where matter is pending	Period to which the matter pertains	Amount involved (Rs.)
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	1991-96	89,48,306
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	1992-94	1,71,26,750
Central Excise Act	Central Excise	Commissioner of Central Excise Appeals, Kolkata	2004-07	48,75,598
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2004-07	21,46,779
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2012-14	19,91,549
Sales Tax Act	Entry Tax	Supreme Court	2002-03	11,34,138
Sales Tax Act	UP Trade Tax	Commissioner of Sales Tax	2004-05	4,26,250
Sales Tax Act	Sales Tax Demand	Deputy Commissioner (Appeal), Durgapur	1996-2011	78,29,947
Sales Tax Act	Sales Tax Demand	Commissioner of Sales Tax Indore	2010-11	1,56,999
Sales Tax Act	Entry Tax	Kolkata High Court	2013-14	33,14,134

- (xi) The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth and the Company has incurred cash losses only during the current financial year covered by our audit and not in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvi) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xvii) During the year, the Company has not raised any money by way of public issue.
- (xviii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

New Delhi
May 9, 2014

Gaurav J Shah
Partner
(Membership No. 35701)

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

<u>BALANCE SHEET AS AT</u>		<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Note No.	Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
- Share capital	3	11,65,95,000	11,65,95,000
- Reserves and surplus	4	1,20,46,32,790	<u>1,30,91,21,152</u>
		1,32,12,27,790	1,42,57,16,152
Non-current Liabilities			
- Long-term borrowings	5	1,58,35,34,162	1,23,08,38,303
- Deferred tax liabilities (net)	6	-	26,00,000
- Other long-term liabilities	7	6,57,002	6,57,002
- Long-term provisions	8	1,91,42,898	<u>1,81,67,720</u>
		1,60,33,34,062	1,25,22,63,025
Current Liabilities			
- Short-term borrowings	9	28,83,37,553	42,30,22,001
- Trade payables	10	37,22,20,368	35,60,27,367
- Other current liabilities	11	38,40,49,423	20,91,65,724
- Short-term provisions	12	-	1,35,96,580
		1,04,46,07,344	1,00,18,11,672
		<u>3,96,91,69,196</u>	<u>3,67,97,90,849</u>
<u>ASSETS</u>			
Non-current Assets			
- Fixed assets			
- Tangible assets	13(a)	1,01,73,94,918	88,37,18,547
- Intangible assets	13(b)	2,24,03,994	2,47,79,587
- Capital work-in-progress		1,65,67,29,913	<u>1,25,42,03,536</u>
		2,69,65,28,825	2,16,27,01,670
- Non-current investments	14	71,61,500	71,61,500
- Deferred tax assets (net)	6	4,39,00,000	-
- Long-term loans and advances	15	9,09,47,242	<u>10,48,44,011</u>
		2,83,85,37,567	2,27,47,07,181
Current Assets			
- Inventories	16	28,59,19,620	26,23,42,935
- Trade receivables	17	31,49,01,437	34,47,95,196
- Cash and cash equivalents	18	24,02,19,404	54,28,67,274
- Short-term loans and advances	19	28,02,06,793	22,68,63,341
- Other current assets	20	93,84,375	<u>2,82,14,922</u>
		1,13,06,31,629	1,40,50,83,668
		<u>3,96,91,69,196</u>	<u>3,67,97,90,849</u>

Accompanying notes form part of financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi

May 9, 2014

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

For and on behalf of the Board

Sidharth Birla
Chairman

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

<u>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED</u>	Note No.	<u>March 31, 2014</u>	<u>March 31, 2013</u>
		Rs.	Rs.
Revenue			
- Gross revenue from operations	22	2,71,55,10,566	2,52,62,35,229
less: excise duty		28,95,09,623	27,30,78,437
- Net revenue from operations		2,42,60,00,943	2,25,31,56,792
- Other income	23	5,50,98,622	8,41,82,618
- Total Revenue		2,48,10,99,565	2,33,73,39,410
Expenses			
- Cost of materials consumed	24	1,85,64,37,964	1,65,89,89,242
- Changes in inventories of finished goods & work-in-progress	25	(3,69,04,652)	(3,40,38,723)
- Employee benefits expense	26	17,75,37,103	17,46,18,458
- Finance costs	27	12,29,50,369	10,87,76,484
- Depreciation and amortization expense		11,22,24,760	10,80,04,498
- Other expenses	28	39,98,42,383	39,29,84,683
- Total Expenses		2,63,20,87,927	2,40,93,34,642
Profit/(Loss) before tax		(15,09,88,362)	(7,19,95,232)
Tax expense			
- Current Tax		-	-
- Deferred tax		(4,65,00,000)	(3,11,00,000)
- Tax pertaining to earlier years (net)		-	2,17,678
		(4,65,00,000)	(3,08,82,322)
Profit/(Loss) for the year		(10,44,88,362)	(4,11,12,910)
Earnings per equity share (of Face Value Rs.10/- each)	34		
- Basic (Rs.)		(8.96)	(3.54)
- Diluted (Rs.)		(8.96)	(3.52)

Accompanying notes form part of financial statements

<p>In terms of our report attached For Deloitte Haskins & Sells Chartered Accountants</p> <p>Gaurav J. Shah <i>Partner</i> Membership No. 35701 New Delhi May 9, 2014</p>	<p>For and on behalf of the Board</p> <p>Sidharth Birla <i>Chairman</i></p> <p>S. C. Jain <i>Company Secretary</i></p> <p>V. K. Agarwal <i>Joint President & Chief Financial Officer</i></p> <p>C. Bhaskar <i>Managing Director & Chief Executive Officer</i></p>
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XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

<u>CASH FLOW STATEMENT FOR THE YEAR ENDED</u>	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
A. Cash flow from Operating Activities		
Net (Loss) before tax	(15,09,88,362)	(7,19,95,232)
Adjusted for:		
Depreciation and Amortization	11,22,24,760	10,80,04,498
Interest and Financial Charges	12,29,50,369	10,95,22,474
Interest income	(4,94,58,163)	(6,95,94,609)
Bad Debts & Provisions (net)	7,61,119	9,08,283
Provisions & Sundry balances written back	(21,12,595)	(98,80,090)
Loss on Sale/Discard of Fixed Assets	3,65,742	1,13,247
Foreign Exchange Fluctuation (unrealized)	(3,23,086)	(73,30,953)
Employee Stock Option Amortization	-	(12,34,152)
Operating Profit/(Loss) before Working Capital changes	3,34,19,784	5,85,13,466
Adjusted for:		
Trade and other Receivables	2,89,22,556	(4,59,00,116)
Loans & advances	(4,16,16,324)	(15,70,25,633)
Inventories	(2,35,76,685)	(6,70,62,445)
Trade payables and other liabilities	3,61,64,945	6,30,66,322
Direct Taxes	-	(10,24,919)
Net Cash Flow from/(used in) Operating activities	3,33,14,276	(14,94,33,325)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(64,69,09,859)	(1,18,84,01,458)
Sale of Fixed Assets	4,92,204	7,46,318
Interest Received	7,04,58,348	10,54,02,848
Net Cash (used in) Investing Activities	(57,59,59,307)	(1,08,22,52,292)
C. Cash flow from Financing Activities		
Proceeds from Issue of Shares	-	67,65,850
Increase/(Decrease) in Bank Borrowings (net)	37,47,04,641	1,12,84,06,858
Interest and Financial Charges	(12,08,95,825)	(10,84,36,382)
Dividend Paid (including dividend tax)	(1,38,11,655)	(3,39,58,469)
Net Cash Flow from Financing activities	23,99,97,161	99,27,77,857
Net increase/(decrease) in Cash or Cash equivalents	(30,26,47,870)	(23,89,07,760)
Cash and Cash Equivalents at the beginning of the year	54,28,67,274	78,17,75,034
Cash and Cash Equivalents at the end of the year	24,02,19,404	54,28,67,274

Notes:

Cash and Cash Equivalents represent Cash and Bank balance (refer Note 18) and include Rs.50,18,089 (Previous year: Rs.52,33,164) of unpaid dividend not available for use by the Company;
 Previous year figures have been regrouped/rearranged wherever considered necessary;
 Fixed Deposits of Rs.21,82,62,445 (Previous year: Rs.24,82,88,330) pledged with bank(s) towards overdraft & other facilities;

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi

May 9, 2014

S. C. Jain

Company Secretary

V. K. Agarwal

Joint President &
Chief Financial Officer

C. Bhaskar

Managing Director &
Chief Executive Officer

For and on behalf of the Board

Sidharth Birla

Chairman

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

Notes to the Financial Statements

1. Company Overview:

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

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act.

The Company follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Wherever it is not possible to determine the quantum of accrual with reasonable certainty, e.g. Insurance & other claims, refund of Customs Duty and export incentives these continue to be accounted for on settlement basis.

2.2 Use of Estimates

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

2.3 Fixed Assets

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

2.4 Depreciation/Amortization

Depreciation is charged under Straight Line Method in accordance with the rates and manner specified in Schedule XIV to the Companies Act, 1956. Certain Plant & Machinery are considered as continuous process plants based on technical evaluation. Depreciation on addition/disposal is provided pro-rata with reference to days of addition/disposal. Leasehold lands and development expenses thereof are amortized over the period of lease. Software is amortized over a period of six years. Technical know-how fees are amortized over the life of the plant from the date of commencement of commercial production using such know-how.

2.5 Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

2.6 Investments

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

2.7 Inventories

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

2.8 Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- ii. Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the customer (on despatch to the customer). Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Sales are reported net of sales tax.
- iii. Income from Services: Revenue (including sales commission) is recognized on accrual basis.
- iv. Interest: Time pro-rated revenue is recognized taking into account the amount outstanding and rate applicable.

2.9 Borrowing Cost

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

2.10 Foreign Currency Transactions

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

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

2.11 Research & Development

Revenue expenditure is charged to Statement of Profit and Loss under respective heads of account and capital expenditure is added to the cost of Fixed Assets in the year in which it is incurred.

2.12 Government Grants

Grants relating to Fixed Assets are shown as deduction from the gross value of the Fixed Assets and those of the nature of Project Capital Subsidy are credited to Capital Subsidy Reserves & other Government grants including export incentives are credited to Statement of Profit & Loss or deducted from the related expenses.

2.13 Employee benefits

Contributions to Provident Fund and Superannuation Fund, which are defined contribution schemes, are made to government administered/approved Provident Fund(s) and an LIC administered fund respectively, and are charged to the Statement of Profit and Loss as incurred. The Company has no further obligations beyond its monthly contributions to these funds. Provision for gratuity and compensated absence, under LIC administered fund(s), which are in the nature of defined benefit plans, are provided based on valuations, as at the balance sheet date, made by the administrators (LIC). Termination benefits are recognized as expense as and when incurred.

2.14 Taxation

Tax liability is estimated considering the provisions of the Income Tax Act, 1961. Deferred Tax is recognized subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2.15 Employees Stock Option Plan

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

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2.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if any, are not recognized in the accounts but are disclosed by way of notes. Contingent assets are neither recognized nor disclosed in the financial statements.

3. Share Capital

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
<u>Authorized</u>		
1,50,00,000 Equity Shares of Rs.10 each (March 31, 2013: 1,50,00,000)	15,00,00,000	15,00,00,000
2,00,00,000 Unclassified Shares of Rs.10 each (March 31, 2013: 2,00,00,000)	20,00,00,000	20,00,00,000
<u>Issued, subscribed & fully paid share capital</u>		
1,16,59,487 Equity Shares of Rs.10 each (March 31, 2013: 1,16,59,487)	11,65,94,870	11,65,94,870
<u>Share Capital Suspense</u>		
13 Equity Shares of Rs.10 each (March 31, 2013: 13)	130	130
	11,65,95,000	11,65,95,000

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

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

3.3 The amount of per share dividend recognised as distributions to equity shareholders for the year ended March 31, 2014 is Rs.Nil (*previous year: Rs.1.00*), subject to approval by shareholders in the ensuing annual general meeting.

3.4 Shareholder(s) holding more than 5% shares in the Company as on March 31, 2014 are:

- i) IntelliPro Finance Private Limited : 22,50,000 shares; 19.30% (*previous year: 20,16,000 shares; 17.29%*) and
- ii) iPro Capital Limited: 29,00,000 shares; 24.87% (*previous year: 28,30,000; 24.27%*).

3.5 Reconciliation of the number of shares outstanding:

	<u>2013-14</u>	<u>2012-13</u>
Number of shares at the beginning of the year	1,16,59,500	1,13,69,000
Shares issued & allotted on exercise of employee options during the year	-	2,90,500
Number of shares at the end of year	1,16,59,500	1,16,59,500

3.6 Employees' Stock Option Scheme(s)

The Company has two stock option schemes.

a) Employees' Stock Option Scheme - 2008 ("ESOP 2008")

ESOP 2008 was approved by the Shareholders of the Company in their meeting held on July 29, 2008 and provides for 437500 stock options representing one equity share each. The grant date of the scheme is April 29, 2009. All options were granted at Rs.11 per share (market price at the time of grant was Rs.17.50). The difference between grant price and fair market value of Rs.6.50 per option has been recognised as employee compensation expenses in the financial statements. A compensation committee comprising independent members of the Board of Directors administers the Scheme.

b) Employees' Stock Option Scheme - 2009 ("ESOP 2009")

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

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

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Information about options outstanding:

	<u>2013-14</u>		<u>2012-13</u>	
	<u>ESOP 2008</u>	<u>ESOP 2009</u>	<u>ESOP 2008</u>	<u>ESOP 2009</u>
Options outstanding, beginning of the year	-	1,70,500	1,94,500	3,31,500
Options Exercised	-	-	1,64,500	1,26,000
Options lapsed/surrendered/forfeited	-	-	30,000	35,000
Options outstanding, end of the year	-	1,70,500	-	1,70,500
Of which:				
Vested but not exercised	-	1,70,500	-	1,500
Unvested	-	-	-	1,69,000

4. Reserves and Surplus

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
Capital Subsidy Reserve	60,50,000	60,50,000
Securities Premium Reserve		
Opening Balance	3,74,47,950	3,35,87,100
add: Transfer from Share Options Outstanding account	-	10,69,250
add: Receipts on exercise of ESOPs	-	27,91,600
Closing Balance	<u>3,74,47,950</u>	<u>3,74,47,950</u>
Share Options Outstanding Account		
Opening Balance	-	12,64,250
Less: Options exercised during the year	-	10,69,250
Less: Options surrendered during the year	-	1,95,000
Closing Balance	<u>-</u>	<u>-</u>
Less: deferred employee stock compensation	-	-
	<u>-</u>	<u>-</u>
General Reserve		
Opening Balance	67,50,00,000	67,50,00,000
add: Transfer from Surplus	-	-
Closing Balance	<u>67,50,00,000</u>	<u>67,50,00,000</u>
Surplus		
Opening Balance	59,06,23,202	64,53,32,692
add: Net (loss) after tax transferred from Statement of Profit and Loss	(10,44,88,362)	(4,11,12,910)
Amount available for appropriation	<u>48,61,34,840</u>	<u>60,42,19,782</u>
Appropriations:		
Proposed Dividend	-	1,16,77,458
Corporate Dividend Tax	-	19,19,122
Amount transferred to General Reserve	-	-
Closing Balance	<u>48,61,34,840</u>	<u>59,06,23,202</u>
Reserves & Surplus (Total)	<u>1,20,46,32,790</u>	1,30,91,21,152

5. Long-term Borrowings

	<u>March 31, 2014</u>		<u>March 31, 2013</u>	
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
Secured				
Term loans	<u>1,58,35,34,162</u>	<u>28,97,55,659</u>	1,23,08,38,303	13,30,62,429
	<u>1,58,35,34,162</u>	<u>28,97,55,659</u>	1,23,08,38,303	13,30,62,429

Note: Amounts stated in "Current Maturities" above include amounts disclosed under the head "other current liabilities" (Note 11)

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- a. Term Loan from State Bank of India, outstanding Rs.Nil (previous year: Rs.1,35,65,000), carrying interest linked to the bank's Base Rate, has been repaid and was secured by pari-passu hypothecation/mortgage of all movable and immovable assets, present and future, of the Company situated at Ranjangaon & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- b. Term Loan from State Bank of India, outstanding Rs.7,59,65,564 (previous year: Rs.9,60,00,000), carrying interest linked to the bank's Base Rate, repayable in (i) 2 quarterly installments of Rs.30.00 lacs each paid in December 2012 and March 2013; (ii) 20 quarterly installments of Rs.45.00 lacs each starting from June 2013; & (iii) 2 quarterly installments of Rs.20.00 lacs each payable in June 2018 and September 2018 is secured by pari-passu hypothecation/mortgage of all the movable and immovable assets, present and future, of the Company situated at Ranjangaon & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- c. Term Loan from State Bank of Hyderabad, outstanding Rs.2,81,25,000 (previous year: Rs.6,56,25,000), carrying interest linked to the bank's Base Rate, is repayable in 16 quarterly installments of Rs.93,75,000 each, along with interest, commencing from March 2011 and is secured by pari-passu hypothecation/mortgage of all the movable and immovable assets, present and future, of the Company's unit situated at Ranjangaon, first charge on specified sheet line installed at Greater Noida & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- d. Term Loan from Allahabad Bank, outstanding Rs.3,51,00,000 (previous year: Rs.5,87,00,000), carrying interest linked to the bank's Base Rate, repayable in 16 quarterly installments of Rs.59,00,000 each and last installment of Rs.56,00,000, along with interest, commencing from August 2011, is secured by first hypothecation/mortgage of all the movable and immovable assets, present and future, of the Company situated at Pithampur & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- e. Term Loan from Punjab National Bank, outstanding Rs.11,27,90,000 (previous year: Rs.7,00,00,000) (balance to be drawn: Rs.1,72,10,000), carrying interest linked to the bank's Base Rate, repayable in 16 quarterly installments of Rs.81,25,000 each, along with interest, commencing from April 2014, is secured by pari-passu hypothecation/mortgage of all movable and immovable assets, present and future, of the Company situated at Ranjangaon & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- f. ECB from KBC Bank Deutschland AG, in the nature of term loan, outstanding €9,072,021.40; equivalent to Rs.75,73,32,346 (previous year: €8,817,021.40 equivalent to Rs.62,30,10,732), carrying interest linked to Euribor, (balance to be drawn €301,865.60, through direct payments to machinery supplier(s) in Germany and Euler Hermes Kreditversicherungs AG) repayable in 16 semi-annual installments of €585,867.94 each, along with interest, commencing from October 2014, is secured by hypothecation of specified Dielectric Film Line and slitter to be installed at Barjora and is insured under Hermes export credit guarantee.
- g. Term Loans under SBI TL Consortium comprising (i) State Bank of India: outstanding Rs.27,60,00,000 (previous year: Rs.17,00,00,000) repayable in 20 quarterly installments of Rs.1,38,00,000, along with interest, commencing from June, 2014; (ii) State Bank of Hyderabad: outstanding Rs.20,70,00,000 (previous year: Rs.13,50,00,000) repayable in 20 quarterly installments of Rs.1,03,50,000 each, along with interest, commencing from July, 2014; and (iii) State Bank of Patiala: outstanding Rs.20,00,00,000 (previous year: Rs.13,50,00,000) repayable in 20 quarterly installments of Rs.1,00,00,000 each, along with interest, commencing from June, 2014; carrying interest linked to the respective Bank's Base Rates are secured by pari-passu hypothecation/mortgage of all movable and immovable assets, present and future, of the Company situated at Barjora (excluding specified Dielectric Film Line and slitter which are exclusively charged to KBC Bank) & second charge on all the current assets of the Company ranking pari-passu with other term lenders excluding KBC Bank;
- h. Corporate Loan from Allahabad Bank, outstanding Rs.8,25,00,000 (previous year: Rs. Nil), carrying interest linked to the bank's Base Rate, is repayable in bullet payment of Rs.8,25,00,000 in May, 2015 and is secured by first hypothecation/mortgage of all the movable and immovable assets, present and future, of the Coex Division of the Company situated at Faridabad & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- i. Corporate Loan from State Bank of India, outstanding Rs.9,50,00,000 (previous year: Rs. Nil), carrying interest linked to the bank's Base Rate, is repayable in 16 quarterly installments of Rs.53,00,000 each and last 2 installments of Rs.52,00,000 and Rs.50,00,000 respectively commencing from June, 2014 is secured by first hypothecation/mortgage of all the movable and immovable assets, present and future, of the Coex Division of the Company situated at Greater Noida & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- j. Car Loan(s) of Rs.33,20,791 (previous year: Rs.Nil) carrying interest linked to the bank's Base Rate, repayable in 36 monthly installment(s) are secured by hypothecation of specified vehicles.

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	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
6. Deferred Taxes		
Deferred tax assets		
Expenses deductible on Payment basis	59,00,000	56,00,000
Carry forward of losses	<u>4,71,00,000</u>	<u>72,00,000</u>
	5,30,00,000	1,28,00,000
Deferred tax liabilities		
Difference between book and tax depreciation	<u>91,00,000</u>	<u>1,54,00,000</u>
Net Deferred Tax Assets/(Liability)	4,39,00,000	(26,00,000)
Deferred Tax Credit utilized/(added)	4,65,00,000	3,11,00,000
7. Other Long Term Liabilities		
Deposits	-	-
Others	<u>6,57,002</u>	<u>6,57,002</u>
	6,57,002	6,57,002
8. Long Term Provisions		
Provision for employee benefits		
Provision for Gratuity (Note 26)	1,71,34,671	1,61,58,620
Provision for Leave Encashment (Note 26)	<u>20,08,227</u>	<u>20,09,100</u>
	1,91,42,898	1,81,67,720
9. Short Term Borrowings		
Secured Loans		
Working Capital Loans and Cash Credit Accounts with Banks	24,35,76,271	29,55,38,668
Overdraft accounts	<u>4,47,61,282</u>	<u>12,74,83,333</u>
	28,83,37,553	42,30,22,001

- a. Working Capital loans are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Company, present and future, and second charge, ranking pari-passu, on the entire fixed assets of the Company, present and future, wherever situated.
- b. Overdraft against term deposits outstanding Rs.4,47,61,282 (previous year: Rs.12,74,83,333) is secured by way of pledge of Term Deposit Receipts with the bank(s).

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
10. Trade Payables		
Trade payables	25,90,76,128	25,17,59,881
Acceptances	<u>11,31,44,240</u>	<u>10,42,67,486</u>
	37,22,20,368	35,60,27,367

There are no dues to Micro and Small Enterprises (determined to the extent such parties have been identified on the basis of information available with the Company, as at March 31, 2014) which require disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
11. Other Current Liabilities		
Current maturities of long term debt (Note 5)	28,97,55,659	13,30,62,429
Interest accrued and due on borrowings	86,02,681	63,05,931
Interest accrued but not due	25,37,380	27,79,586
Unpaid dividends	50,18,089	52,33,164
Advance from Customers	32,18,324	20,23,349
Security Deposit Received	24,60,389	24,46,059
Other payables	<u>7,24,56,901</u>	<u>5,73,15,206</u>
	38,40,49,423	20,91,65,724

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	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
12. Short-term Provisions		
Others		
Proposed Equity Dividend	-	1,16,77,458
Provision for Tax on proposed equity dividend	-	19,19,122
	-	1,35,96,580

13. Fixed Assets

a. Tangible assets

	Gross Value			Depreciation/Amortisation				Net Value		Rs.
	As at April 1, 2013	Additions	Disposals	As at March 31, 2014	Upto April 1, 2013	For the Year	Deduction	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
	Freehold Land	77,76,198	-	-	77,76,198	-	-	-	-	77,76,198
Leasehold Land	9,33,48,862	-	-	9,33,48,862	1,03,72,288	16,30,178	-	1,20,02,466	8,13,46,396	8,29,76,574
Buildings	13,41,83,084	16,73,65,366	-	30,15,48,450	3,80,11,321	72,47,550	-	4,52,58,871	25,62,89,579	9,61,71,763
Plant & Machinery	152,22,06,971	6,98,77,151	1,52,500	159,19,31,622	86,67,40,466	9,53,63,084	59,517	96,20,44,033	62,98,87,589	65,54,66,505
Furniture & Fixtures	3,05,41,423	15,22,925	57,143	3,20,07,205	1,29,79,847	19,17,064	9,843	1,48,87,068	1,71,20,137	1,75,61,576
Vehicles	2,51,88,544	45,72,876	14,81,484	2,82,79,936	66,12,603	24,29,575	7,85,249	82,56,928	2,00,23,008	1,85,75,941
Computers	1,25,14,691	8,09,316	1,88,722	1,31,35,285	98,13,947	10,26,458	1,88,722	1,06,51,683	24,83,602	27,00,744
Equipment & Fittings	50,91,576	2,35,849	75,226	52,52,199	26,02,330	2,35,258	53,798	27,83,790	24,68,409	24,89,246
	183,08,51,349	24,43,83,483	19,55,075	207,32,79,757	94,71,32,802	10,98,49,167	10,97,129	105,58,84,839	101,73,94,918	88,37,18,547
Previous Year*	178,83,66,329	4,32,31,339	7,46,319	183,08,51,349	84,17,28,773	10,57,81,455	3,77,426	94,71,32,802	88,37,18,547	

b. Intangible assets

	Gross Value			Depreciation/Amortisation				Net Value		Rs.
	As at April 1, 2013	Additions	Disposals	As at March 31, 2014	Upto April 1, 2013	For the Year	Deduction	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
	Software	38,23,539	-	-	38,23,539	15,75,840	5,88,467	-	21,64,307	16,59,232
Technical Knowhow	3,38,47,093	-	-	3,38,47,093	1,13,15,205	17,87,126	-	1,31,02,331	2,07,44,762	2,25,31,888
	3,76,70,632	-	-	3,76,70,632	1,28,91,045	23,75,593	-	1,52,66,638	2,24,03,994	2,47,79,587
Previous Year	3,66,79,475	9,91,157	-	3,76,70,632	1,06,68,003	22,23,043	-	1,28,91,045	2,47,79,587	

- i) Loss on disposal of fixed assets during the year is Rs.3,65,742 (previous year: Rs.1,13,247);
- ii) Capital work-in-progress includes (previous year figures in italics) Leasehold Land: Rs.31,24,436 (*Rs.31,24,436*); Buildings: Rs.15,83,59,409 (*Rs.21,97,31,122*); Plant & Machinery: Rs.1,15,35,75,321 (*Rs.93,89,72,808*); Insurance: Rs.3,95,10,295 (*Rs.3,85,29,122*); Finance Cost: Rs.10,92,09,364 (*Rs.2,57,81,593*); Employee Costs: Rs.1,23,75,651 (*Rs.40,37,233*); Rates & Taxes: Rs.1,78,331 (*Rs.18,31,081*); Other Pre-operative Expenses: Rs.18,03,97,107 (including currency fluctuation of Rs.12,46,65,925) (*Rs.2,47,21,531*) incurred towards new Dielectric Films Project at Barjora, the relocation and expansion projects at Ranjangaon and upgradation project at Pithampur;
- iii) Some assets of which the Company is the beneficial owner are pending for transfer in the name of the Company and for which necessary steps are being taken.
- iv) As stipulated in AS-28 on Impairment of Assets, the Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

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	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
14. <u>Non-Current Investments</u>		
<u>Trade Investments</u> (valued at cost)		
Unquoted equity instruments		
Investment in wholly owned subsidiary companies		
10,00,000 equity shares of Xpro Global Limited of Rs.10/- each	52,50,000	52,50,000
(Out of above 9,50,000 equity shares of Rs. 10/- each partly paid up Rs. 5/- each)		
50,000 fully paid equity shares of Xpro Global Pte. Ltd. (@ SGD 1 each)	18,39,000	18,39,000
<u>Other Investments</u>		
Unquoted		
1,000 equity shares of Birla Buildings Limited of Rs.10/- each	72,500	72,500
	71,61,500	71,61,500
15. <u>Long-Term Loans and Advances</u>		
Unsecured, considered good		
Capital Advances	3,78,20,749	5,10,71,212
Security Deposits	2,45,88,443	2,39,10,509
Credit for MAT entitlement	2,43,57,961	2,43,57,961
Others	41,80,089	55,04,329
	9,09,47,242	10,48,44,011
16. <u>Inventories</u>		
Raw materials	9,72,75,171	10,77,19,952
Work-in-progress	8,79,51,731	8,70,13,075
Finished Goods	7,99,87,986	4,40,21,989
Stores and Spares	2,07,04,732	2,35,87,919
	28,59,19,620	26,23,42,935
Raw Materials includes goods in transit: Rs.1,64,60,277 (previous year: Rs.2,15,66,521)		
17. <u>Trade receivables</u>		
Unsecured, considered good		
Outstanding for a period exceeding six months from due date	9,76,798	34,18,606
Others	31,39,24,639	34,13,76,590
	31,49,01,437	34,47,95,196
18. <u>Cash and cash equivalents</u>		
Balance with banks		
Current Accounts	1,57,18,518	3,80,87,444
Unpaid Dividend	50,18,089	52,33,164
Margin money	-	32,500
Term Deposit Accounts (with maturity period less than 12 months)	10,33,38,745	5,15,85,104
Term Deposit Accounts (with maturity period over 12 months)	11,54,73,700	44,69,83,468
Cash on hand	6,70,352	9,45,594
	24,02,19,404	54,28,67,274

a. Term Deposits pledged with bank(s) for overdraft & other facilities - Rs.21,82,62,445 (Previous year: Rs.24,82,88,330)

b. Unpaid Dividend shall be credited to Investor Education and Protection Fund on completion of statutory period;

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	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
19. <u>Short Term Loans and Advances</u>		
Unsecured, considered good		
Inter-corporate deposits (to a related party)	4,25,00,000	4,00,00,000
Advances recoverable in cash or in kind or for value to be received		
Other loans & advances	34,42,417	6,89,753
Refunds, Recoveries & Claims	17,62,911	20,68,050
Prepaid expenses	41,59,871	43,72,357
Loans to employees (<i>interest-free</i>)	39,80,576	27,28,998
Deposit with Government & Others	2,35,72,193	1,90,64,512
Balance with Central Excise	<u>20,07,88,825</u>	<u>15,79,39,671</u>
	28,02,06,793	22,68,63,341
20. <u>Other Current Assets</u>		
Interest accrued on Fixed Deposits	72,14,735	2,82,14,922
Others	<u>21,69,640</u>	-
	93,84,375	2,82,14,922
21. <u>Contingent Liabilities and Commitments</u> (to the extent not provided for)		
Contingent Liabilities		
Claims against the Company, not acknowledged as debt	2,50,208	2,50,208
Sales Tax, Excise & Customs matters under appeal	4,73,41,757	4,36,58,032
Bills discounted	<u>3,49,33,516</u>	<u>2,58,99,343</u>
	8,25,25,481	6,98,07,583
<p>(In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote)</p>		
Commitments		
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	4,46,61,854	11,60,74,942
Unpaid portion of subscribed Equity Capital in subsidiary	<u>47,50,000</u>	<u>47,50,000</u>
	4,94,11,854	12,08,24,942
Total	13,19,37,335	19,06,32,525
	<u>2013 - 14</u>	<u>2012 - 13</u>
	Rs.	Rs.
22. <u>Revenue from Continuing Operations</u>		
Sale of products	2,66,68,98,213	2,47,49,15,380
Other Operating Revenues	<u>4,86,12,353</u>	<u>5,13,19,849</u>
Gross Revenue from Operations	2,71,55,10,566	2,52,62,35,229
less: Excise Duty	<u>28,95,09,623</u>	<u>27,30,78,437</u>
Net Revenue from Operations	2,42,60,00,943	2,25,31,56,792
<u>Additional Details of Products Sold</u>		
Finished Goods		
Thermoplastic Films/Sheets/Liners	2,66,69,85,733	2,46,13,73,460
Others	<u>4,85,24,833</u>	<u>6,48,61,769</u>
	2,71,55,10,566	2,52,62,35,229
23. <u>Other Income</u>		
Excess provisions & unclaimed balances in respect of earlier years written back	21,12,595	98,80,090
Interest income		
From Banks	4,85,58,634	6,24,00,350
From Others	8,99,529	86,24,601
On Income Tax refund	-	42,297
Miscellaneous income	<u>35,27,864</u>	<u>32,35,280</u>
	5,50,98,622	8,41,82,618

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	<u>2013 - 14</u>	<u>2012 - 13</u>
	Rs.	Rs.
24. <u>Cost of Materials Consumed</u>		
Inventories at the beginning of the year	10,77,19,952	7,59,04,050
add: Purchases during the year	1,87,68,54,187	1,71,50,02,683
	1,98,45,74,139	1,79,09,06,733
less: Sales/Rebates and Transfers	3,08,61,004	2,41,97,539
	1,95,37,13,135	1,76,67,09,194
less: Inventories at the end of the year	9,72,75,171	10,77,19,952
Cost of Materials Consumed	1,85,64,37,964	1,65,89,89,242
<u>Details of Materials Consumed</u>		
Thermoplastic Resins	1,84,13,04,589	1,65,45,49,749
Others	1,51,33,375	44,39,493
	1,85,64,37,964	1,65,89,89,242
25. <u>Changes in Inventories</u>		
<u>Inventories at the end of the year</u>		
Work-in-Progress	8,79,51,731	8,70,13,076
Finished Goods	7,99,87,986	4,40,21,989
	16,79,39,717	13,10,35,065
<u>Inventories at the beginning of the year</u>		
Work-in-Progress	8,70,13,076	7,03,66,689
Finished Goods	4,40,21,989	2,66,29,653
	13,10,35,065	9,69,96,342
Total	(3,69,04,652)	(3,40,38,723)
26. <u>Employee Benefits Expense</u>		
Salaries, Wages, Bonus, etc.	14,86,12,675	14,25,07,071
Contribution to Provident and other Funds	1,59,30,872	2,03,41,482
Expenses on Employee Stock Option Scheme(s) (ESOP)	-	(1,64,902)
Employees Welfare	1,29,93,556	1,19,34,807
	17,75,37,103	17,46,18,458

Effective 2007-08 the Company adopted Accounting Standard (AS) 15 (Revised 2005) on Employee Benefits, as issued by Institute of Chartered Accountants of India. The Company has defined benefit plans for gratuity and compensated absence to eligible employees, contributions for which are made to Life Insurance Corporation of India, who invest the funds as per IRDA guidelines. The details of these defined benefit plans recognized in the financial statements are as under:

	Rs. in lacs			
	<u>Gratuity</u>		<u>Compensated absence</u>	
	<u>2013-14</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2012-13</u>
a. <u>Reconciliation of opening and closing balances of the present value of defined benefit obligation</u>				
Obligation at the beginning of the year	574.94	464.74	232.02	194.73
Current Service Cost	35.54	33.88	23.77	22.09
Interest Cost	48.87	37.64	19.72	15.77
Actuarial (gain)/loss	(14.32)	44.59	(7.76)	19.23
Benefits paid	(13.84)	(5.91)	(16.27)	(19.80)
Obligation at the end of the year	631.19	574.94	251.48	232.02

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	Rs. In lacs			
	Gratuity		Compensated absence	
	2013-14	2012-13	2013-14	2012-13
b. Reconciliation of opening and closing balances of fair value of plan				
Plan assets at the beginning of the year, at fair value	413.35	360.81	211.93	189.93
Expected Return on Plan Assets	37.63	29.56	19.07	15.39
Actuarial gain/(loss)	(0.62)	5.71	0.40	1.80
Contribution	23.32	23.18	-	4.81
Benefits paid	(13.84)	(5.91)	-	-
Plan assets at the end of the year, at fair value	459.84	413.35	231.40	211.93
c. Liability recognized in Balance Sheet				
Obligation at the end of the year	631.19	574.94	251.48	232.02
Less : Plan assets at the end of the year, at fair value	459.84	413.35	231.40	211.93
Liability recognized in Balance Sheet as at March 31	171.35	161.59	20.08	20.09
d. Net cost of employer expense for the year	34.76	82.66	16.44	40.08
e. Assumptions				
Discount Rate (p.a.)	8.5 %	8.1 %	8.5 %	8.1 %
Expected Rate of Return on plan assets (p.a.)	9.0 %	8.0 %	9.0 %	8.0 %
Expected rate of increase in compensation levels (p.a.)	6.5 %	6.25 %	6.5 %	6.25 %

f. Experience History

	Rs. In lacs				
	2013-14	2012-13	2011-12	2010-11	2009-10
Gratuity					
Defined Benefit Obligation at the end of the year	631.19	574.94	464.74	451.81	348.55
Plan Assets at the end of the year	459.84	413.35	360.81	396.20	323.93
Funded Status – Surplus/(Deficit)	(171.35)	(161.59)	(103.93)	(55.61)	(24.62)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	(14.32)	44.59	64.68	24.57	26.60
Experience Adjustment on Plan Assets - Gain/(Loss)	(0.62)	5.71	9.02	5.21	2.277
Compensated Absence					
Defined Benefit Obligation at the end of the year	251.48	232.02	194.73	213.95	172.92
Plan Assets at the end of the year	231.40	211.93	189.93	177.77	161.90
Funded Status – Surplus/(Deficit)	(20.08)	(20.09)	(4.80)	(36.18)	(11.02)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	(7.86)	19.23	(1.17)	(5.33)	0.69
Experience Adjustment on Plan Assets - Gain/(Loss)	0.40	1.80	4.60	(3.92)	(4.67)

g. The Contribution expected to be made by the Company during the next financial year has not been ascertained.

	<u>2013 - 14</u>	<u>2012 - 13</u>
	Rs.	Rs.
27 Finance Cost		
Interest expenses	10,55,29,331	9,98,02,695
Other finance charges	1,74,21,038	89,73,789
	<u>12,29,50,369</u>	<u>10,87,76,484</u>

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	<u>2013 - 14</u>	<u>2012 - 13</u>
	Rs.	Rs.
28. <u>Other Expenses</u>		
Consumption of Stores and Spares	5,91,34,614	6,23,54,641
Increase/(decrease) of Excise Duty on inventory	46,52,188	29,31,481
Power & Fuel	20,58,87,932	20,38,00,243
Processing Charges	48,76,084	66,13,942
Repairs to:		
- Buildings	12,44,901	11,02,570
- Plant & Machinery	1,53,37,340	1,29,65,089
- Others	32,15,916	42,69,520
Communication	34,74,443	32,92,515
Director's Fees	5,95,000	5,15,000
Insurance	56,78,166	44,05,045
Loss on sale of fixed assets	3,65,742	1,13,247
Miscellaneous	3,96,71,793	3,50,38,725
Payment to Auditors (<i>refer note below</i>)	14,19,831	13,04,611
Professional & Legal	31,57,490	33,62,265
Rates & Taxes	29,13,653	26,01,541
Rent (<i>refer note below</i>)	52,35,652	67,12,845
Travelling	1,06,13,612	91,28,387
Bad Debts written off	7,61,119	9,08,283
Brokerage, Rebate, Discount & Commission	44,25,493	62,01,857
Freight, Forwarding & Shipment Charges (Net)	2,59,09,612	2,41,22,126
Other Selling Expenses	12,56,908	11,48,732
Rejection & Damages (Net)	14,894	92,018
	<u>39,98,42,383</u>	<u>39,29,84,683</u>
a. Payment to Auditors		
- As Auditors	10,00,000	10,00,000
- For other services	-	-
- Reimbursement of expenses	4,19,831	3,04,611
	<u>14,19,831</u>	<u>13,04,611</u>
b. The Company is lessee under various operating leases, none of which are non-cancellable.		
29. <u>Foreign Currency Transactions</u>		
a. Imports (CIF Value)		
Raw materials	16,86,16,691	13,35,14,356
Spares	25,50,494	23,86,820
Capital Goods	13,27,48,620	74,21,69,244
	<u>30,39,15,805</u>	<u>87,80,70,420</u>
b. Expenditure (on payment basis)		
Interest	1,81,14,859	59,46,145
Professional & consultation fees	-	-
Others	5,37,542	1,34,967
	<u>1,86,52,401</u>	<u>60,81,112</u>
c. Earnings		
Export of Goods (FOB Value)	4,65,57,158	3,90,38,170
d. Dividend Remitted to Non-Resident Shareholders		
Number of Non-Resident Shareholders	105	120
Number of Shares held by Non-Resident Shareholders	79,372	1,00,015
Amount remitted during the year	-	-
Year to which dividend relates	2012-2013	2011-2012

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30. Foreign Exchange Exposure

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

Forward contract outstanding at year-end: Nil (Previous year: Nil)

Foreign exchange currency exposures that have not been hedged by a derivative instrument or otherwise at year-end: Purchases: US\$983,525 & €Nil; Sales: US\$14,447 & €62,691; Loans (including interest accrued but not due):€9,379,359; Others:€9,006 (Previous year: US\$696,910 & €147,338; US\$8,099 & € 62,459; €8,845,449; Nil respectively)

31. Value of Consumption

	2013-14		2012-13	
	Rs.	%	Rs.	%
a. Raw Materials				
Imported	19,47,59,631	10.49	13,55,94,869	8.17
Indigenous	1,66,16,78,333	89.51	1,52,33,94,373	91.83
	1,85,64,37,964	100.00	1,65,89,89,242	100.00
b. Stores & Spares				
Imported	48,90,914	8.27	26,98,150	4.33
Indigenous	5,42,43,700	91.73	5,96,56,491	95.67
	5,91,34,614	100.00	6,23,54,641	100.00

32. Related Party Disclosures

A. List of Related Parties

- i) Parties where control exists:
 - Wholly owned subsidiaries:
 - a) Xpro Global Limited;
 - b) Xpro Global Pte. Ltd., Singapore;
- ii) Promoters:
 - IntelliPro Finance Private Limited;
 - iPro Capital Limited;
 - Sri Sidharth Birla, Chairman;
 - Smt. Madhushree Birla, Director;
- iii) Key Management Personnel & their relatives:
 - Sri C. Bhaskar, Managing Director & Chief Executive Officer
 - Smt. Rajalakshmi Bhaskar (wife)
- iv) Enterprises over which Key Managerial Personnel are able to exercise significant influence:
 - Digjam Limited

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

- i) No transactions with related party referred to in A(i) above;
- ii) With related party referred to in A(ii) above:
 - Dividend paid: Rs.52,02,000 (*Rs.1,25,17,500*);
 - Remuneration: Rs. 54,75,996 (*Rs.54,76,000*);
 - Expenses incurred and reimbursement received: Rs.4,27,703 (*Rs.2,66,483*);
- iii) With related party referred to in A(iii) above:
 - Dividend paid: Rs.80,001 (*Rs.2,00,003*);
 - Remuneration: Rs.63,43,376 (*Rs.59,73,978*);
- iv) With related party referred to in A(iv) above:
 - Aggregate of short term intercorporate deposits given from time-to-time: Rs.14,00,00,000 (*Rs.10,50,00,000*); Deposits repaid by party from time-to-time: Rs.13,75,00,000 (*Rs.11,50,00,000*); Maximum amount outstanding during the year: Rs.5,12,32,535 (*Rs.5,84,42,988*); Outstanding amount at year end: Rs.4,25,00,000 (*Rs.4,00,00,000*); Interest received: Rs.69,54,414 (*Rs.75,85,927*); Expenses incurred and realised: Rs.7,82,240 (*Rs.38,944*); Outstanding dues realised: Nil (*Rs. 22,10,455*);

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

- (i) Dividend paid to Promoters, IntelliPro Finance Private Limited: Rs.21,00,000 (*Rs.50,00,000*), and iPro Capital Limited: Rs.29,00,000 (*Rs.72,12,500*);

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

(ii) Remuneration paid to Shri Sidharth Birla and Shri C. Bhaskar: Rs.54,75,996 (Rs.54,76,000) and Rs.63,43,376 (Rs.59,73,978) respectively;

D. No Balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than Rs.4,25,00,000 (Rs.4,00,00,000) due from party referred to in A(iv) above;

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

The Company operates in a single business segment i.e. Polymers Business and mainly in a single geographic segment in the context of Accounting Standard 17, on Segment Reporting issued by the Institute of Chartered Accountants of India.

34. Earnings per Share (EPS)

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

For the year ended:	<u>March 31, 2014</u>	<u>March 31, 2013</u>
Earnings attributable to the Equity Shareholders (Rs. in lacs)	(10,44,88,362)	(4,11,12,910)
Weighted average number of equity shares for Basic EPS	1,16,59,000	1,16,30,081
Dilutive impact of employee stock options	-	36,751
Weighted average number of equity shares for Diluted EPS	1,16,59,000	1,16,66,832
Nominal Value of Equity Share (Rs.)	10	10
EPS (Rs.)		
- Basic	(8.96)	(3.54)
- Diluted	(8.96)	(3.52)

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

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

For and on behalf of the Board

Sidharth Birla
Chairman

Gaurav J. Shah
Partner
Membership No. 35701
New Delhi
May 9, 2014

S. C. Jain
Company Secretary

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

C. Bhaskar
*Managing Director &
Chief Executive Officer*

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

<u>CONSOLIDATED BALANCE SHEET AS AT</u>	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
<u>EQUITY AND LIABILITIES</u>		
Shareholders' Funds		
- Share capital	11,65,95,000	11,65,95,000
- Reserves and surplus	<u>1,20,60,30,472</u>	<u>1,30,97,45,692</u>
	1,32,26,25,472	1,42,63,40,692
Non-current Liabilities		
- Long-term borrowings	1,58,35,34,162	1,23,08,38,303
- Deferred tax liabilities (net)	-	26,00,000
- Other long-term liabilities	6,57,002	6,57,002
- Long-term provisions	<u>1,91,42,898</u>	<u>1,81,67,720</u>
	1,60,33,34,062	1,25,22,63,025
Current Liabilities		
- Short-term borrowings	28,83,37,553	42,30,22,001
- Trade payables	37,22,20,368	35,60,27,367
- Other current liabilities	38,48,45,437	20,98,91,305
- Short-term provisions	<u>96,000</u>	<u>1,37,10,580</u>
	1,04,54,99,358	1,00,26,51,253
	<u>3,97,14,58,892</u>	<u>3,68,12,54,970</u>
<u>ASSETS</u>		
Non-current Assets		
- Fixed assets		
-Tangible assets	1,01,73,94,917	88,37,18,547
-Intangible assets	2,24,03,994	2,47,79,587
-Capital work-in-progress	<u>1,65,67,29,914</u>	<u>1,25,42,03,538</u>
	2,69,65,28,825	2,16,27,01,672
- Non-current investments	73,000	73,000
- Deferred tax assets (net)	4,39,00,000	-
- Long-term loans and advances	<u>9,09,47,242</u>	<u>10,48,44,010</u>
	2,83,14,49,067	2,26,76,18,682
Current Assets		
- Inventories	28,59,63,963	26,25,68,849
- Trade receivables	31,49,01,437	34,48,68,888
- Cash and cash equivalents	24,88,15,392	55,04,86,763
- Short-term loans and advances	28,03,60,005	22,70,05,634
- Other current assets	<u>99,69,028</u>	<u>2,87,06,154</u>
	1,14,00,09,825	1,41,36,36,288
	<u>3,97,14,58,892</u>	<u>3,68,12,54,970</u>

Accompanying notes form part of financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi

May 9, 2014

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

For and on behalf of the Board

Sidharth Birla
Chairman

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED**

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
<u>CONTINUING OPERATIONS</u>		
Revenue		
- Gross revenue from operations	2,71,67,33,821	2,52,88,56,157
less: excise duty	28,95,09,623	27,30,78,437
- Net revenue from operations	2,42,72,24,198	2,25,57,77,720
- Other income	5,56,73,432	8,53,95,605
- Total Revenue	2,48,28,97,630	2,34,11,73,325
Expenses		
- Cost of materials consumed	1,85,64,37,964	1,65,89,89,242
- Purchase of stock-in-trade	-	17,98,719
- Changes in inventories of finished goods & work-in-progress	(3,67,23,081)	(3,40,05,020)
- Employee benefits expense	17,75,37,103	17,46,18,458
- Finance costs	12,29,50,369	10,95,22,474
- Depreciation and amortization expense	11,22,24,760	10,80,04,498
- Other expenses	40,08,08,681	39,42,07,702
- Total Expenses	2,63,32,35,796	2,41,31,36,073
Profit/(Loss) before tax	(15,03,38,164)	(7,19,62,748)
Tax expense		
- Current Tax	27,000	69,000
less: MAT credit entitlement	-	(2,42,039)
- Net current tax	27,000	3,11,039
- Deferred tax	(4,65,00,000)	(3,11,00,000)
- Tax pertaining to earlier years (net)	(2,722)	(24,361)
	(4,64,75,722)	(3,08,13,322)
Profit/(Loss) after tax	(10,38,62,442)	(4,11,49,426)
Earnings per equity share (Face Value of Rs.10/- each)		
- Basic (Rs.)	(8.90)	(3.54)
- Diluted (Rs.)	(8.90)	(3.53)

Accompanying notes form part of financial statements

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

For and on behalf of the Board

Gaurav J. Shah
Partner
Membership No. 35701
New Delhi
May 9, 2014

S. C. Jain
Company Secretary

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

Sidharth Birla
Chairman

C. Bhaskar
*Managing Director &
Chief Executive Officer*

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED	March 31, 2014	March 31, 2013
	Rs.	Rs.
A. Cash flow from Operating Activities		
(Loss) before tax	(15,03,38,164)	(7,19,62,748)
Adjusted for:		
Depreciation and Amortization	11,22,24,760	10,80,04,498
Interest and Financial Charges	12,29,50,369	10,95,22,474
Interest income	(5,00,32,680)	(7,00,52,211)
Bad Debts & Provisions (net)	7,61,119	9,08,283
Provisions & Sundry balances written back	(21,12,595)	(98,80,090)
(Profit)/Loss on Sale/Discard of Fixed Assets	3,65,742	1,13,247
Foreign Exchange Fluctuation (unrealized)	(1,75,865)	(72,02,324)
Employee Stock Option Amortization	-	(12,34,152)
Operating Profit before Working Capital changes	3,36,42,686	5,82,16,977
Adjusted for:		
Trade and other Receivables	2,88,98,640	(4,61,26,630)
Loans & advances	(4,16,23,055)	(15,68,55,365)
Inventories	(2,33,95,114)	(6,70,28,742)
Trade payables and other liabilities	3,62,17,378	6,37,45,615
Direct Taxes	(24,278)	(10,93,919)
Net Cash Flow from/(used in) Operating activities	3,37,16,257	(14,91,42,064)
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(64,69,09,859)	(1,18,84,01,458)
Sale of Fixed Assets	4,92,204	7,46,318
Interest Received	7,10,32,865	10,58,60,450
Net Cash used in Investing Activities	(57,53,84,790)	(1,08,17,94,690)
C. Cash flow from Financing Activities		
Proceeds from Issue of Shares	-	67,65,850
Increase/(Decrease) in Bank Borrowings (net)	37,47,04,641	1,12,84,06,858
Interest and Financial Charges	(12,08,95,825)	(10,84,36,382)
Dividend Paid (including dividend tax)	(1,38,11,655)	(3,39,58,469)
Net Cash Flow from Financing activities	23,99,97,161	99,27,77,857
Net increase/(decrease) in Cash or Cash equivalents	(30,16,71,372)	(23,81,58,897)
Cash and Cash Equivalents at the beginning of the year	55,04,86,764	78,86,45,661
Effect of Foreign Exchange rate differences	-	-
Cash and Cash Equivalents at the end of the year	24,88,15,392	55,04,86,764

Notes:

Cash and Cash Equivalents represent Cash and Bank balance and include Rs. 50,18,089 (Previous year: Rs.52,33,164) of unpaid dividend not available for use by the Company;

Previous year figures have been regrouped/rearranged wherever considered necessary;

Fixed Deposits of Rs.21,82,62,445 (Previous year: Rs.24,82,88,330) pledged with bank(s) towards overdraft & other facilities;

In terms of report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi

S. C. Jain

Company Secretary

V. K. Agarwal

Joint President &
Chief Financial Officer

C. Bhaskar

Managing Director &
Chief Executive Officer

For and on behalf of the Board

Sidharth Birla

Chairman

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

Notes to the Consolidated Financial Statements

1. These Consolidated financial statements comprise the financial statements of Xpro India Limited and its following subsidiaries as on March 31, 2014

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

2. Principal 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 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 and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
 - As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Separate Financial Statements.
 - Investments made by the parent company in subsidiary companies subsequent to the holding - subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statements.
 - Intra group balances and intra group transactions are eliminated to the extent of share of the parent company in full.
 - Unrealised profits on account of intra group transactions have been accounted for depending upon whether the transaction is an upstream or a downstream transaction.
3. Other Significant Accounting Policies:
These are same as set out in Note 2 ("Significant Accounting Policies") to the Financial Statements of the Company.
4. In view of insignificant/negligible transactions of the above named two subsidiary companies, notes involving material items are stated hereunder. These are to be read together with the Notes to the Financial Statements of the Company.

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
	Rs.	Rs.
4 a) <u>Cash and cash equivalents</u>		
Balance with banks		
Current Accounts	1,81,12,926	3,99,00,586
Unpaid Dividend	50,18,089	52,33,164
Margin money	-	32,500
Term Deposit Accounts (with maturity period less than 12 months)	10,33,38,745	5,73,85,104
Term Deposit Accounts (with maturity period over 12 months)	12,16,73,700	44,69,83,468
Cash on hand	<u>6,71,932</u>	<u>9,51,941</u>
	24,88,15,392	55,04,86,763

- a. Term Deposits pledged with bank(s) for overdraft & other facilities - Rs.21,82,62,445 (Previous year: Rs.24,82,88,330);
b. Unpaid Dividend shall be credited to Investor Education and Protection Fund on completion of statutory period;

	<u>2013 - 14</u>	<u>2012 - 13</u>
	Rs.	Rs.
4 b) <u>Revenue from Operations</u>		
Sale of products	2,66,68,98,213	2,47,49,15,380
Processing charges	-	-
Sale of traded goods	4,24,851	26,20,928
Other Operating Revenues	<u>4,94,10,757</u>	<u>5,13,19,849</u>
Gross Revenue from Operations	2,71,67,33,821	2,52,88,56,157
less: Excise Duty	<u>28,95,09,623</u>	<u>27,30,78,437</u>
Net Revenue from Operations	2,42,72,24,198	2,25,57,77,720

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

	<u>2013 - 14</u>	<u>2012 - 13</u>
	Rs.	Rs.
4 c) Purchase of stock-in-trade		
- Purchase of stock-in-trade	-	17,98,719
4 d) Other Expenses		
Consumption of Stores and Spares	5,91,34,614	6,23,54,641
Increase/(decrease) of Excise Duty on inventory	46,52,188	29,31,481
Power & Fuel	20,58,87,932	20,38,00,243
Processing Charges	48,76,084	66,13,942
Repairs to:		
- Buildings	12,44,901	11,02,570
- Plant & Machinery	1,53,37,340	1,29,65,089
- Others	32,15,916	42,69,520
Communication	34,74,443	32,92,515
Director's Fees	7,79,146	6,48,598
Insurance	56,78,166	44,21,670
Loss on sale of fixed assets	3,65,742	1,13,247
Miscellaneous	3,98,83,501	3,51,45,636
Payment to Auditors (<i>refer note below</i>)	14,72,902	13,53,368
Professional & Legal	32,20,607	34,29,498
Rates & Taxes	29,13,653	26,01,541
Rent (<i>refer note below</i>)	52,35,652	67,12,845
Travelling	1,08,23,033	92,24,387
Bad Debts written off	7,61,119	11,61,261
Brokerage, Rebate, Discount & Commission	45,64,153	65,75,299
Freight, Forwarding & Shipment Charges (Net)	2,59,15,787	2,41,49,601
Other Selling Expenses	13,56,908	12,48,732
Rejection & Damages (Net)	14,894	92,018
	40,08,08,681	39,42,07,702
 i) Payment to Auditors		
- As Auditors	10,53,071	10,48,757
- For other services	-	-
- Reimbursement of expenses	4,19,831	3,04,611
	14,72,902	13,53,368

ii) The Company is lessee under various operating leases, none of which are non-cancellable.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi

May 9, 2014

S. C. Jain

Company Secretary

V. K. Agarwal

Joint President &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla

Chairman

C. Bhaskar

Managing Director &
Chief Executive Officer

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF XPRO INDIA LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **XPRO INDIA LIMITED** (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of both the subsidiaries whose financial statements reflect total assets (net) of Rs. 93,78,196 as at 31st March, 2014, total revenues of Rs.17,98,066 and net cash flows amounting to Rs.8,27,924 for the year ended on that date, as considered in the consolidated financial statements. These financial

XPRO INDIA LIMITED : ANNUAL REPORT 2013/14

statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

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

Gaurav J Shah
Partner
(Membership No. 35701)

New Delhi
May 9, 2014

XPRO INDIA LIMITED

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

PROXY FORM

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Thursday, 31st day of July, 2014 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202, India and at any adjournment thereof in respect of such resolutions as are indicated (by tick [✓] mark) below:

Resolution No.	1	2	3	4	5	6	7	8
	9	10	11	12	13	14	All	

Signed this Day of 2014.

Signature of shareholder

Affix
Revenue
Stamp

Note: 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2) The Proxy Form should be signed across the stamp as per specimen signature(s) registered with the Company.

