

# XPRO INDIA LIMITED



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

Tel. : +91-33-40823700/22200600  
e-mail : xprocal@xproindia.com

May 28, 2022

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

Stock Symbol XPROINDIA(EQ)

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

Stock Code No. 590013

Dear Sir,

**Sub: AGM Notice and Annual Report for the Financial Year ended March 31, 2022**

Please find enclosed herewith Annual Report of the Company for the Financial Year ended March 31, 2022 together with the Notice dated May 25, 2022 convening the 25<sup>th</sup> Annual General Meeting of the Company on June 24, 2022 through Video Conferencing (VC)/Other Audio Visual Means (OAVM), in terms of Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,  
For Xpro India Limited

A handwritten signature in blue ink, appearing to read "Amit Dhanuka".

**Amit Dhanuka**  
Company Secretary

Encl.: a/a



**Xpro India Limited**

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Annual Report 2021/22

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## Xpro India Limited : Annual Report 2021/22

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### Board of Directors

**Sri Sidharth Birla** (DIN: 00004213)

Chairman

**Sri K. Balakrishnan** (DIN: 00034031) #

**Smt. Madhushree Birla** (DIN: 00004224)

**Sri Amitabha Guha** (DIN: 02836707)

**Sri Ashok Kumar Jha** (DIN: 00170745)

**Sri Bharat Jhaver** (DIN: 00379111) #

**Ms. Suhana Murshed** (DIN: 08572394) @

**Sri Utsav Parekh** (DIN: 00027642)

**Sri S. Ragothaman** (DIN: 00042395)

**Sri C. Bhaskar** (DIN: 00003343)

Managing Director & Chief Executive Officer

@ w.e.f. August 10, 2021

# w.e.f. May 25, 2022

### Company Secretary

**Sri Amit Dhanuka** (ACS 23872)

### Senior Executives

**Sri H. Bakshi**

Sr. President & Chief Operating Officer

**Sri V.K. Agarwal**

President (Finance) & Chief Financial Officer

**Sri N. Ravindran**

Jt. President (Marketing) & Chief Marketing Officer

**Sri Anil Jain**

Sr. Vice President, Coex Division

**Sri Sunil Mehta**

Executive Vice President, Coex Division (GRN)

**Sri Radhey Shyam**

Executive Vice President, Coex Division (RNJ)

**Sri Sanjay Kumar Patodia**

Executive Vice President (Commercial), Biax Division

**Sri Satish M. Agarwal**

Vice President (Commercial), Coex Division (RNJ)

**Sri Amit Kumar**

Vice President (Marketing)

**Sri Madhu Babu Yenike**

Vice President (Works), Coex Division (GRN)

### Registered Office

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

Tel.: +91-9775301701

e-mail: cosec@xproindia.com

website: www.xproindia.com

### Corporate Office

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

### Biax Division

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

### Coex Division

32, Udyog Vihar, Greater Noida,  
Gautam Budh Nagar 201 306, Uttar Pradesh  
Plot E-90/1, MIDC Industrial Area,  
Ranjangaon, Distt. Pune 412 220, Maharashtra

### Registrar & Share Transfer Agents

M/s MCS Share Transfer Agent Limited,  
383, Lake Gardens, 1<sup>st</sup> Floor,  
Kolkata 700 045

### Auditors

M/s Walker Chandiook & Co. LLP  
New Delhi

### Company Identification Number

L25209WB1997PLC085972

## **Xpro India Limited : Annual Report 2021/22**

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### **NOTICE**

#### **TO THE SHAREHOLDERS**

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Members of Xpro India Limited will be held on Friday, June 24, 2022 at 10.30 a.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

1. To consider and adopt the Directors' Report and the audited financial statements of the Company for the financial year ended March 31, 2022 and the Auditors' report thereon.
2. To declare a dividend of Rs.2.00 per ordinary share of the face value of Rs.10 each, of the Company for the financial year ended March 31, 2022.
3. To appoint a Director in place of Smt. Madhushree Birla (DIN: 00004224) who retires by rotation and being eligible, offers herself for reappointment.
4. Re-appointment of Statutory Auditors:

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

“RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Walker Chandiook & Co. LLP, Chartered Accountants (Firm Registration No.001076N/N500013) be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five years commencing from the Company's Financial Year 2022-23 to hold office from the conclusion of the 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Auditors.

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

#### **SPECIAL BUSINESS:**

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

##### **5. AS A SPECIAL RESOLUTION**

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and upon the recommendations of the Remuneration and Nomination Committee of the Board and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, Sri K Balakrishnan (DIN: 00034031), who was appointed as an Additional Director by the Board of Directors effective May 25, 2022 in terms of Section 161 of the Act, being eligible and fulfilling the criteria of independence as provided in the Act, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years with effect from May 25, 2022.”

##### **6. AS AN ORDINARY RESOLUTION**

“RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and upon the recommendations of the Remuneration and Nomination Committee of the Board and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, Sri Bharat Jhaver (DIN: 00379111), who was appointed

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as an Additional Director by the Board of Directors effective May 25, 2022 in terms of Section 161 of the Act, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.”

### 7. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to the provisions of Section 63 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and other applicable regulations, rules and guidelines issued by SEBI and the Reserve Bank of India (“RBI”) from time to time, the enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions, conditions and sanctions as may be necessary from appropriate authorities and subject to such terms and modifications, if any, as may be specified while according such approvals and subject to acceptance of such conditions or modifications by the Board of Directors, consent of the Members be and is hereby accorded to the Board of Directors of the Company (‘the Board’, which term shall include any Committee authorized by the Board to exercise its powers including powers conferred on the Board by this resolution) for:

(a) capitalization of a sum not exceeding Rs.5,90,67,500/- (Rupees Five crores ninety lacs sixty seven thousand and five hundred Only) from and out of the Company’s Free Reserves, Securities Premium Account and/or such other account, as may be decided by the Board of Directors, for the purpose of issue of bonus equity shares of Rs.10/- (Rupees Ten) each, credited as fully paid to the eligible members of the Company holding equity shares of Rs.10/- (Rupees Ten) each of the Company whose names appear in the Register of Members on a ‘Record Date’ to be determined by the Board for this purpose, in the proportion of 1 (one) new fully paid-up equity share of Rs.10/- each (Rupee Ten) each for every 2 (two) existing fully paid-up equity shares of Rs.10/- (Rupee Ten) each held by them; and

(b) keeping in reserve further bonus equity shares not exceeding 9,84,000 to be issued, by capitalisation of a sum not exceeding Rs.98,40,000/- (Rupees Ninety eight lakh forty thousand only) being Rs.10/- per equity share out of the Company’s Free Reserves, Securities Premium Account and/or such other account as may be decided by the Board of Directors, in the ratio of 1 (one) bonus equity share for every 2 (two) fully paid-up equity shares and to be allotted after exercise of option, within the applicable period of eighteen months from the date of allotment (January 11, 2022) thereof, by the holder(s) for conversion of upto 19,68,000 convertible warrants outstanding as on March 31, 2022 into fully paid equity shares;

RESOLVED FURTHER that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up capital of the Company held by each such Members and not as the income of the Members.

RESOLVED FURTHER that the bonus equity shares so allotted shall always be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as existing fully paid-up equity shares of the Company and shall be entitled to participate in full in any dividend(s) to be declared after the bonus equity shares are issued and allotted.

RESOLVED FURTHER that bonus equity shares to be issued and allotted on conversion of convertible warrants shall be subject to lock-in period as applicable as per relevant ICDR Regulations.

RESOLVED FURTHER that in the case of Members who hold shares or opt to receive the shares in dematerialized form, the bonus equity shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participant(s) and in the case of Members who hold equity shares in physical form, the share certificate(s) in respect of the bonus equity shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

RESOLVED FURTHER that the issue and allotment of the bonus equity shares to the extent they relate to Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) and other Foreign Investors, be subject to applicable approval(s) of the Reserve Bank of India or other regulatory authority, if any.

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RESOLVED FURTHER that the Board be and is hereby authorized to take necessary steps for listing of such bonus equity shares on the Stock Exchanges where the shares of the Company are presently listed as per the provisions of the SEBI LODR Regulations and other applicable regulations, rules and guidelines.

RESOLVED FURTHER that in case of fractional shares, if any, arising out of the issue and allotment of the bonus equity shares, the Board be and is hereby authorized to ignore such fractions and/or otherwise make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board who would hold them in trust for such Members and shall as soon as possible sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, Sri C Bhaskar, Managing Director & Chief Executive Officer, Sri Vinay Kumar Agarwal, President (Finance) & Chief Financial Officer and Sri Amit Dhanuka, Company Secretary, be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary, proper, expedient, to settle any question, difficulty or doubt whatsoever that may arise with regard to issue, allotment, distribution and listing of shares as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised:

- i. to accept on behalf of the Company, modification, if any, relating to the issue of the bonus equity shares including the extent of capitalization, the amounts to be capitalized from the Company's Free Reserves, Securities Premium Account and/or any other account, and the proportion as regards the issue of bonus equity shares which may be proposed by the concerned authorities, if any, and/or by the Reserve Bank of India and which the Board may in their absolute discretion think fit and proper; and
- ii. to modify the terms and conditions, quantum and amount to be capitalized, and number of bonus equity shares credited as fully paid shares to be allotted, relating to the aforesaid issue of bonus equity shares, if the circumstances so arise as would necessitate these and to settle all questions or difficulties that may arise with regard to the allotment and issue of the said bonus equity shares and distribution of the proceeds of the sale of the said fractional shares in such manner as they shall determine in their absolute discretion."

### **8. AS AN ORDINARY RESOLUTION**

"RESOLVED that pursuant to provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration payable for the year 2022-23 to M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Firm Registration No. 00175) appointed by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2022-23, amounting to Rs.1,20,000/- (Rupees One lakh twenty thousand only) as also the payment of applicable taxes and reimbursement of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

Kolkata  
May 25, 2022

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

By Order of the Board

Amit Dhanuka  
Company Secretary  
e-mail: cosec@xproindia.com  
Tel.: +91-33-40823700  
website: www.xproindia.com

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### **NOTES**

1. Explanatory Statement setting out the material facts concerning each item of Special Businesses to be transacted at the General Meeting pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of the Notice.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2022 (“MCA Circular”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the MCA Circular, the AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA Circular through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company by email through its registered email address to cosec@xproindia.com with a copy marked to helpdesk.evoting@cdslindia.com.
5. In compliance with the aforesaid MCA Circular and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report for the year 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the 25<sup>th</sup> Annual General Meeting and Annual Report 2021-22 will also be available on the Company’s website www.xproindia.com, and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
8. In terms of the MCA Circular, the businesses set out in the Notice will be transacted by the members only through remote e-voting or through the e-voting system provided during the meeting while participating through VC facility. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting and the e-voting system on the date of the AGM will be provided by CDSL.
9. The Register of Members of the Company will remain closed from June 18, 2022 to June 24, 2022 (both days inclusive) for the purpose of this AGM and for the purpose of determining the entitlement of the members to the dividend for financial year ended March 31, 2022.
10. The dividend on the Ordinary Shares, if approved at the AGM, will be paid subject to deduction of tax at source, to the Members whose names appear in the Register of Members/list of Beneficial Owners as at the end of business hours on Friday, June 17, 2022, i.e. the date prior to the commencement of book closure. Bonus Equity Shares, if approved at the AGM, will be allotted to the Members whose names appear in the Register of Members/list of Beneficial Owners as on the Record Date i.e. Monday, July 4, 2022.
11. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates in the Income Tax Act, 1961 (“IT Act”). To enable us to determine the appropriate TDS rates as applicable, Members are requested to complete and/or update their Residential Status, Permanent Account Number (PAN) with their depositories (in case of shares held in demat mode) or with the Company/Registrar & Share Transfer Agent (RTA) (in case of shares held in physical mode) by sending the documents through email at tds@xproindia.com on or before Friday, June 10, 2022. No communication on the tax determination/deduction shall be entertained thereafter.



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12. Pursuant to the Listing Regulations, all companies mandatorily have to use the bank account details furnished by the depositories for payment of dividends. Dividend will be credited to the Members' Bank Account through NACH/NEFT wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.
13. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrar & Share Transfer Agents, M/s MCS Share Transfer Agent Limited, 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata 700 045, quoting their folio numbers. **Further, please note that in the case of dematerialized shares any change(s) required in Address, Bank details, Bank Mandate, ECS Mandate, Power of Attorney and also requests for registration of Nomination, Transmission, etc., are to be intimated to your DP and not to the Company or its Registrars.**
14. Members are requested to provide their e-mail ID and mobile numbers to the Registrars, M/s MCS Share Transfer Agent Limited, 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata 700 045 (mcssta@rediffmail.com), if shares are held in physical form or to their respective Depository Participants if shares are held in Demat form.
15. Electronic copy of Annual Report for the year 2021-22 and Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes.
16. **Voting through electronic means**
- A. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations the Company is pleased to provide members holding shares either in physical form or in dematerialized form the facility to exercise their right to vote at the Annual General Meeting (AGM) by remote e-voting. The business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- B. In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The login method for e-voting and joining virtual meetings in such cases is:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password and reach e-Voting page without any further authentication. Login to Easi/Easiest at <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the e-Voting service provider;</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>;</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for CDSL where the e-Voting is in progress during or before the AGM.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the NSDL e-Services website at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting</li> </ol>

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Type of shareholders	Login Method
	<p>page. Click on company name or e-Voting service provider name (CDSL) and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>3. Visit the e-Voting website of NSDL at <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider (CDSL) and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

Individual Shareholders holding securities in demat mode may contact helpdesk of Depository CDSL or NSDL as the case may be for any technical issues related to login through Depository at CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738/23058542-43 or NSDL helpdesk at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990/1800 22 44 30 respectively.

C. Login for e-Voting and joining virtual meeting for physical shareholders and shareholders other than individuals holding in demat form:

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

For Physical Shareholders other than Individual Shareholders holding shares in Demat Form:

PAN*	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department <b>(Applicable for both demat shareholders as well as physical shareholders)</b> * Members who have not updated their PAN with the Company/Depository Participant are requested to enter, in the PAN field, the Sequence Number mentioned in the e-mail communication sent by the Company/RTA/CDSL.
Dividend Bank Details or Date of Birth	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the Depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (c).

- f) After entering these details appropriately, click on “SUBMIT” tab.

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- g) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.
- Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- h) For Members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice.
- i) Click on the EVSN against the Company's name for which you choose to vote i.e. XPRO INDIA LIMITED.
- j) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- k) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- l) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "cancel" and accordingly modify your vote.
- m) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- n) You can also take a print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- o) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code and click on Forgot Password & enter the details as prompted by the system.
- p) Note for Non-Individual Shareholders and Custodians
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Authorised Person/Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz. [cosec@xproindia.com](mailto:cosec@xproindia.com), if they have voted from individual tab and not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- D. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or via email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

You can also contact the helpdesk on telephone number: 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013.

- E. **The e-voting period commences on June 21, 2022 (9 a.m.) and ends on June 23, 2022 (5 p.m.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 17, 2022, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for remote voting thereafter. Once the vote on a resolution is cast by the shareholder by electronic means,

## Xpro India Limited : Annual Report 2021/22

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the shareholder shall not be allowed to change it subsequently or cast his vote by any other means. Such members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.

- F. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of June 17, 2022.
- G. Sri Girish Bhatia, Practicing Company Secretary (Membership No. FCS 3295 & CP No.13792) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- H. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, or a person duly authorised, who shall countersign the same and thereafter, the Chairman or the person so authorised, shall declare the results of the voting forthwith. This Notice as well as the Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL and communicated to the NSE immediately.
17. Process for those members whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:
- a. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy), AADHAAR (self-attested scanned copy) by email to Company/RTA email id.
  - b. For Demat shareholders - please update your e-mail id and mobile number with your respective Depository Participant (DP).
  - c. For Individual Demat shareholders - please update your e-mail ID and mobile number with your respective Depository Participant (DP) which is mandatory while e-voting and joining virtual meeting through Depository.
18. **Instructions for members for attending the AGM through VC / OAVM are as under:**
- a. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.  
It is suggested that Shareholders may join the Meeting through a computer/tablet for a better experience.
  - b. Kindly note that allowing the use of the device's Camera and a fast Internet speed will allow the meeting to proceed smoothly.
  - c. Please note that Participants connecting with smaller devices or through hotspot connections may experience additional Audio/Video loss due to fluctuation in respective network, for which the Company cannot be responsible. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - d. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cosec@xproindia.com](mailto:cosec@xproindia.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [cosec@xproindia.com](mailto:cosec@xproindia.com). These queries will be replied to by the Company suitably by email. At the meeting, the Company reserves the absolute right to control the number of speakers, and/or the time per speaker, depending on availability of time. The Company also reserves the right to provide detailed information, if any is considered necessary, through e-mail or other appropriate means after the AGM.
  - e. Only those shareholders who have registered themselves as a speaker (as detailed above) will be allowed to express their views/ask questions during the meeting.

## **Xpro India Limited : Annual Report 2021/22**

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19. **Instructions for members for e-voting during the AGM are as under:-**
- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  - If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cosec@xproindia.com.
21. Members are hereby informed that the Company has transferred unpaid/unclaimed dividends, which remained unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 125(1) of the Companies Act, 2013.

It may be noted that no claim shall lie against the Company in respect of individual amounts which were unclaimed and unpaid for a period of 7 years and transferred to the Fund on respective due dates. Unclaimed amount once transferred to IEP Fund can be claimed by members from the Authority constituted by the Central Government under section 125 of the Companies Act, 2013 in this behalf.

## **22. EXPLANATORY STATEMENT**

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

### **Item No. 3**

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

Smt. Madhushree Birla, aged about 67 years, graduate from University of Ahmedabad, was first appointed on the Board of the Company in 2004. She has served as Director and Advisor of various Corporate Bodies at different times. She is presently Executive Director of iPro Capital Limited, renders professional advisory services and is also engaged in social work.

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

Smt. Madhushree Birla holds 1,00,125 (0.85%) Equity Shares of the Company.

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

### **Item No. 4**

M/s Walker Chandio & Co. LLP, Chartered Accountants, ("WCC" ) were appointed as Statutory Auditors at the 20<sup>th</sup> Annual General Meeting ('AGM') held on September 5, 2017 for a period of 5 years, up to the conclusion of 25<sup>th</sup> AGM. WCC are eligible for re-appointment for a further period of 5 years, and have given their consent for their re-appointment as Statutory Auditors of the Company. Based on the recommendations of the Audit Committee and the Board of Directors, it is proposed to re-appoint M/s. Walker Chandio & Co. LLP, Chartered Accountants,

## **Xpro India Limited : Annual Report 2021/22**

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(Firm Registration Number is 001076N/N500013), as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM. The Board of Directors has approved a remuneration of Rs.25 lacs for conducting the audit for the financial year 2022-23, excluding applicable taxes and reimbursement of reasonable out-of-pocket expenses on actuals. The Board of Directors in consultation with the Audit Committee may finalise, alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

WCC while consenting to the said appointment have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014. As confirmed to the Audit Committee and stated in their report on financial statements, the Auditors have reported their independence from the Company and its subsidiary according to the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the ethical requirements relevant to audit. The firm holds the 'Peer Review' certificate as issued by 'ICAI'.

Established in 1935, WCC is registered with the Institute of Chartered Accountants of India as well as the PCAOB (US Public Company Accountancy Oversight Board). With its registered office situated at New Delhi, the firm has 13 offices in major cities in India. It licenses audit software as well as audit methodology from Grant Thornton International. In India, the Firm has 50 Partners and total staffing of over 1500, and has experience with more than 100 listed & large Companies. In deciding the re-appointment of auditors and finalising the proposed remuneration, the Audit Committee and the Board evaluated the overall performance of the firm during the audit(s) conducted in the first five year term and also considered various parameters like capability to serve a diverse and complex business landscape relevant to the Company, audit experience in the Company's operating segments, market standing and credentials, clientele served, technical knowledge, independence, relevant experience etc.,

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 4 of the Notice.

### **Item No. 5**

The Board of Directors at its Meeting held on May 25, 2022, on the recommendation of the Remuneration and Nomination Committee ('RNC') appointed Sri K Balakrishnan as a Non-Executive Independent Director of the Company for a period of five years with effect from May 25, 2022, subject to the approval of shareholders.

Sri K Balakrishnan, aged about 63 years, is a qualified Chartered Accountant and Company Secretary. He has over three decades of professional experience, of which around 25 years have been in Financial Services business in India, providing strategic and financial advice to variety of Indian and Multinational Corporations, Financial Sponsors and private business families. Currently, he is the Chairman of Kriscore Financial Advisors Private Limited.

Prior to Kriscore, Sri Balakrishnan was Chairman & Managing Director of Lazard India and was responsible for building Lazard's business in India. With excellent client relationships and domain knowledge, he was instrumental in origination and leading execution of most transactions. He also served as Head of Corporate Finance and Advisory for HSBC Investment Bank and was responsible for the corporate finance and advisory business of HSBC Investment Banking in India. He has also worked with Infrastructure Leasing & Finance Services Limited, Mumbai, and lead teams both on advisory and financing assignments.

Sri Balakrishnan is presently Independent Director on the Board of Fedbank Financial Services Limited (Unlisted Entity) and Director in Kriscore Financial Advisors Private Limited & Kriscore Ventures Private Limited. Sri Balakrishnan ceased to be a Director in India Cements Limited w.e.f. August 20, 2019 and The Federal Bank Limited w.e.f. September 24, 2021 on expiry of the respective tenure of appointment.

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

## **Xpro India Limited : Annual Report 2021/22**

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In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri Balakrishnan, being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director to hold office for a term of five years effective May 25, 2022. A notice has been received from a member proposing Sri Balakrishnan as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri Balakrishnan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as a Non-Executive Independent Director and is independent of the promoters and management. His skills and capabilities have been detailed in the annexure to Corporate Governance Report.

The Board considers that his association would be of appropriate and significant benefit to the Company and it is desirable to avail the services of Sri Balakrishnan as a Non-Executive Independent Director. Accordingly, the Board recommends the resolution for the approval by the members.

Except Sri K Balakrishnan, being the proposed appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

### **Item No. 6**

The Board of Directors at its Meeting held on May 25, 2022, on the recommendation of the Remuneration and Nomination Committee ('RNC'), appointed Sri Bharat Jhaver as a Non-Executive Non-Independent Director, liable to retire by rotation, with effect from May 25, 2022, subject to the approval of shareholders.

Sri Bharat Jhaver, aged about 44 years, obtained his Master's Degree in Chemical Engineering from Cornell, USA. Sri Jhaver, presently President of Tablets (India) Limited, a leading Pharmaceutical company in India which has pioneered various novel therapies and has grown its production to over USD 100 million under his leadership, has an experience of over a decade in managing multi-varied businesses with expertise in Pharmaceuticals and in establishing and managing joint ventures. He was recognized as "Leading Health Professional of the World 2010" in the arena of "Probiotic Revolution in India" and has also been recognized at the Indian Pharma Association Convention 2010.

Sri Jhaver is presently a Non-Executive Non-Independent Director on the Board of Dhunseri Ventures Limited (Listed Entity) and Director in Sinto Bharat Manufacturing Private Limited, Amethyst Properties Private Limited, Eldorado Properties Private Limited and Southern India Chamber of Commerce & Industry. He is a Member of the Audit Committee of Dhunseri Ventures Limited and is a Designated Partner in RSRK Estates LLP, Shravan Ventures LLP, Just Rental Holdings LLP and Grande Assets Madras LLP. Sri Jhaver had resigned as Independent Director from the Board of Dhunseri Ventures Limited on February 12, 2020 (as he preferred to be Non-Independent) and was re-appointed as Non-Executive Non-Independent Director on the same day. Sri Jhaver is also a member of the National Executive Committee of FICCI, of the Executive Committee of YPO-Chennai and a Trustee of the Birla Education Trust, Pilani.

Sri Jhaver does not hold any Equity Shares of the Company in his own name, while Smt. Vasuri Jhaver, his wife, holds 52448 (0.44 %) Equity Shares.

A notice has been received from a member proposing Sri Jhaver as a candidate for the office of Director of the Company.

The Board of Directors is of the opinion that Sri Jhaver's knowledge and varied experience of building businesses, developing appropriate strategies, plans, systems & processes and running operations will be of significant benefit to the Company. Accordingly, the Board recommends the resolution for the approval by the members.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution except Sri Sidharth Birla and Smt. Madhushree Birla who are related to Sri Bharat Jhaver.

The relatives of the Sri Bharat Jhaver may be deemed to be concerned or interested in the Resolution to the extent of their Shareholding, if any, in the Company.

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

## Xpro India Limited : Annual Report 2021/22

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### Item No. 7

Equity shares of the Company are listed and actively traded on the National Stock Exchange of India Limited (NSE) and are also admitted for trading on the BSE Limited (BSE) under the category of "Permitted Securities". The Company has in recent years turned in growth, and improved profitability. Growth plans have been crystallised and steps have been initiated to enhance the capital base. Having reviewed the capital resource base (capital & reserves) and other relevant factors, the Board of Directors at its meeting held on May 25, 2022, has recommended for approval by shareholders, the issue and allotment of bonus equity shares of Rs.10/- (Rupee Ten) each credited as fully paid-up to eligible members in the proportion of 1 (One) new fully paid-up equity share of Rs.10/- (Rupee Ten) each for every 2 (Two) existing fully paid-up equity shares of Rs.10/- (Rupee Ten) each held by them, by capitalizing a sum not exceeding Rs.5,90,67,500/- (Rupees Five crores ninety lacs sixty seven thousand and five hundred Only) from and out of the Company's Free Reserves, Securities Premium Account and/or such other account as on March 31, 2022, as may be decided by the Board of Directors. The bonus issue would also help in increasing the liquidity of the equity shares and likely serve to encourage further participation of small investors and expand the retail shareholder base.

Prevailing SEBI guidelines require, inter alia, that an issuer shall make a bonus issue of equity shares only if it has made reservation of equity shares of the same class in favour of the holders of outstanding compulsorily convertible debt instruments if any, in proportion to the convertible part thereof, and the equity shares so reserved for the holders of compulsorily convertible instruments, shall be issued to the holder of such convertible debt instruments or warrants at the time of conversion of such convertible debt instruments, optionally convertible instruments, warrants, as the case may be, on the same terms or same proportion at which the bonus shares were issued. Accordingly it has been proposed that further 9,84,000 bonus equity shares be kept in reserve to be issued, in the ratio of 1 (one) bonus equity share of Rs.10/- each for every 2 (two) fully paid-up equity shares after exercise of option by the holder(s) and conversion of upto 19,68,000 convertible warrants outstanding as on March 31, 2022 into fully paid equity shares within a period of eighteen months from the date of allotment thereof, by capitalisation of a sum not exceeding Rs.98,40,000/- (Rupees Ninety eight lakh forty thousand only) out of the Company's Free Reserves, Securities Premium Account and/or such other account, as may be decided by the Board of Directors. The 19,68,000 convertible warrants are held by Central India General Agents Limited [2,62,000], Janardhan Trading Co. Limited [66,000] (both members of the promoter group of the Company) and Malabar India Fund Limited, a category I foreign portfolio investor (non-promoter, public) [16,40,000].

Article 75 of the Articles of Association of the Company permits capitalization of any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including securities premium account and capital redemption reserve account), or to the credit of the profit and loss account, or otherwise available for distribution by applying the same towards payment of unissued shares to be issued to the Members as fully paid bonus shares.

The bonus equity shares (including the bonus equity shares to be reserved and issued against the 19,68,000 convertible warrants as and when the said warrants are exercised and converted into equity shares) so allotted shall always be subject to the terms and conditions contained in the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as existing fully paid-up equity shares of the Company (save that bonus equity shares to be issued and allotted on conversion of convertible warrants shall be subject to lock-in period as applicable as per ICDR Regulations) and shall be entitled to participate in full in any dividend(s) to be declared after the bonus equity shares are issued and allotted.

Fractional shares, if any, arising out of the issue and allotment of the bonus equity shares may be ignored or the Board may otherwise make suitable arrangements to deal with such fractions for the benefit of the eligible Members, including but not limited to, allotting the total number of new equity shares representing such fractions to a person(s) to be appointed by the Board who would hold them in trust for such Members and shall as soon as possible sell such equity shares at the prevailing market rate and the net sale proceeds of such equity shares, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements.

Pursuant to the provisions of Section 63 and other applicable provisions, if any, of the Companies Act, 2013 and subject to applicable statutory and regulatory approvals, the issue of bonus shares requires the approval of the



## Xpro India Limited : Annual Report 2021/22

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Members. Accordingly, approval of the Members is hereby sought by way of Ordinary Resolution as set out in Item No.7 of the Notice.

The capital of the Company post completion of bonus issue is projected below:

Capital	Existing Capital	Outstanding Convertible Warrants *	Ratio of 1:2 (One bonus equity share for every two fully paid equity share held)	
			Bonus Issue	Post Bonus Capital
	(A)	(B)	(C)	(A+B+C)
Authorised (shares)	3,50,00,000	-	-	3,50,00,000
Authorised (Rs.)	35,00,00,000	-	-	35,00,00,000
Issued (shares)*	1,18,13,500	19,68,000	68,90,750	2,06,72,250
Issued (Rs.)	11,81,35,000	1,96,80,000	6,89,07,500	20,67,22,500
Subscribed and Paid-up (shares)	1,18,13,500	-	59,06,750	1,77,20,250

\*The 19,68,000 convertible warrants have not been included in the Existing Share Capital of the Company and accordingly bonus entitlement for these shares are to be reserved.

None of the Directors, Promoters, Key Managerial Personnel of the Company and their relatives are, in anyway, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of this Notice except to the extent of their shareholding in the Company.

### Item No. 8

The Board of Directors, on the recommendation of the Audit Committee, have approved the appointment and remuneration of M/s Sanghavi Randeria & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2022-23 as set out in the Resolution for the aforesaid services to be rendered by them.

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

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

Kolkata  
May 25, 2022

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

By Order of the Board

Amit Dhanuka  
Company Secretary  
e-mail: cosec@xproindia.com  
Tel.: +91-33-40823700  
website: www.xproindia.com

## Xpro India Limited : Annual Report 2021/22

### REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2022.

### FINANCIAL RESULTS & SHARE CAPITAL (Amounts in INR lacs)

	<u>FY 2022</u>	<u>FY 2021</u>
<b>Operations for the year resulted in a Profit before Interest and Depreciation (PBIDT) of</b>	6566.20	4247.60
less: Interest & other finance costs	<u>1300.72</u>	<u>1653.26</u>
<b>Profit before Depreciation and Tax (PBDT)</b>	5265.48	2594.34
less: Depreciation	<u>1206.81</u>	<u>1239.69</u>
<b>Profit Before Tax (PBT)</b>	4058.67	1354.65
less: Exceptional items ( <i>net</i> )	-	( 51.00 )
less: MAT credit for earlier years written off	-	( 533.58 )
add: Tax adjustment for earlier years	( 20.12 )	20.93
add: Deferred Tax asset	<u>454.52</u>	<u>-</u>
<b>Profit after Tax (PAT)</b>	4493.07	791.00
add : Other comprehensive income	( 28.53 )	( 39.55 )
add : Surplus brought forward	<u>590.01</u>	<u>( 161.44 )</u>
<b>Balance available for appropriation</b>	5054.55	590.01
Which is appropriated as :		
<b>- Surplus carried forward</b>	<u>5054.55</u>	<u>590.01</u>

These results signify - in essence - steady operations, sustained market opportunities for our technically robust product offerings, and the strategic initiatives over the past few years. It is gratifying that these results were achieved, and the tempo of the previous year's second-half was maintained, in the face of uncertainties due to the pandemic and global economic conditions. Going forward, while one may reasonably expect the momentum in our markets to continue, in the prevailing macro-environment sudden volume and/or margin hiccups or other disruptions cannot be ruled out.

During the year the Company, upon shareholder approval and receipt of subscription amounts, allotted on a preferential basis 19,68,000 Convertible Warrants to (a) Central India General Agents Limited (2,62,000 warrants) and Janardhan Trading Co. Limited (66,000 warrants) - both members of the promoter group; and (b) Malabar India Fund Limited ("Malabar"), a category I foreign portfolio investor (non-promoter, public) (16,40,000 warrants) at an issue price ("warrant exercise price") of Rs.762 per warrant, including a premium of Rs.752 each. 25% of the warrant exercise price was payable for allotment (Rs.37.49 crores) and the balance 75% is payable at the warrant holder's option within 18 months and each warrant upon being fully paid-up shall be entitled for conversion into 1 equity share of face value Rs.10 each. Proceeds from the issue would aggregate to Rs.149.96 crores on full conversion, including the allotment amount already received as above. Proceeds from the issue are being fully utilized for purposes stated in the offer letter. The Board welcomes Malabar's association as a worthy stakeholder in the Company's future.

The Directors having considered the relevant factors in the Dividend Distribution Policy are pleased to recommend for shareholders' approval a Dividend of Rs.2.00 per equity share (subject to tax) for the financial year ended March 31, 2022. This declaration is compliant with the said policy.

Further, having carefully reviewed the capital resource base (capital & reserves) and various other relevant factors, the Board recommends for approval by shareholders the issue and allotment of Bonus shares by capitalization of appropriate reserves and surplus, in the ratio of 1 equity share for every 2 equity shares. Equity Capital shall expand from Rs 11.81 crores to Rs 17.72 crores as a consequence. All holders of Warrants shall also receive Bonus shares in the same ratio on the equity shares allotted to them, after such allotment; assuming full conversion of Warrants into equity shares, the final Equity Capital would stand at Rs.20.67 crores, latest by July 2023.

## Xpro India Limited : Annual Report 2021/22

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### REVIEW OF KEY BUSINESS MATTERS

Against a backdrop of slowing economic growth over 2018-20, which was then magnified by the Covid/lockdown shocks, macroeconomic management and stimulating broad-based recovery are major domestic challenges. The global economic environment and outlook are both uncertain as nations grapple with slower growth, increased inflation, covid-induced disruptions in China, the Ukrainian situation with its fallout on Europe and global supply chains, and a declining capital flow to developing economies.

Reserve Bank of India, IMF and various institutions essentially accept that the global economy stands at a tough juncture. Inflation is entrenched across economies and most risks tilted downside. Many people's income levels have reduced while income and wealth inequality has clearly gone up; this also affects demand across many sectors. How all these factors will play out in socio-economic and policy terms cannot be forecast. Nevertheless, one hopes that discretionary consumption in India will grow and stabilize at higher levels. Private investment can revive only thereafter; in reality it seems likely that meaningful investment-led growth still has some time to materialize.

The domestic corporate sector has performed well though growth and earnings were led by select sectors and companies, even as many others - particularly many smaller enterprises - struggled with liquidity concerns, higher input costs, lower margins and indifferent markets. Going forward, the ability to set pricing and maintain volumes will be a key factor in cash generating ability; niche or specialized manufacturing companies will probably be better placed in this regard.

The Company's operational performance in FY 21-22 has delivered resilient cash generation. Market capitalization also rose steadily over the period - evidencing keen investor interest. We believe, notwithstanding the covid-led disruptions, the 15-18 month period (including the FY 20-21 post-lockdown period) vouches for our strategic direction and sets new benchmarks for operating and financial parameters that can be reasonably expected under steady conditions.

Aggregate production volumes rose marginally to 29,508 MT (28,478 MT), while sales value of the product and value-add mix grew by over 26% to Rs.471.72 crores (Rs.373.35 crores). Exports were substantially higher at Rs.22.62 crores (Rs.9.55 crores). Operating PBIDT was higher at Rs.65.66 crores (Rs.42.48 crores) while interest and financial costs were lower at Rs.13.00 crores (Rs.16.53 crores). Profit after Depreciation was Rs.40.59 crores (Rs.13.55 crores) and the overall debt was brought down by Rs.45.87 crores (Rs.33.74 crores) including by prepayment of some domestic loans.

The dielectric film line (Biax Division - Unit II at Barjora) has delivered healthy volumes on production and sales build-up. This unit remains the sole Indian manufacturer of high-quality dielectric BOPP films, with its own development capabilities, that has established itself in the market competing with imports from multiple suppliers in China (price-led), Japan, South Korea and Europe (perceived quality-led). Exports to USA and Germany also continued well in the midst of the pandemic and shipping uncertainties. Excitement and growth in EV (electrical vehicles) segment can also augur well for the range of the Company's competencies and dielectric products.

Consumer durables, including refrigerators (the significant client base for Coex Division at Ranjangaon and Greater Noida) achieved subdued growth. A quick recovery from the pandemic-driven demand restraint was tempered in the last quarter by uncertainties arising from resurgence of covid, and inflationary trends. Aggressive competition in the end-product markets does force our OEM customers to moderate the value-addition afforded to the suppliers. However, in coming periods one expects renewed demand for consumer durables. The Company continues to be the leading supplier of sheets and liners for white goods of most leading brands. The white goods industry hold good and long-term potential and therefore continues to attract global players.

Though we remain open to all practical opportunities to grow, our preferred approach to increasing business value is via investing in organic growth and enhancing our product value-additions. The Company intends to maintain a leadership position and increase market share in its product niches, building on its manufacturing facilities & skills, development, marketing & export competency, and healthy relationships with customers and suppliers. It is equally important for us to point out that the technical excellence and superior customer service levels have come about due to diligent application of mind and sustained organizational efforts at all levels - not via external or collaboration connects. This homegrown perspective inspires a sense of great pride in our Indian-centric self-sufficiency resulting from our team's enterprise.

During the year we announced the intention to opt for material capacity expansion by adding new manufacturing lines for dielectric and other technologically superior grades of biaxially oriented polypropylene film. This would again be the largest investment initiative undertaken by the Company. The first phase would aim to double capacity at the existing

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facility at Barjora, to be followed by a second phase either at Barjora or another appropriate location. Such phases could probably span over at least the next 2 - 4 years taking into account long equipment delivery periods - which incidentally is the critical-path activity for this investment. This initiative should help consolidate our domestic first-mover advantage in this high-tech segment, and the position as a quality value-add producer, so as to achieve a globally worthy standing in supplying state-of-the-art dielectric film products and intelligent solutions. Additionally, expansion in the Coex division requires a much shorter timeline and will be rationally linked to its related market trends.

Shareholders had approved in FY 2019-20 the sale, transfer or disposal otherwise of Unit I at Barjora (manufacturing packaging grade BOPP films). Certain necessary approvals from West Bengal Government relating to sale/transfer were received only during the year. Transfer of business awaits certain closures at the acquirer's end, but payment has been received in full; the relevant assets are classified as "held for sale". The transaction is expected to formally conclude in the current year. In the meanwhile, as a transitory arrangement, we continue toll manufacturing at this unit on account of the acquirer.

Operations of the subsidiary company Xpro Global Limited remain insignificant, with trading activities suspended during the year while management seeks trading opportunities for future.

### DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

Ms Suhana Murshed was appointed as a Non-Executive Independent Director at the last Annual General Meeting held on August 10, 2021, for a term of five years.

The Board of Directors, on recommendation of the Remuneration and Nomination Committee, appointed as Additional Directors, Sri K Balakrishnan in the capacity of a Non-Executive Independent Director to hold office for a term of five years with effect from May 25, 2022, and Sri Bharat Jhaver as a Non-Executive Non-Independent Director liable to retire by rotation, both subject to approval of shareholders at the ensuing Annual General Meeting.

During the year, six Board Meetings were convened and held as per details in the annexed Corporate Governance Report. The Independent Directors met separately on February 4, 2022 as required.

### STATUTORY AND OTHER MATTERS

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

The Annual Return (Form MGT-7) is available on the Company's website at [www.xproindia.com/annual-reports.html](http://www.xproindia.com/annual-reports.html) and information on conservation of energy, technology absorption & foreign exchange earnings and outgo is furnished in annexure hereto.

The Board has, on recommendation of the Remuneration and Nomination Committee, framed a policy for appointment and remuneration of Directors and Senior Managerial Personnel and criteria for determining independence and relevant matters (policy and criteria are annexed; policy also available at [www.xproindia.com/Codes/XILPolicyRemuneration.pdf](http://www.xproindia.com/Codes/XILPolicyRemuneration.pdf)). Pursuant to the provisions of the Act and SEBI Listing Regulations, 2015, the Board carried out annual evaluation of its performance, and individually for directors (including independent) as well as the evaluation of its Audit, Remuneration and Nomination, and Stakeholders Relationship Committees. The concerned Director does not participate in a meeting while he/she is being evaluated. A questionnaire was circulated to all Directors. The Remuneration and Nomination Committee also evaluated the performance aspects of every Director. The evaluation of the Chairman and of the non-independent Directors was also carried out at the separate meeting of Independent Directors.

The Company has formulated a Policy for determining material subsidiaries as required under Regulation 16(1)(c) of the SEBI Listing Regulations, 2015 (available at [www.xproindia.com/Codes/XILPolMatSubs.pdf](http://www.xproindia.com/Codes/XILPolMatSubs.pdf)). The Company has one wholly owned subsidiary viz. Xpro Global Limited. Performance and financial position of the said subsidiary is annexed herewith in Form AOC-1 as required.

The Company has constituted a Risk Management Committee of the Board to, inter alia, review business risks with the responsibility of implementing and monitoring the Risk Management Policy on a periodic basis. The main objective of

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such policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the Company's business and processes. The Board is informed about the identified risks, assessment thereof and minimization procedures and identification of risk elements which in the opinion of the Committee may threaten existence of the Company.

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

The Company has not granted any loan or issued any guarantee or made any investment to which the provisions of Section 186 of the Act apply. The Company does not invite or accept any Fixed Deposits and accordingly there are none outstanding as on March 31, 2022.

Transactions with related parties during the year were in the ordinary course of business and on arm's length basis. There are no material related party transactions entered into by the Company which may have a potential conflict of interest with that of the Company and to which Section 188(1) of the Act applies. Accordingly Form AOC-2 is not required to be annexed. As required under provisions of the Act and Regulation 23 of SEBI Listing Regulations, 2015, all proposed Related Party Transactions are placed before the Audit Committee for approval or for omnibus approval as necessary and a statement of all such transactions is also placed for review. The policy on Related Party Transactions is uploaded on the website [www.xproindia.com/Codes/XILPolRelPartyTrans.pdf](http://www.xproindia.com/Codes/XILPolRelPartyTrans.pdf). The Audit Committee is compliant with Section 177 of the Act and Regulation 18 of SEBI Listing Regulations, 2015; details are in our Corporate Governance Report. There was no instance during the year where the Board did not accept any recommendation of the Audit Committee.

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

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

Information pursuant to Section 197(12) of the Act read with Rule 5 (as amended) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed. A Committee is set up to look into complaints under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; no related complaint was filed during the year, and none are pending.

The Company has constituted a Committee on Corporate Social Responsibility (CSR), in compliance with Section 135 of the Companies Act, 2013, details of which are furnished in the Corporate Governance Report. Steps have always been taken by the Company for education, social and inclusive development in its local areas, besides immediate humane response and support during the pandemic; however given the relatively small size of the units and their geographical spread, it has not been practical to yet undertake any significant projects beyond these. Your Company carries out CSR activities mainly through other implementing agencies or contribution to approved funds as the CSR Committee and the Board decide. The CSR Policy and the annual report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, are annexed herewith.

The Company is at present among the top 1000 listed entities based on market capitalization (as at March 31, 2022). Accordingly, a Dividend Distribution Policy, as required, was adopted by the Board and is available on the Company's web-site at [www.xproindia.com/Codes/XILDivDistPolicy.pdf](http://www.xproindia.com/Codes/XILDivDistPolicy.pdf). A Business Responsibility Report as now required is also annexed herewith.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As per Regulation 17(8) of SEBI Listing Regulations, 2015 the CEO and CFO certified the financial statements; which have been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care, pursuant to Section 134(3)(c) of the Act, the Directors indicate that (i) in preparation of the annual accounts, applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the Directors selected such accounting policies and applied them consistently and made judgements and estimates that

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are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year; (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (iv) the Directors had prepared the annual accounts on a going concern basis; (v) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **AUDITORS' OBSERVATIONS**

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

### **AUDITORS**

M/s Walker Chandiook & Co LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company at the 20<sup>th</sup> Annual General Meeting held on September 5, 2017 to hold office for a term of five years until the conclusion of the 25<sup>th</sup> Annual General Meeting. Being eligible they have offered themselves for reappointment. As proposed by the Audit Committee and recommended by the Board of Directors, re-appointment of M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No.001076N/N500013) is being proposed as the Statutory Auditors to hold office for a second and final term of 5 (Five) consecutive years from the conclusion of the 25<sup>th</sup> Annual General Meeting till the conclusion of the 30<sup>th</sup> Annual General Meeting.

Pursuant to Section 204 of the Act, the Company appointed Sri Girish Bhatia, practicing Company Secretary, to undertake Secretarial Audit of the Company. The Report of Secretarial Auditors is annexed herewith.

Cost Audit for the year ended March 31, 2022 is being carried out by M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Firm Registration No. 00175). The Board, on recommendation by the Audit Committee, has appointed M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai, to conduct the audit of the cost records of the Company for the year ending March 31, 2023. In terms of Section 148 (3) of the Act their remuneration is required to be approved at the forthcoming Annual General meeting.

### **ACKNOWLEDGEMENTS**

Former Company Secretary, Sri S C Jain, who was also advising the Company post-retirement, demised suddenly in January 2022. The Board expresses its sincere condolences and recalls his dedicated services during his long tenure.

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from all its Bankers, particularly the lead bank, State Bank of India, all concerned Government and other authorities and Shareholders. Relations with employees were generally cordial. We particularly record our appreciation of the sincere and dedicated services made by all employees during what has been a trying period. We greatly appreciate the trust, faith and confidence of the Shareholders as reposed in the Company.

**For and on behalf of the Board**

New Delhi  
May 25, 2022

**Sidharth Birla**  
Chairman

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

The Board has adopted its corporate governance obligations under relevant regulations, listing agreement and laws and, in addition, certain best practices relating thereto. The Board adheres to the conviction that good governance is voluntary and self-disciplining, with the clearest thrust from Directors and the management itself, and is ultimately a positive for all stakeholders. The management and organization at Xpro India Limited strives to remain progressive, competent and trustworthy, creating and enhancing value for stakeholders and customers, while reflecting and respecting the best of Indian values in conduct. The Board lays significant emphasis on integrity, transparency and accountability.

### **THE BOARD OF DIRECTORS**

#### **Composition**

The Board presently consists of 10 Directors (including the new appointees), of whom 6 are independent. The Board collectively has the governance and professional skills, knowledge and experience required to effectively govern and direct the Company. Current regulations require that the Company should have at least one Woman Director and that at least 50% of the Directors should be independent; these norms are met. Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, policy and administration, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. Our Board has 6 independent Directors viz. Sri K. Balakrishnan (Financial Advisor), Sri Amitabha Guha (a Banker), Sri Ashok Kumar Jha (IAS (retd.), formerly Finance Secretary, Govt. of India), Ms. Suhana Murshed (Advocate), Sri Utsav Parekh (Merchant Banker), and Sri S. Ragothaman (company director, formerly senior officer at ICICI). The Directors confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in the regulations and that they are independent of the management.

Independent Directors are given a formal letter of appointment (copy available on Company's website) which, *inter-alia*, describes their basic role, functions, duties and responsibilities. A familiarization program for Independent Directors acquaints them with these, and nature of industry where the Company operates, Company's business model etc. (relevant details of familiarization programs are on the Company's website at [www.xproindia.com/Codes/XILIDFmlrznProg.pdf](http://www.xproindia.com/Codes/XILIDFmlrznProg.pdf)). The Remuneration & Nomination Committee has a framework for performance evaluation of Independent Directors (annexed herewith) and such evaluation is done by the Board (excluding the Director being evaluated) and based on evaluation, the Board determines continuation or extension of the term of Independent Director. Performance evaluation of non-independent Directors and the Board as a whole and the Chairman is also done by the Independent Directors as per relevant regulations. The Board deliberates duly on orderly succession of Board members and senior management. As a policy, and as per the Articles of the Company, the identities, positions, duties and responsibilities of the Chairman and Chief Executive are kept separate and appropriately defined. These roles are harmonizing but distinct with the Chairman responsible for managing the business of the Board and the Chief Executive responsible for managing the businesses of the Company. Accordingly the Chairman's position, even where whole-time, has been considered non-executive in nature as his role specified by the Board does not cover day-to-day or routine managerial tasks and responsibilities. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director who holds executive authority and responsibilities. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; Sri Bharat Jhaver, Non-Executive Non-Independent Director, is related to them; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, directorships (public limited companies only) ("B"), membership and chairmanship ("M" & "Ch") of SEBI specified committees, sitting fees (including for committees) paid during the year, and shareholding in the Company as on March 31, 2022.

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). All other Directors retire by rotation and, when eligible, qualify for re-appointment. Nominees of

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Financial Institutions (if any) are not considered independent and do not usually retire by rotation. The Board has chosen not to, in the usual course, propose appointment or re-appointment of a Director or Executive Director who has completed 80 & 70 years of age respectively. Specified details are provided in the notice for any Directors' appointment or re-appointment.

Director / Category	Attendance	B / M / Ch	Fees (Rs.)	Shareholding
<b><u>Independent</u></b>				
Sri Amitabha Guha	6 / 6	2 / 3 / -	8,65,000	-
Sri Ashok Kumar Jha	6 / 6	3 / 3 / 1	6,50,000	-
Ms. Suhana Murshed (w.e.f. August 10, 2021)	4 / 5	4 / 2 / -	4,50,000	-
Sri Utsav Parekh	5 / 6	9 / 7 / 4	6,90,000	500 (neg.%)
Sri S. Ragothaman	6 / 6	5 / 4 / 2	7,95,000	68,493 (0.58%)
<b><u>Representing Promoters</u></b>				
Smt. Madhushree Birla	6 / 6	3 / - / -	6,00,000	1,00,125 (0.85%)
Sri Sidharth Birla	6 / 6	4 / 1 / -	Nil	1,01,875 (0.86%)
<b><u>Executive (Managing Director)</u></b>				
Sri C Bhaskar	6 / 6	4 / 2 / 1	Nil	57,911 (0.50%)

- Sri Sidharth Birla & Sri C Bhaskar are employed by the Company;
- Sri K Balakrishnan & Sri Bharat Jhaver joined the Board w.e.f. May 25, 2022; hence not included in Table above
- Fees include those for committee meetings;
- Details of skills/experience/competence of Directors are given in annexure;

### Duties & Responsibilities

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

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



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### **BOARD MEETINGS AND COMMITTEES**

Board meetings are typically scheduled well in advance and are normally held at Company offices, including at plants, or through video conferencing where permitted by applicable laws/guidelines. The Board meets at least once after the end of each quarter to, inter-alia, review all relevant matters and consider and approve quarterly financial results. The Board meets on ad-hoc basis to receive presentations on and deliberate upon strategic and operational plans of the management. Agenda for all meetings are prepared by the Secretary in consultation with the Chairman and papers are circulated to all directors in advance. Directors have access to the Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior officers provide presentations/clarifications whenever required. To enable fuller and detailed attention to relevant matters, the Board from time to time delegates specific 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 6 times - on May 25, August 10, October 29, & December 2, 2021 and January 11 & February 4, 2022.

Independent Directors' Meeting held on February 4, 2022 to address matters prescribed both under the Act & SEBI Regulations, was attended by Sri Amitabha Guha, Sri Ashok Kumar Jha, Ms. Suhana Murshed, and Sri S. Ragothaman.

#### **Audit Committee**

The terms of reference of the Audit committee, specified by the Board in writing, includes the whole as specified in the Companies Act and in listing regulations, including review of audit procedures and techniques, financial reporting systems, reviewing and approving related party transactions, scrutiny of inter-corporate loans and investments, review of the functioning of the Whistle Blower mechanism, review of Management discussion and analysis report, Management letters/Letters of internal control weakness from Auditors, internal Audit Reports relating to internal control weaknesses, internal control systems and procedures besides ensuring compliance with relevant regulatory guidelines. The committee members are all independent directors collectively having skills and requisite knowledge in finance, accounts and company law. The committee recommends the appointment of CFO, as and when required, external, internal and cost auditors and their fees and other payments and also takes an overview of the financial reporting process to ensure that the financial statements are correct, sufficient and credible. Any financial reports of the Company can be placed in the public domain only after review by the Audit committee. The reports of the statutory as well as internal auditors are regularly reviewed, along with comments and action-taken reports of management. The committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it may require. The committee comprises Sri S. Ragothaman (as its Chairman), Sri Utsav Parekh and Sri Amitabha Guha, and is mandated to meet at least four times in a year to consider the final audited accounts and to review each quarter Un-audited Financial Results and the limited review reports before they are put up to the Board. The committee met 4 times during the year on May 25, August 10 & October 29, 2021 and February 4, 2022 and the meetings were attended by all members. The Chairman of the Audit Committee was present at the last Annual General Meeting held on August 10, 2021.

#### **Remuneration & Nomination Committee**

The Remuneration & Nomination Committee (which discharges the functions of the Nomination and Remuneration Committee as envisaged under Sec.178 of the Companies Act, 2013 and SEBI Listing Regulations) comprises of a majority of independent directors. The Committee helps ensure that non-executive Directors make decisions on the appointment, remuneration, assessment and progression of Executive Directors and senior officers; Chairman's remuneration is recommended by the Committee to the Board and compensation to other non-executive Directors is a subject only for the whole Board. The Committee has devised a policy on Board diversity and when required, makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further Directors to strengthen the Board. The Committee has also formulated criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board a policy for the remuneration of the Directors, Key Managerial Personnel and other employees as well as criteria for evaluation of Independent Directors and the Board (Remuneration Policy and the Evaluation criteria are annexed herewith). The Committee is also entrusted with discharging the functions of a Compensation Committee as envisaged in SEBI ESOPs Guidelines. The committee comprises of Sri Amitabha Guha, (Chairman), Sri Sidharth Birla and Sri Utsav Parekh. The committee met twice during the year. All members attended the Committee meetings held on June 19, 2021 and January 29, 2022. A Working Group

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comprising of Chairman of the Remuneration & Nomination Committee and Managing Director & Chief Executive Officer has been set up to examine and study and support the Board on aspects of Succession Planning.

All directors other than the Chairman and any executive director(s) are paid sitting fees for meetings of the Board or its committees attended: Rs.50,000 each per meeting of the Board (however in view of the complex and demanding situation arising from (a) the renewed pandemic and the resulting uncertainties; and (b) the Company embarking on its largest capital raise ever, for all of which additional time, participation, guidance and effort was sought from Directors by the Company to ensure that challenges were well faced with a positive outcome, especially keeping in view the size and wide-ranging nature of issues, an enhanced fee of Rs.100,000 each per Board Meeting attended was paid to eligible directors, as a special case during 2021-22), Rs.50,000 each per Independent Directors' Meeting, Rs.30,000 each per meeting of the Audit Committee, Rs.25,000 each per meeting of the Remuneration & Nomination Committee, Rs.30,000 each per meeting of the Committee of Directors, Rs.25,000 each per meeting of the Risk Management Committee and Rs.5,000 each per meeting of the Stakeholders' Relationship Committee. A fee of Rs.12,500 is paid for each meeting of the Working Group. No fee is paid for meetings of the CSR Committee. Members have approved the payment of remuneration to Sri Sidharth Birla, Chairman, re-appointed with effect from March 1, 2020 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 197 of the Companies Act, 2013 or any re-enactment thereof, as may be applicable (in aggregate subject to minimum remuneration as per limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 or any re-enactment thereof, as may be applicable). Accordingly he is now paid a salary of Rs.8.00 lacs per month and other benefits/allowances as per rules of the Company. Members have approved payment of remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, re-appointed with effect from January 1, 2021 for 3 years, comprising salary, commission (not exceeding 2% of net profits), perquisites and other benefits/allowances as may be decided by the Board from time to time, subject in aggregate to a maximum of 5% of the net profits of the Company as per relevant calculation (in aggregate subject to minimum remuneration upto Rs.20 lacs per month or such higher sum as may be permitted vide any statutory modification or re-enactment). Accordingly, he is now paid a salary of Rs.7.60 lacs per month plus benefits and allowances as per Company rules; a lumpsum bonus of Rs.24.00 lacs was paid to him during the year. There are no severance fees (routine notice period not considered as severance fees) or other benefits.

### **Stakeholders Relationship Committee**

The Committee is empowered to consider and resolve the grievances of security holders of the Company as well as to discharge all functions of the Board in connection with transfers and issue of certificates and record keeping in respect of the securities issued by the Company from time to time, as well as to oversee the performance of the Registrar and Share Transfer Agents. Any shareholder grievance is referred to this Committee in the first instance for earliest resolution of a problem. The Company has over 26,400 shareholders and with a view to expedite share transfers (as may be permitted under Law/Regulations), the Registrar and Share Transfer Agents of the Company, M/s MCS Share Transfer Agent Limited, has been authorized to effect share transfers/transmissions, etc. Sri Amit Dhanuka, 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 Committee met on May 25, August 10, & October 29, 2021 and January 11, 2022, and the meetings were attended by all members. The Company/RTA did not receive any complaints/queries during the year from shareholders (directly or through regulatory bodies); as of March 31, 2022 (a) all complaints/queries were resolved and none were pending and (b) No share transfer applications were pending for registration.

### **Committee of Directors**

A Committee of Directors comprising of Sri Sidharth Birla, Sri Ashok Kumar Jha, Sri Utsav Parekh and Sri C. Bhaskar attends to matters specified and/or delegated appropriately within the extent permitted in law, by the Board from time to time. The Committee meets only as and when required to attend to exigent matters so delegated to it. There was no meeting of the Committee during the year.

### **Corporate Social Responsibility Committee**

The Board of Directors has constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of the Companies Act, 2013 to (i) formulate and recommend to the Board, a CSR Policy which shall indicate activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii)

## **Xpro India Limited : Annual Report 2021/22**

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monitor implementation of the CSR Policy from time to time. The Committee comprises of Smt. Madhushree Birla, as Chairperson, Sri Utsav Parekh and Sri C Bhaskar. Sri H. Bakshi, Sr. President & Chief Operating Officer is management invitee at the meetings of the CSR Committee. All members attended the meeting of January 21, 2022.

### **Risk Management Committee**

The Board of Directors have constituted a Risk Management Committee ("RC"), though not mandated for the Company under applicable SEBI Listing Regulations till the financial year 2021-22. The broad role and responsibilities of RC are to (i) submit the Risk management Plan to the Board for its approval and adoption; (ii) oversee the risk management infrastructure; (iii) advise the Board on risk strategy and mitigation plans; (iv) address risk management and governance in strategies for growth; (v) consult external experts, where necessary and (vi) review risk disclosure statements in any public documents or disclosure. The Committee comprises of independent directors, Sri S. Ragothaman, as Chairman, and Sri Amitabha Guha, Sri C Bhaskar, Managing Director & Chief Executive Officer, Sri H. Bakshi, Sr. President & Chief Operating Officer and Sri Vinay Kumar Agarwal, President (Finance) & Chief Financial Officer. Manufacturing units and functional management teams are represented as permanent attendees at the meetings of the RC. The Committee meeting on July 14, 2021 was attended by all the members and the permanent attendees.

### **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 are held at its Registered Office at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722 202, West Bengal. The last two AGMs were held on August 10, 2021 and September 29, 2020 through Video Conferencing/Other Audio Video Means, while the preceding AGM was held at the Registered Office on August 3, 2019. The next AGM shall be held as per the advisories issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India through Video Conferencing/Other Audio Video Means as per notice in this Annual Report and the Record Date will also be as per the notice. The last AGM was attended by all Directors. Special Resolutions were passed at the AGM held on August 3, 2019 for re-appointment of Sri Amitabha Guha, Sri Ashok Kumar Jha, Sri S. Ragothaman and Sri Utsav Parekh as non-executive Independent Directors; at the AGM held on September 29, 2020 for re-appointment of Sri Sidharth Birla, Chairman, in the whole time employment of the Company with effect from March 1, 2020 and approval of Remuneration payable to him; and at the AGM held on August 10, 2021 for re-appointment of Sri C. Bhaskar, Managing Director & Chief Executive Officer of the Company for a period of three years with effect from January 1, 2021 and approval of Remuneration payable to him. Special Resolution in respect of sale/transfer and/or otherwise disposal of the whole or substantially the whole of the Company's Bix Unit-I located at Barjora, Distt. Bankura, West Bengal was passed by the Members at the extra ordinary general meeting held on April 16, 2019. Special Resolution with regard to issue and allotment of up to 19,68,000 warrants, each carrying a right to subscribe to 1 Equity Share of the Company, at an issue price of Rs.762 (Rupees Seven Hundred Sixty Two only) per Warrant (including a premium of Rs.752/-), on a preferential allotment basis was passed by the Members at the extra ordinary general meeting held on December 29, 2021. 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, 383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata 700 045 are the Registrars and Share Transfer Agents. The general address for correspondence by shareholders is the Company Secretary (Tel. (033) 40823700; extn.1266) at Birla Building (2nd Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; the designated e-mail ID for grievance redressal is cosec@xproindia.com (of Compliance Officer) and mcsta@rediffmail.com (of Registrar and Share Transfer Agents). Shareholders may also write to the Registrars directly in matters relating to transfers etc. The Company publishes its quarterly results in English (usually The Financial Express - all editions) and relevant vernacular print media (usually Aaj Kal) and shall continue to do so, and hold its Annual General Meetings and pay dividends (if any) within time limits prescribed by law or regulations. The Company's web-site where relevant information including official news releases, if any, are displayed is at www.xproindia.com. During the year the Company made couple of presentations to institutional investors etc. which were simultaneously uploaded on the websites of the Company and of the Stock Exchanges. The financial year of the Company is April 1 to March 31. The Company's Equity Shares are listed at National Stock Exchange of India Limited, "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai 400051 (Symbol: XPROINDIA, Series EQ) (necessary

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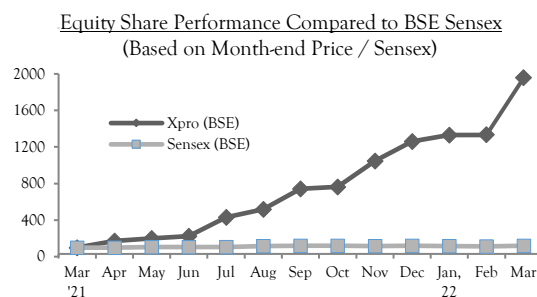
listing fee has been paid as due) and are admitted for trading on the BSE Limited, Corporate Relationship Department, 1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort, Mumbai 400 001, under the category of “Permitted Securities” (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). 98.23% of the Company’s paid up equity share capital has been dematerialized up to March 31, 2022. As informed in the previous Annual Report, no shares remain unclaimed to the credit of “Xpro India Limited - Unclaimed Suspense Account”. The Company was not required to transfer any shares to the IEPF Suspense A/c during the year u/s 124(6) of the Companies Act, 2013 and Rules made thereunder. A total of 4,23,094 shares pertaining to 22,199 shareholders remained in the IEPF Suspense A/c as of March 31, 2021. During the year, 2 shareholders had been issued 63 shares out of the IEPF Suspense A/c and accordingly, there were 4,23,031 shares belonging to 22,197 shareholders in the IEPF Suspense A/c as on March 31, 2022. Voting rights on these shares remain frozen till rightful owner of such shares claims the shares.

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

Type of Shareholder	Nos.	% by amount	Nominal Value of Shareholding	Nos.	% by amount
Banks, FI's, Insurance Companies	11	0.01	Upto Rs.5,000	25,796	9.13
Central/State Government	1	0.03	Rs.5,001 to Rs.20,000	483	3.95
Domestic Companies	208	51.96	Rs.20,001 to Rs.1,00,000	139	5.14
Mutual Funds (including UTI)	5	0.06	Rs.1,00,001 and above	67	81.78
Non-residents	252	1.94		<b>26,485</b>	<b>100.00</b>
Resident individuals/others	26,008	46.00			
	<b>26,485</b>	<b>100.00</b>			

Note: aggregate of Public shareholding: 49.98%

Share Price by Month	NSE		BSE	
	High	Low	High	Low
April 2021	149.90	69.30	149.30	70.10
May	156.80	105.15	160.90	104.65
June	191.45	125.00	192.70	126.70
July	321.90	160.00	322.75	159.60
August	385.90	239.40	385.55	240.75
September	552.95	371.85	554.05	372.05
October	730.00	515.20	731.50	514.90
November	814.45	580.00	814.45	569.10
December	1003.80	818.80	1015.00	818.55
January 2022	1254.90	900.00	1283.65	891.00
February	1170.00	909.05	1164.90	891.55
March	1670.00	912.50	1674.00	921.00
<b>During the Financial Year</b>	<b>1670.00</b>	<b>69.30</b>	<b>1674.00</b>	<b>70.10</b>



During the year, India Ratings and Research Private Limited assigned fresh ratings of IND BBB (outlook positive) to the Company’s fund-based limits of INR 156.20 crores (long term) and IND A2 for Company’s non-fund-based limits of INR 37.00 crores (short term). Brickwork Ratings India Pvt. Ltd. assigned upgraded ratings as BWR BBB (outlook positive) for Company’s fund-based limits of INR 148.74 crores (long term) and BWR A2 for Company’s non-fund-based limits of INR 37.00 crores (short term) [rating for previous year: BWR BBB- (Stable) for Fund-based limits of INR 178.34 crores (long term) and BWR A3 for non-fund-based limits of INR 37.00 crores (short term)]. As requested by the Company, to avoid duplication, Brickwork has withdrawn their rating.

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

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

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

The Company is exposed to risks of fluctuations in prices of raw-materials and finished goods. The Company is also exposed to risks arising from fluctuations in exchange rates of the Euro/US\$ vis-à-vis INR as a portion of the Company’s payables and receivables are denominated in these currencies. The Company pro-actively manages these risks through

## **Xpro India Limited : Annual Report 2021/22**

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inventory management, vendor development, tracking the currency parity scenario and suitable forward cover in consultation with bankers. The robust marketing network backed by the reputation for quality and service helps mitigate the impact of price fluctuations on finished goods. The Company has in place a risk management frame-work for identification, monitoring and mitigation of such risks. The Company is not dealing/trading in any commodities or exchanges, and hence does not have any consequent exposure to commodity price risk.

### **MANDATORY AND NON-MANDATORY PROVISIONS**

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

Proceeds, being subscription and allotment money, towards the issue of convertible warrants on a preferential basis are being fully utilized for the purposes as stated in the offer letter.

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange(s) or SEBI or any Statutory Authority on any matter related to capital markets. Mandatory requirements (except where not relevant or applicable) of SEBI regulations have been adopted. Of non-mandatory suggestions, those relating to a Chairman's Office, separate posts of Chairman and Managing Director/CEO, audit qualifications and reporting by Internal Auditors directly to Audit Committee have been adopted. Sending 6 monthly information to each shareholder household has not been adopted. This Report also represents the Company's philosophy on corporate governance. Auditors' certification as required forms a part of this Annual Report.

**For and on behalf of the Board**

New Delhi  
May 25, 2022

**Sidharth Birla**  
*Chairman*

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### **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, 2022.

New Delhi  
May 25, 2022

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

## Xpro India Limited : Annual Report 2021/22

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr.No.	Name of Director	DIN	Date of appointment in Company
1	Sidharth Birla	00004213	10.09.1998
2	Madhushree Birla	00004224	21.01.2004
3	Amitabha Guha	02836707	24.03.2011
4	Ashok Kumar Jha	00170745	26.07.2013
5	Suhana Murshed	08572394	10.08.2021
6	Utsav Parekh	00027642	15.09.1999
7	S. Ragothaman	00042395	17.03.2000
8	C Bhaskar	00003343	01.01.2001

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

Kolkata  
April 18, 2022

Name: Girish Bhatia  
Company Secretary in practice  
Membership No. F3295  
CP No.: 13792  
UDIN: F003295D000144667

## **Xpro India Limited : Annual Report 2021/22**

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

To the Members of Xpro India Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 13 May 2022.
2. We have examined the compliance of conditions of corporate governance by Xpro India Limited (the 'Company') for the year ended on 31 March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

#### **Management's Responsibility**

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

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

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2022.

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

#### **Restriction on use**

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

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

**Nitin Toshniwal**  
Partner  
Membership No.: 507568  
UDIN: 22507568AJOGHO4688  
Place: Faridabad  
Date: 25 May 2022

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### BOARD OF DIRECTORS (Annexure to Corporate Governance Report)

(As on the date of report)

**Sri Sidharth Birla** (DIN: 00004213), Chairman

Industrialist with experience in industry and business of about 44 years, is a Science Honours Graduate from University of Calcutta, and holds a Master's Degree in Business Administration from IMEDE (now IMD), Lausanne, Switzerland. Has attended management programs at the Harvard Business School, Boston, USA, including the Owner/President Management Program, Making Corporate Boards More Effective, etc. Associated with the businesses of the Company since 1984. Presently Independent Director on the Board of listed entity, Kanoria Chemicals & Industries Limited. He is also Director of Birla Brothers Private Ltd., Central India General Agents Ltd., iPro Capital Ltd., and Alpha Capital Resources Pte. Ltd., Singapore.

**Sri K Balakrishnan** (DIN: 00034031)

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

**Smt. Madhushree Birla** (DIN: 00004224)

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

**Sri Amitabha Guha** (DIN: 02836707)

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

**Sri Ashok Kumar Jha** (DIN: 00170745)

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

**Sri Bharat Jhaver** (DIN: 00379111)

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

**Ms. Suhana Murshed** (DIN: 08572394)

Holds a Master's Degree in Law (LLM) from King's College London, United Kingdom and is affiliated with the Bar Council of Maharashtra and Goa. She is a partner at Khaitan & Co. Advocates, specializing in transactional work with a primary focus on mergers and acquisitions, private equity investments and strategic alliances with experience of over fifteen years. A regular speaker at various forums on topics on corporate and commercial laws, she has been recognized by IFLR 1000 as a 'Notable Practitioner' for two consecutive years i.e., 2021 and 2020. She is presently Independent Director on the Boards of Kanoria Chemicals & Industries Limited, SAREGAMA India Ltd. and STEL Holdings Ltd. and Director in Sallum Private Ltd.

**Sri Utsav Parekh** (DIN: 00027642)

Holds a Bachelor's Degree in Commerce with honours. He has vast and continuing experience of about 41 years as Merchant Banker, and in Stock Broking and Financial Services. He is a member of the Calcutta Stock Exchange Ltd. He is presently Non-Executive



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Chairman of SMIFS Capital Markets Ltd., non-executive Director of Eveready Industries India Limited (listed entities) and independent director of listed entities Spencer's Retail Limited, Texmaco Infrastructure & Holdings Ltd. and Texmaco Rail & Engineering Ltd., and is also a Director on the Boards of Bengal Aerotropolis Projects Ltd., Indian Chamber of Commerce, Calcutta, Lend Lease Company (India) Ltd., Nexome Real Estates Private Ltd., ATK Mohun Bagan Private Limited, Progressive Star Finance Private Limited and SMIFS Capital Services Ltd. He is a Partner of Stewart & Co., Catch 22 Informatics LLP, Chowringhee Planners LLP, Ellora Agro LLP, Nexome Realty LLP and Nexome Sports LLP.

### **Sri S Ragothaman** (DIN: 00042395)

A Commerce Graduate and Chartered Accountant. Presently a self-employed professional. Formerly a senior official of ICICI Ltd.; he has vast experience of over 45 years in the financial field. He is presently also Independent Director of listed entities National Peroxide Ltd., and The Bombay Dyeing & Manufacturing Company Ltd. He is also a Director of ABT Finance Ltd. and Xpro Global Ltd.

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

A Chemical Engineer and a post-graduate from IIM, Calcutta, with experience of over 43 years in Consulting, Industry, Business and Financial Management including over 38 years with the businesses of the Company. Has worked in areas of Corporate and Business planning, Diversification/Mergers/Acquisition/Disinvestment, Marketing, Operations and Factory Management, and as Divisional / Business Head. He has attended management development programmes at the Indian School of Business and other Institutions. He is also Independent Director of listed entities Kriti Industries (India) Ltd. and Kriti Nutrients Ltd. and a Director of Xpro Global Ltd. and Holland & Sherry India Pvt. Ltd.

### **Core skills/ expertise/competencies of the Board:**

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

For and on behalf of the Board

New Delhi  
May 25, 2022

**Sidharth Birla**  
Chairman

## Xpro India Limited : Annual Report 2021/22

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### MANAGEMENTS' DISCUSSION & ANALYSIS REPORT

We have pleasure in submitting the Managements' Discussion & Analysis Report ("MDA") on the Company's businesses. We have included discussions on all specified matters, to the extent relevant and within boundaries that in our opinion are reasonably imposed by the Company's strategic and competitive position. The COVID-19 pandemic rendered the last two years difficult for the Indian and world economies. Recurring waves of infection, virus mutations, supply-chain disruptions and global inflation created particularly turbulent and challenging times. Faced with these challenges, the Government responded with resolute measures to stabilise the economy through three waves of the pandemic, also cushioning the impact on vulnerable sections of society and businesses. Weakness in economic activity resurfaced with emergence of the Omicron variant and as economic momentum resumed, we saw tectonic shifts with the war in Europe, followed by sanctions and escalating geopolitical tensions, which have led to steep increase in oil prices, extreme shortages in key commodities and critical inputs, such as semi-conductors and chips, fractures in the international financial architecture, and fears of deglobalisation with the potential to derail the global economy.

Our performance reflected the overall economic climate, impact of strategic steps implemented during the last few years and our position as a key supplier to, the growing white goods and dielectrics segments. Facing with resilience and determination, the challenges arising from an unprecedented rise in raw material prices, world-wide inflationary trends, higher ocean freight and erratic shipping schedules, and consumer demand swings, we could achieve a significant improvement in overall operational and financial performance. Total production (including for captive consumption and job-work) during the year was 3.5 % higher at 29,508 MT (28,478 MT). Net sales of an improved product and value mix was 26.3% higher at Rs.471.72 crores (Rs.373.35 crores). Exports were higher at Rs.2262.26 lacs (Rs.954.51 lacs previous year) with both the Biax Division and the and Coex division increasing exports substantially, and reflecting global recognition for Xpro products. SOPs were put in place at manufacturing units to ensure safe operations through the pandemic; production costs were controlled with productivity enhancements. Interest and other finance costs were lower at Rs.1300.72 lacs against Rs.1653.26 lacs in the previous year. Changes in key financial ratios (net profit ratio up from 2.1% to 9.5%, interest coverage up from 1.79 to 4.12, current ratio from 1.07 to 1.53 and Debt : Equity down from 1.48 to 0.51), as a consequence of improved operating and financial performance, reduction in total borrowing, and raising of capital reflect a significant (as defined) improvement over the previous year.

The exercise aimed towards identifying and driving various sustainable cost reduction and operational efficiency improvement initiatives at our production units being undertaken with Deloitte Touche Tohmatsu India LLP made substantial progress during the year. While some areas offering quick benefits have been implemented, other have been identified for further study and possible implementation, and results are expected to be derived in subsequent periods.

Tangible progress was made on a core step in our strategic intent to rationalize activities with necessary permissions received during the year from the West Bengal Government for the proposed sale/transfer of Biax Division Unit 1, producing packaging films. Formal transfer of the business remains pending while the purchaser ties up certain operating arrangements, including power. Advance payment towards the transaction value has been received in full and utilized to reduce long term borrowings; the assets remain reflected in the accounts as "held for sale". Barring unforeseen circumstances, the transaction is now expected to be completed during the current year and the financials and cash flows will be accounted for then. In the interim we continue toll manufacturing at this unit for the purchaser.

We believe all our businesses are backed by necessary skills and expertise; our core competency can be seen to lie in the extrusion field, particularly co-extrusion. Our market standing is generally representative of the competitiveness of our core operations and high quality of our products and services. The Company, being essentially a business-to-business supplier, has its output really determined by the end-markets of its industrial clients. Resultantly demand and related pricing power of the Company can get influenced by several factors such as consumer sentiment, production of electrical goods, and aggressive pricing tactics adopted by foreign suppliers (sometimes due to spillover from their regular markets).

It may be mentioned that the plastics industry as a general class, particularly in the context of single-use plastics, has been kept entangled with environmental concerns. However, during the pandemic plastics have generally been recognized as a beneficial, safe material; this should bode well for the way plastics are perceived in the future. None of the Company's product ranges have, however, been linked with these environmental concerns.

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### Company and Industry Structure

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

POLYMERS BUSINESS	2022		2021	
	Production MT	Net Sales Rs. crores	Production MT	Net Sales Rs. crores
Biax Division	3,833	129.21	3,353	91.35
Biax Division (toll manufacture)	1,756	8.83		
Coex Division	23,919	333.68	25,125	282.00
	29,508	471.72	28,478	373.35

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

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

We firmly recognize that total customer satisfaction is the key to our success. Our aim is to build sound customer relationships through creation of value for them, and in the process earn an equitable return for ourselves. Quality is built into products through appropriate manufacturing technology and work methods. Manufacturing at all units is carried out by suitably qualified personnel under strict quality standards. Continuous product development for specific applications and equipment up-gradation has helped us in proactively developing technically sustainable solutions with clear customer benefits. Integrated Management Systems (IMS) covering Quality, Environmental, Energy Policies and Safety & Health standards at Biax Division, Barjora have been duly certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Biax Barjora unit manufacturing dielectric films is also certified under IATF 16949:2016 which is mandatory for organizations manufacturing parts for the automotive industry. Similarly, Quality Management Systems at Coex Division manufacturing unit at Greater Noida and Ranjangaon are certified under relevant ISO 9001:2015 standards. The Environmental Management Systems at Ranjangaon and Greater Noida units are duly certified under ISO 14001:2015 standards. Energy management and conservation systems at Barjora Unit and Greater Noida unit have been accredited under ISO 50001:2018. Manufacturing units also adopt and conform to specialized quality systems and methods as may be required by major customers. Quality, Environmental systems as well as innovative projects at Biax Unit-II have been recognized with several awards in national & international fora including the Quality Council of India, ELCINA, Economic Times Polymer, FICCI & IEEMA. Coex Division - Greater Noida Unit has received a Bronze rating under the Green Co initiative reflecting adoption of a life cycle approach towards ecological sustainability and steps taken to make products, services and operations greener. The Company consistently receives awards on recognition and appreciation for vendor support, product development, quality and excellence by leading customers.

### Biax Division

Biax Division manufactures a range of coextruded Biaxially Oriented Polypropylene (“BOPP”) Films and Dielectric Films on sophisticated, automated dedicated 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, bitumen membrane lamination etc. BOPP films constitute a significant and growing input in the packaging space, with healthy growth rates, Indian industry has created substantial capacity to feed this segment. Our focus and strategic intent however remains dedicated within our core strengths to special products and niche markets, largely thin films for

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specialized electrical applications, where we remain the only domestic producer and which together with consistent high quality and service standards has enabled us to maintain high capacity utilization. Several customers in sophisticated segments have upgraded their processes and equipment thus requiring upgraded film products. The broad portfolio of low, medium and high voltage applications in standard and high temperature grade dielectric films ranging from 3.7 micron to 16 microns for metallised polypropylene as well as oil impregnated capacitors, developed as import substitutes conforming to international standards, have brought substantial benefits to Indian capacitor manufacturing units, while already contributing substantially to the overall performance of the Company and enabled us maintain a very respectable domestic market share through the year besides export opportunities (at almost 12% of total sale during the year). The dielectric film market has remained stable through the pandemic period and grew by over 10% during the year. Our available capacity is fully utilized. Growth in the electric automobile segment is expected to substantially add to the market potential. Development activities for semi-rough films and ultra-thin films are continuously undertaken; hazy films for power capacitors and semi-rough film developed for locomotive applications are now commercialized and part of the product range. Only production on job-work basis (1,756 MT) was carried out on Unit I line ("old" packaging film line), while awaiting sale/transfer as the Company would be exiting the market space serviced by this unit; production at Unit II (dielectric films unit) was marginally higher; total production at Bix Division during the year was 5,589 MT (3,353 MT) and sales at Rs.138 crores were 51% higher.

### 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 the Xpro 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. India remains one of the fastest growing consumer appliances markets globally with higher disposable incomes, easing in consumer credit, the growing working population rural electrification and the work-from-home concept being the key drivers of demand. The production of refrigerators in India, comprising a key market for products of the Coex division, at 12.98 million units during the year, was marginally higher than in the previous year despite higher selling prices resulting from commodity price increases, and key component shortages. A quick recovery from pandemic driven demand restraint was tempered in the last quarter by market uncertainties arising from resurgence of covid variants and the high inflationary trends prevailing, both of which dampened consumer sentiment. We continue to be the leading supplier of sheets and liners to the white goods industry through consistent focus on product quality, development, reliability and superior service, which have also been recognized by major customers; these factors helped us to sustain and increase market share. New products and applications continue to be developed in association with key customers. In the cast films segment, our focus has been on special films and continuous innovation. Overall volumes in cast films from Ranjangaon was marginally higher than in the previous year. Within our major market segments for cast films, the hygiene segment continues to exhibit consistent growth in excess of 10% per annum, with the medical disposables and adult incontinent product segments, in particular, poised for high growth; the release film segment also grew reflecting our continued strong presence in the tyre and tread segment. Steps are being continuously taken to optimize the production capabilities and improve production efficiencies on available cast film lines. Reflecting overall market circumstances, the total production of sheets, including as liners, (adjusted for inter-unit transfers) and cast films at Coex division was at 23,919 MT during the year with sales value at Rs.333.68 crores.

### **OTHER MATTERS**

#### Environment and Safety

We firmly believe that safe and healthy working conditions in factories and other premises are as necessary and important as production, productivity and quality. Our policy requires conduct of activities to take foremost account of health and safety of all concerned, besides conservation of natural resources and protection of the environment to the extent possible. All necessary steps are taken towards our intent and policy of a safe working environment. Appropriate precautionary measures and protocols were put in place at all our locations through the pandemic, and continue as may be required. We adhere to all Environmental laws as applicable at each location and are responding effectively to the changing regulations around plastic waste management.

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### Human Resources

Employees represent our greatest asset and potential. It is only through motivated, creative and business-minded employees that we can achieve our aims. Involvement, commitment, teamwork and updating of skills and knowledge are integral to our objectives of advancing a professional, productive high performance culture. Our employees have worked relentlessly, with sustained perseverance and dedication, throughout the trying period of the pandemic to ensure seamless operations. We pay homage to our three team-mates who fell victim to the deadly virus. Permanent employment is 261, of which officers and staff account for 210 and workmen for the balance (last year 261 and 209 respectively).

### Others

The impact of renewed Covid-19 and variant outbreaks on our business remains an unpredictable threat, even as economic revival is well underway supported by progress on vaccination and global recovery. Economic and societal developments cannot be reliably forecast yet, including action by governments, banks and others, to address the economic impact. Logistics, demand patterns and labour remain uncertain variables. Production costs are rising following implementation of social distancing and other guidelines. The global situation has been compounded by the uncertainties arising from the war in Europe leading to shortages and supply chain disruption. We continue taking steps to conserve and protect liquidity while learning to adapt thinking and operations with agility to the new normal.

Barring any unforeseeable or extraordinary disruptive policy actions, there are no further or typical areas of risks or concerns outside the usual course of business, or the state of the economy, foreseeable at this time. Our primary manufacturing processes (including extrusion) are well established and our focus remains on process and efficiency improvements, and product & application development to provide a competitive edge. Internal control systems have been found to be adequate and are continuously reviewed for improvements. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence. We have taken all care to comply with applicable laws and regulations. The Company continues its initiatives towards operational improvements with a special emphasis on quality, control of overheads and broad-basing of markets, while focusing on managing uncertainties in a proactive manner. While domestic demand is expected to remain the main driver of growth, export market expansion is also a key target area. Positive policy actions towards growth, control on inflation and rural income support are expected to translate into improved market sentiment boosting domestic consumption. However, the external environment, including tightening of bank and non-banking credit, pressures generated by imports competing with some products, potential crude and polymer price volatility and a weakening rupee, continues to remain challenging. In the overall our outlook continues to remain one of cautious optimism. Our sincere thanks are due to all employees and teammates whose dedicated and hard work allowed results to be achieved. We are grateful to all our Bankers and all concerned Authorities for their continued support, and to all our customers for their faith and confidence. We remain committed to fullest customer satisfaction.

### **CAUTIONARY STATEMENT**

Statements or narratives in this Report which seek to describe the Company's objectives, reasonable expectations, projections, estimates or predictions, or the Company's assessment of external circumstances (beyond its control) going forward, may be considered to be "forward-looking statements" within the meaning of applicable securities laws or regulations. Actual future results could differ materially from any expressed or implied. Additional important factors that could make a difference to the Company's operations and results include global and Indian containment, medical and economic recovery from the Covid-19 & variants driven pandemic and possible recurrences thereof, demand-supply conditions, effects of any extraordinary policy actions - domestic or global, finished goods prices, feedstock availability and prices, power tariffs, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax and tariff regimes, economic policies and developments within India and countries with which the Company conducts business besides other factors including but not limited to natural events, litigation and labour matters.

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

New Delhi  
May 25, 2022

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

### Annexure to the Directors' Report

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

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

a) **Guiding principles:**

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

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

b) **Remuneration:**

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

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

B. **Variable salary:**

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

C. **Severance pay:**

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

c) **Role of the Remuneration & Nomination Committee:**

The Remuneration & Nomination Committee (RNC), of the Board discharges the functions of the Nomination and Remuneration Committee as envisaged under Sec.178 of the Companies Act, 2013. The RNC shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall review performance of Board, its Committees and Individual Directors and report the same to the Board. The RNC is responsible for:

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

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

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

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

e) **Amendment**

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

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

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

The Company's Governance Code provides for review of the overall functioning of the Board and which has been regularly carried out by the Board. The Companies Act, 2013 mandates performance evaluation of the Independent Directors by the Board, inter alia, to determine renewal/extension of tenure. The Act also provides for the Remuneration & Nomination Committee to identify persons who are qualified to become directors and shall review performance of Board, its Committees and Individual Directors and report the same to the Board.

As required under Regulation 19 of the SEBI Listing Regulations, 2015, the Remuneration & Nomination Committee has laid down the following criteria for performance evaluation of Independent Directors as well as of the Board:

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

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

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

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

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

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

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### Annexure to the Directors' Report

#### WHISTLE BLOWER POLICY

##### 1. Preface

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

##### 2. Definitions

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

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with SEBI Listing Regulations, 2015.
- b. "Employee" means every employee of the Company and their representative bodies including Directors of the Company.
- c. "Investigators" mean those persons authorised, appointed, consulted or approached by the Audit Committee and include the auditors of the Company and the police.
- d. "Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- e. "Company" means Xpro India Limited and its subsidiaries.
- f. "Subject" means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- g. "Whistle Blower" means an Employee making a Protected Disclosure under this Policy.

##### 3. Scope

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

##### 4. Eligibility

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



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### 5. Disqualifications

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

### 6. Procedure

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

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

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

### 7. Investigation

- a. All Protected Disclosures reported under this Policy will be thoroughly investigated by the Investigator, as directed by Audit Committee, who will investigate / oversee the investigations under the authorization of the Audit Committee.
- b. The decision to conduct an investigation taken by the Audit Committee is by itself not an accusation and is to be treated as a neutral fact-finding process. The outcome of the investigation may not support the conclusion of the Whistle Blower that an improper or unethical act was committed.
- c. Any member of the Audit Committee who may have a conflict of interest in respect of the matter under investigation/the protected disclosure, should recuse himself and the other members of the Committee shall deal with the matter.
- d. The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- e. Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- f. Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation sought does not merely require them to admit guilt.
- g. Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Audit Committee and/or the Whistle Blower. Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings.
- h. Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Subjects.
- i. Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrong doing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

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### 8. Protection

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

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

### 9. Investigators

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

### 10. Decision

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

### 11. Reporting

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

### 12. Retention of documents

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

### 13. Amendment

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

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

i. Details of Top ten employees in terms of remuneration drawn during the year 2021-22:

Name	Designation of the Employee	Remuneration Received (Rs.)	Qualifications	Experience (Years)	Date of Commencement of employment	Age (Years)	Last Employment held
Sri Sidharth Birla*	Chairman	1,07,80,938	B.Sc. (Hons), M.B.A.	44	01/03/2000	64	Cimmco Birla Limited
Sri C. Bhaskar*	MD & CEO	1,43,51,875	B.Tech.(Chem), PGDM (IIM-C) MIMA, FIPI	43	01/01/1984	67	VXL India Limited
Sri H Bakshi*	Sr. President & COO	1,38,62,320	B.Tech.(Chem), Dip. Ind. Safety	44	25/01/1993	66	Ceat Limited
Sri V. K. Agarwal	President (Finance) & CFO	92,51,940	B.Com., FCA, ACS	35	11/02/2008	56	Wire & Wireless (India) Ltd.
Sri N Ravindran	Joint President (Mktg.) & CMO	95,50,797	B.Sc., M.Sc., PGDM (IIM-A)	35	01/07/1995	60	Bata India Limited
Sri Anil Jain	Sr. Vice President, Coex Division, (RNI)	58,28,683	B.Com., ACA	37	08/03/1995	62	Usha Telehoist Limited
Sri Radhey Shyam	Executive Vice President, Coex Division, (RNI)	66,02,018	Dip. Mech. Eng.	41	08/08/2016	60	Amber Enterprises India Pvt Ltd.
Sri Sunil Mehra	Executive Vice President, Coex Division, (GRN)	40,19,660	B.A. Economics (Hons), MBA	43	16/02/1996	65	Ankit Granites Limited
Sri Satish M Agarwal	Vice President (Commercial) Coex Division, (RNI)	35,78,928	B.Com., D.B.M. (Mumbai)	43	01/11/1999	62	Cimmco Birla Limited
Sri Amit Kumar	Vice President (Marketing)	34,07,120	B.Com., MBA (Marketing)	29	15/10/1997	51	Oswal Chemicals & Fertilizers Ltd.

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

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

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

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

d. No employee of the Company, in receipt of remuneration in excess of the highest paid Director, together with his spouse and dependent children holds more than 2% of the Equity Shares of the Company.

For and on behalf of the Board

New Delhi  
 May 25, 2022

Sidharth Birla  
 Chairman

## Xpro India Limited : Annual Report 2021/22

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### Annexure to the Directors' Report

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

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:
- |   |   |        |
|---|---|--------|
| i) Sidharth Birla ( <i>Chairman</i> )                 | : | 29 : 1 |
| ii) C. Bhaskar ( <i>Managing Director &amp; CEO</i> ) | : | 38 : 1 |
- b) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
- |   |   |       |
|---|---|-------|
| i) Sidharth Birla ( <i>Chairman</i> )                 | : | 18.37 |
| ii) C. Bhaskar ( <i>Managing Director &amp; CEO</i> ) | : | 9.93  |
| iii) V. K. Agarwal ( <i>Chief Financial Officer</i> ) | : | 25.46 |
| iv) Amit Dhanuka ( <i>Company Secretary</i> )         | : | 15.60 |
- c) The percentage increase in the median remuneration of employees in the financial year: 3.04
- d) The number of permanent employees on the rolls of Company: 261 (as on March 31, 2022)
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:
- Average increase in remuneration during the last financial year for employees other than managerial personnel is 15.48 % and 16.35 % for managerial personnel.
- f) If remuneration is as per the remuneration policy of the Company: Yes

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

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### Annexure to the Directors' Report

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

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

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

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

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

## Xpro India Limited : Annual Report 2021/22

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

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

### Annexure to CSR Policy:

#### AREAS PRESCRIBED UNDER THE COMPANIES ACT, 2013:

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of the river Ganga;
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM CARES FUND) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. (a) contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector undertaking of Central Government or State Government; and  
(b) contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x. rural development projects;
- xi. slum area development;
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

## Xpro India Limited : Annual Report 2021/22

### Annexure to the Directors' Report

#### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2021-22

1. Brief outline on CSR Policy of the Company:

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 read with the Companies (Social Responsibilities) Rules 2014/2021. The Policy on Corporate Social Responsibility is available on the Company's website and also in this Annual report.

2. Composition of CSR Committee:

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

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

<http://www.xproindia.com/Codes/XILCSRPolicy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1		-	-
	Total	-	-

6. Average net profit of the Company as per section 135(5): Rs.541.76 lacs

7. a) Two percent of average net profit of the Company as per section 135(5): Rs.10.84 lacs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

c) Amount required to be set off for the financial year, if any: Nil

d) Total CSR obligation for the financial year (7a+7b-7c) : Rs.10.84 Lacs

8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (Rs. in Lacs)	Amount Unspent (in Rs.)			
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
	Amount	Date of transfer.	Name of the Fund	Amount
17.70		Nil		Nil

## Xpro India Limited : Annual Report 2021/22

b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project (State and District)	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name and CSR Registration number
1						NIL	NIL			

c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project, (State and District)	Amount spent for the project (in Rs. Lacs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name and CSR Registration Number
1	Contribution to "PM CARES" Fund	viii	No	Pan-India	10.00	Yes	Not Applicable
2	COVID-19 related activities (including donation of oxygen concentrators to hospitals and other needy)	i / xii	Yes	NCR	7.70	Yes	Not Applicable
	TOTAL				17.70		

- d) Amount spent in Administrative Overheads: Nil  
e) Amount spent on Impact Assessment, if applicable: Nil  
f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.17.70 lacs  
g) Excess amount for set-off if any: Rs. 6.86 lacs

Sl.	Particulars	Amount (Rs. in lacs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	10.84
(ii)	Total amount spent for the Financial Year	17.70
(iii)	Excess amount spent for the financial year [(i)-(ii)]	6.86
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.86

9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any Fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Not applicable							

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b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
Not Applicable								

10. In case creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)

- a) Date of creation or acquisition of the capital asset(s): Not Applicable
- b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

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

Not Applicable

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**For and on behalf of the Board**

**Madhushree Birla**  
*Chairperson of the CSR Committee*

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

New Delhi  
May 25, 2022



## Xpro India Limited : Annual Report 2021/22

### Annexure to the Directors' Report

#### BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L25209WB1997PLC085972
2	Name of the Company	XPRO INDIA LIMITED
3	Registered address	Barjora - Mejia Road, P.O - Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal
4	Website	www.xproindia.com
5	E-mail id	cosec@xproindia.com
6	Financial Year reported	2021 - 22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code - 222 2220 22201 Manufacture of semi-finished of plastic products (plastic plates, sheets, blocks, film, foil, strip etc.)
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	- Dielectric Films & Biaxially Oriented Polypropylene Films; - Coextruded Sheets & Thermoformed Refrigerator Liners; - Coextruded Cast Films.
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	1. Registered Office: Barjora-Mejia Road, P.O. Ghutgoria, Tehsil : Barjora, Distt : Bankura 722 202, West Bengal 2. Corporate Office: 1st Floor, 20/3, Main Mathura Road, Faridabad 121 006, Haryana 3. Plant Locations: a) Biax Division: Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt : Bankura 722 202, West Bengal b) Coex Division: 32, Udyog Vihar, Greater Noida, Gautam Budh Nagar 201 306, Uttar Pradesh c) Coex Division: Plot E-90/1, MIDC Industrial Area, Ranjangaon, Distt. Pune 412 220, Maharashtra
10	Markets served by the Company - Local/State/National/International	<ul style="list-style-type: none"> <li>• Pan-India Domestic Markets</li> <li>• Exports to countries such as USA, Germany, Sri Lanka etc.</li> </ul>

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	Rs.1181.35 Lacs
2	Total Turnover (INR)	Rs.47172 Lacs
3	Total profit after taxes (INR)	Rs.4493.07 Lacs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.39 % (3.27 % of average net profit of previous 3 years)
5	List of activities in which expenditure in 4 above has been incurred:-	
	(a)	Contribution to PM CARES FUND
	(b)	COVID-19 Related

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### SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has one Indian subsidiary, viz. Xpro Global Limited
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)	The wholly owned subsidiary does not presently have any material business operations
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	BR initiatives are carried out independently by the Company; However, other stakeholders are encouraged (wherever possible) to participate in BR initiatives.

### SECTION D: BR INFORMATION

#### 1. Details of Director/Directors responsible for BR

- a) Details of the Director/Director responsible for implementation of the BR policy/policies
- i. DIN Number: 00003343
  - ii. Name: Sri C Bhaskar
  - iii. Designation: Managing Director and Chief Executive Officer

Note: The Company Secretary, Sri Amit Dhanuka, is also responsible for implementation of the BR policy

#### b) Details of the BR head(s)

Sl.	Name	Designation	e-mail id
1	Sri H. Bakshi	Senior President & Chief Operating Officer	hbakshi@xproindia.com
2	Sri V.K. Agarwal	President (Finance) & Chief Financial Officer	vinay@xproindia.com
3	Sri N. Ravindran	Joint President (Marketing) & Chief Marketing Officer	nravindran@xproindia.com

#### 2. Principle-wise (as per NVGs) BR Policy/policies

Principles	Description
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
Principle 3	Businesses should promote the well-being of all employees
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect, protect and make efforts to restore the environment
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
Principle 8	Businesses should support inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

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a) Details of Compliance (Reply in Y/N)

Sl.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for....	Yes								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Policy has been formulated in consultation with the internal stakeholders of the Company. The external stakeholders are being consulted as per business requirements and on need basis								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The Policies are in compliance with national standards wherever applicable and conform to the principle of National Voluntary Guidelines on Social Environment & Economic Responsibilities of Business (NVGs). Manufacturing units are, as and where required, also compliant with relevant ISO standards covering quality, environmental management, energy & conservation and safety & health standards								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Yes. The Business Responsibility Policy and other mandatory policies viz., the Code of Conduct, Whistle Blower Policy, CSR Policy, Code of Conduct for Prevention of Insider Trading etc. have been adopted by the board and other operational internal policies are approved by the management								
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The BR Head(s) and the Company Secretary oversee the implementation of the policy								
6	Indicate the link for the policy to be viewed online?	Mandatory policies are available on the Company's website at <a href="http://www.xproindia.com">http://www.xproindia.com</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to the key internal stakeholders of the Company. Relevant policies are available on the Company's website. Communication is an on-going process to cover all stakeholders at the extent possible								
8	Does the Company have in-house structure to implement the policy/policies.	Yes, the Company has in-house structures led by the BR Head(s) to implement the policies								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Stakeholders can report and communicate their grievance, suggestions, etc on the Company's e-mail ID to be addressed by the Management								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental related policies are subject to internal and external audits as part of the certification process and continuous assessments								

b) If answer to the question at serial number 2(a) against any principle, is 'No', please explain why: (Tick up to 2 options) - Not Applicable

3. Governance related to BR
- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:
- The Board of Directors reviews the Business Responsibility performance annually.
- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
- The Business Responsibility Report forms part of the Annual Report.  
Link to view the report: [www.xproindia.com](http://www.xproindia.com)

### SECTION E: PRINCIPLE-WISE PERFORMANCE

**P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company has built trust and confidence in its stakeholders through its commitment to compliance, disclosure, integrity and responsible & ethical business conduct. Our approach is based on the principles of transparency and accountability - recognizing that we owe it to our stakeholders to conduct business in line with, and foster, sound moral and ethical standards. We strive to ensure highest levels of adherence to these principles through our well-defined policies such as the Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Anti-Fraud Policy, etc. The Company also has a Whistle Blower Policy in place. These help in creating a work environment that is conducive to all our employees and associates. Annual affirmation to the Code of Conduct by the Directors and Senior Management is communicated to all stakeholders by the Chairman through the Annual Report.

During the period under review, the Company has not received any stakeholder complaints.

**P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

The Company manufactures products as per customer requirement, and strives to ensure that products supplied are in full conformity with customer specifications, made using safe and legally permissible raw materials and are manufactured under strict quality standards and controls. The Company is environmentally conscious and is committed to ensure compliance with relevant standards of environment, health and safety. Creating sustainable products is a part of the Company's endeavours towards responsible product leadership; the Company has in place necessary design, quality and inspection systems to ensure that goods and services provided are safe and sustainable throughout their life cycle.

The Company has manufacturing locations at three different locations across the country. The Company sources majority of its manpower requirements locally and strives to source materials, to the extent practically viable, from local suppliers and transporters, in order to develop and sustain local communities and partnerships in the supply chain. The Company places high premium on techno-commercial aspects and the Company's procedures with regard to finalising vendors emphasises on quality, safe working practices, technical certifications, prevention of child labour and general housekeeping, etc. The selection procedure of the Company's transport vendors (Trucks and Containers) involves scrutiny at various levels like age of vehicle/container fleet, well laid out systems of mandatory inspections, and safe driving practices.

The Company has also undertaken the process of developing alternate supplier for its raw material and services where local producers are preferred. The steps taken to improve the capacity and capability of local and small vendors include training, audit and periodic evaluation of performance of local vendors.

The Company has adopted processes enabling recycling of majority of the scrap materials generated during manufacturing. Steps are taken to minimise waste generation and other waste generated are disposed off, as permitted, with due compliance of the local rules and regulations.

## Xpro India Limited : Annual Report 2021/22

### P3: Businesses should promote the well-being of all employees

The Company's considers human resource a core and valuable asset. Emphasis is laid on maintaining high standards of Safety, Health, Hygiene and Environment, and all processes are conducted in a responsible manner to safeguard employees, and towards creating a healthy professional work environment based on mutual respect and trust. The Company's code of conduct and other policies provide guidelines emphasizing employee participation, freedom, gender equality and a harassment-free and discrimination-free workplace and the Company takes a rigid stand against child labour, forced labour, involuntary labour and discriminatory employment. We lay emphasis on capacity building of the individual based on job/role requirements, technical knowledge and soft skills; the Company has a long-standing practice of developing talent from within.

1	Total number of employees (permanent)	261			
2	Employees on temporary/contractual/casual basis (including trainees)	322			
3	Number of permanent women employees	4			
4	Number of permanent employees with disabilities	Nil			
5	Employee Association that is recognised by Management	There are registered and recognized trade unions at some of the Company's manufacturing units;			
6	Percentage of permanent employees who are members of this recognised employee association	30 %			
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year, and pending as on the end of the financial year	Sr.	Category	No. of complaints	
				filed during the financial year	pending as on end of the financial year
		1	Child labour/forced labour/involuntary labour	Nil	Nil
		2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil		
8	Percentage of undermentioned employees given safety & skill up-gradation training in the last year	a. Permanent Employees	42 %		
		b. Permanent Women Employees	50 %		
		c. Casual/Temporary/Contractual Employees	66 %		
		d. Employees with Disabilities	N.A.		

### P4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company has mapped its internal and external stakeholders and carries out engagements with investors, employees, customers, suppliers, business partners, industry associations, government/regulatory authorities, etc. The Company also engages with its identified stakeholders on an on-going basis through a constructive process and follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

The Company has also identified marginalized and disadvantaged groups through need-assessment and engagement with local communities. The marginalized and disadvantaged communities we work with include neighbouring villages and economically backward sections of the society, who are in need of care and support. The Company provides preference for engaging disadvantaged, vulnerable and marginalized stakeholders though it has not taken any specific initiatives for the same.

### P5: Businesses should respect and promote human rights

The Company is compliant with national regulations pertaining to human rights. Company policies support, respect and protect human rights of its direct as well as indirect stakeholders. Aspects such as prohibition of child labour, forced labour, gender, equal opportunity, freedom of association etc. are enshrined in the Code of Conduct and other relevant policies in force.

During the year under review, no complaints were received from any stakeholder.

**P6: Businesses should respect, protect and make efforts to restore the environment**

Policies related to P6 cover the Company and its employees; however, the Company's environmental policies are not extended by the Company to its suppliers since they would be covered by their own locational and mandatory requirements.

Environmental conservation is high on the Company's agenda. The Company recognises that environmental conservation is one of the most important issues facing mankind and aims to be an environment friendly Company. The Company is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment for sustainable development and take initiatives like installation of solar power, re-cycling & conservation of water, reduction of solid waste, effluent discharge and emissions into the air, innovations in packaging solutions, etc., to reduce the adverse effects on the environment. The Company recycles substantial share of plastic waste generated from its manufacturing operations. Constant efforts are further made towards improving its environmental footprint by strengthening systems and processes and maintaining a high standard of environmental care.

Identification and assessment of potential environmental risks are on-going. Once risks are identified, steps are taken to measure & mitigate the same. Employees are required to comply with all workplace safety and environment related guidelines and to actively contribute to the Company's commitment to providing a healthy and safe workplace and to respect the environment and sustainability while carrying out all business operations.

The Company adheres to all Environmental laws as applicable at each location. The Company is responding effectively to the changing regulations around Plastics Waste management. Emissions/waste generated, during the year under review, at each manufacturing location are well within the permissible limits laid down by CPCB/SPCB. No show cause/legal notices were received from CPCB/SPCB during the financial year and none remain pending at year end.

**P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

The Company is, *inter alia*, a member of (a) Federation of Chambers of Industry & Commerce (FICCI); (b) Organisation of Plastic Processors of India (OPPI); (c) All India Plastics Manufacturers Association (AIPMA); and (d) Electronic Industries Association of India (ELCINA).

The Company works actively with Industry Associations to advocate and pursue various causes that are in the larger interest of industry, economy, the public and society.

**P8: Businesses should support inclusive growth and equitable development**

The Company goes beyond its business activities to create social impact through its diverse initiatives. Steps have always been taken by the Company for education, social and inclusive development in its local areas, besides immediate humane response and support during the pandemic; however given the relatively small size of the units and their geographical spread, it has not been practical to yet undertake any significant projects beyond these. The Company carries out CSR activities mainly through other implementing agencies or contribution to approved funds as the CSR Committee and the Board decide. Details are given in the CSR Report.

**P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

No customer/consumer complaints, other than minor/routine, are pending as on the end of the financial year. Satisfied customers are the key to the Company's success and we aim to retain customer continued loyalty by treating them fairly, delivering the high quality specialised products and services they desire and exceeding their expectations.

The Company adheres to all applicable regulations regarding product labelling and displays relevant information as prescribed under the law and as per customer specifications/instructions. Requirements relating to labelling are not applicable to the Company.

There are no cases or complaints against the Company for unfair trade practices, irresponsible advertising or anti-competitive behaviour during the last five years and accordingly none are pending at year-end.

The Company has regular one-to-one meetings with key customers to determine their satisfaction.

## Xpro India Limited : Annual Report 2021/22

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### Annexure to the Directors' Report

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

#### A. CONSERVATION OF ENERGY:

- i) The steps taken or impact on conservation of energy:  
Energy conservation receives priority attention on an on-going basis throughout the Company, and continuous efforts are made to conserve and optimize use of energy with continuous monitoring, regular maintenance and improved operating techniques. Some specific steps taken include:
  - Maintenance of near unity Power Factor; Installation of capacitors to improve PF
  - Optimised fuel consumption by timely replacement of burner nozzle
  - Process cooling water system rationalization and use of closed loop chilling systems
  - Use of direct drives and energy efficient motors to minimize mechanical losses
  - Use of natural lighting, wherever feasible; Use of energy efficient lighting and Auto on-off control
  - Use of natural turbo-vents
  - System validation and optimization of blower speeds in AHU units
  - Central water treatment plant and regeneration of resins
  - Centralised compressed air systems
  - Certification under ISO 50001:2018 of Energy management systems (at Barjora and Greater Noida Units)
- ii) The steps taken by the Company for utilising alternate sources of energy:  
Use of Solar energy sources for general lighting applications and evaluating roof-top solar energy systems at factories
- iii) The capital investment on energy conservation equipment:  
Financial impact not separately quantified

#### B. TECHNOLOGY ABSORPTION :

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

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO

	<u>2021-2022</u>	<u>2020-2021</u>
Total foreign exchange used	63,35,43,598	44,92,08,763
Total foreign exchange earned	22,62,25,982	9,54,51,328

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For and on behalf of the Board

New Delhi  
May 25, 2022

Sidharth Birla  
Chairman

## Xpro India Limited : Annual Report 2021/22

### Annexure to the Directors' Report

#### Form No. AOC-1

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

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

#### Part "A": Subsidiaries

(Rs.in lacs)

1.	Sl. No.	1		2	
2.	Name of the subsidiary	Xpro Global Limited		Xpro Global Pte. Ltd.	
3.	Reporting period for the subsidiary concerned	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022 <i>(ref. Note b)</i>	Year ended March 31, 2021 <i>(ref. Note b)</i>
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupee	Indian Rupee	Singapore \$	Singapore \$ (1 S\$ = Rs.54.43)
5.	Share capital	52.50	52.50	-	-
6.	Reserves & surplus	(50.38)	(50.49)	-	-
7.	Total assets	5.84	10.42	-	-
8.	Total Liabilities	3.72	8.41	-	-
9.	Investments	-	-	-	-
10.	Turnover	0.96	1.36	-	-
11.	Profit before taxation	0.11	0.29	-	(1.42)
12.	Provision for taxation	-	0.05	-	-
13.	Profit after taxation	0.11	0.24	-	(1.42)
14.	Proposed Dividend	Nil	Nil	-	Nil
15.	% of shareholding	100	100	-	-

Notes:

- a. Names of subsidiaries which are yet to commence operations:  
None
- b. Names of subsidiaries which have been liquidated or sold during the year:  
Xpro Global Pte. Ltd., Singapore applied voluntarily and was struck off the Register of Companies, Singapore with effect from February 8, 2021

For and on behalf of the Board

Sidharth Birla  
Chairman

New Delhi  
May 25, 2022

Amit Dhanuka  
Company Secretary

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

C. Bhaskar  
Managing Director &  
Chief Executive Officer



## Xpro India Limited : Annual Report 2021/22

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Annexure to the Directors' Report

### SECRETARIAL AUDIT REPORT

FORM NO. MR - 3

For the Financial Year ended March 31, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

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

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021 (There were no events/instances during the Audit Period which attract the applicability of the Regulations);
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (There were no events/instances during the Audit Period which attract the applicability of the Regulations);
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

## **Xpro India Limited : Annual Report 2021/22**

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- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (There were no events/instances during the Audit Period which attract the applicability of the Regulations); and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (There were no events/instances during the Audit Period which attract the applicability of the Regulations);
- vi) All other laws applicable to the Company in general. However, no Industry specific law is applicable to the Company.

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

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

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

### **I further report that**

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Directors. The change in the composition of the Board of Directors that took place at the close of the Financial Year on March 31, 2022 was carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded, if any, as part of the minutes.

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

I further report that during the period under audit, members have accorded their consent to the Board of Directors by passing a Special Resolution pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013, Chapter V and other applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and all other applicable laws, at the Extra-ordinary General Meeting held on December 29, 2021 to create, issue, offer and allot from time to time in one or more tranches, up to 19,68,000 warrants, each carrying a right to subscribe to 1 Equity Share of the Company, at an issue price of Rs.762 (Rupees Seven Hundred Sixty Two only) per Warrant, including a premium of Rs.752 (Rupees Seven Hundred Fifty Two only), on a preferential allotment basis.

The Company has issued and allotted 19,68,000 Warrants each carrying a right to subscribe to 1 Equity Share of the Company, at an issue price of Rs.762 (Rupees Seven Hundred Sixty Two only) per Warrant, including a premium of Rs.752 (Rupees Seven Hundred Fifty Two only), on a preferential allotment basis. in compliance of the Companies Act, 2013 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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

Place: Kolkata  
Date: April 18, 2022

**Girish Bhatia**  
Company Secretary in practice  
FCS No. 3295  
CP No. 13792  
UDIN: F003295D000144909

## **Xpro India Limited : Annual Report 2021/22**

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### **“Annexure A”**

(To the Secretarial Audit Report of M/s Xpro India Limited for the financial year ended March 31, 2022 - Non-Qualified)

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

Our Secretarial Audit Report for the financial year ended March 31, 2022 of even date is to be read along with this letter.

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

Place: Kolkata  
Date: April 18, 2022

**Girish Bhatia**  
Company Secretary in practice  
FCS No. 3295  
CP No. 13792  
UDIN: F003295D000144909

## Xpro India Limited : Annual Report 2021/22

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

#### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of **Xpro India Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive loss), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Recognition and recoverability of deferred tax assets</b></p> <p>Refer note 4(n) of Summary of significant accounting policies and other explanatory information and the note 26 of the financial statements of the Company for the year ended 31 March 2022.</p> <p>At the balance sheet date 31 March 2022, the Company has recognised deferred tax assets (net) of Rs. 454.52 lacs which includes deferred tax asset recognized for carried forward tax losses and unabsorbed depreciation amounting to Rs. 1,020.98 lacs (31 March 2021: Rs. 384.00 lacs).</p> <p>The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets created for unabsorbed losses including depreciation within the period prescribed under the relevant tax laws involves significant judgement regarding the likelihood of its realisation within the specified time period through estimation of future</p>	<p>Our key audit procedures included, but were not limited to, the following procedures:</p> <p>a) Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets.</p> <p>b) Understood the process and tested the relevant key controls over preparation of future taxable profit projections based on reasonable and supportable assumptions.</p> <p>c) Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors.</p> <p>d) Tested the assumptions used in the aforesaid future projections such as growth rates, expected savings etc, considering our understanding of business, actual historical results, other relevant existing conditions,</p>

## Xpro India Limited : Annual Report 2021/22

Key audit matter	How our audit addressed the key audit matter
<p>taxable profits of the Company and consequently there is a risk that such deferred tax assets may not be realised within the specified period, if these future projections are not met.</p> <p>Determining forecasts of future projections and taxable profits include key factors such as future growth rate, market conditions, expected reduction in fixed costs and finance costs and closure of loss making business lines. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions and materialization of the Company's expansion plans.</p> <p>Owing to the significance of the balances and inherent uncertainty involved in judgements and estimates of future taxable profits as described above, we have considered recognition and recoverability of deferred tax assets recognised during the current year as a key audit matter.</p>	<p>external data and market conditions and challenged management's judgements relating to the forecasts of future taxable profits to conclude on the reasonableness of the assumptions.</p> <p>e) Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process.</p> <p>f) Tested the arithmetical accuracy of the projections including those related to sensitivity analysis performed by management.</p> <p>g) Performed independent sensitivity analysis to the key assumptions used in the future projections to determine impact of estimation uncertainty on future taxable profits.</p> <p>h) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961.</p> <p>i) Re-computed the amount of deferred tax assets as appearing in the financial statements.</p> <p>j) Assessed the appropriateness and adequacy of the disclosures included in the accompanying standalone financial statements in accordance with applicable accounting standards.</p>

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

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

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

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

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

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

## Xpro India Limited : Annual Report 2021/22

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8. In preparing the standalone financial statements, the Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Company either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors of the Company are also responsible for overseeing the Company's financial reporting process.

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

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

## Xpro India Limited : Annual Report 2021/22

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### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure 1, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
      - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(j) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

## **Xpro India Limited : Annual Report 2021/22**

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- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement.
- v. As stated in note 53 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared during the year ended 31 March 2022 by the company is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
UDIN: 22507568AJOEWG6422  
Place: Faridabad  
Date: 25 May 2022



## **Xpro India Limited : Annual Report 2021/22**

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### **Annexure 1 referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Xpro India Limited on the standalone financial statements for the year ended 31 March 2022**

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment, Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are materially in agreement with the books of account of the Company for the respective periods, which were not subject to audit.
- (iii) (a) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs). However, the Company has provided loans and advances in the nature of loans amounting to Rs. 22.60 lacs to others during the year. The outstanding balances of such loans and advances in the nature of loans as at 31 March 2022 is Rs. 22.86 lacs.
- (b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans and advances in the nature of loans provided are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted other parties.
- (e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, as applicable. Further, the Company has not

## Xpro India Limited : Annual Report 2021/22

entered into any transaction covered under section 185 and section 186 of the Act in respect of loans, guarantees and security.

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

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	19.92	-	2012-14	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	9.88	0.74	2016-18	Superintendent Central Excise, Kolkata
Central Excise Act, 1944	Excise Duty	11.73	-	2010-11	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	10.59	-	2010-11	Commissioner of Central Excise Appeals, Kolkata
Sales Tax Act	UP Trade Tax	4.26	3.41	2004-05	Commissioner of Sales Tax
Sales Tax Act	Sales Tax Demand	35.06	3.88	1996-2011	Deputy Commissioner (Appeal), Durgapur
Sales Tax Act	Sales Tax Demand	0.91	0.23	2013-14	Office of appellate authority, commercial tax department, Madhya Pradesh
Central Excise Act, 1944	Excise Duty	22.62	-	2013-15	Directorate General of Central Excise Intelligence
Central Excise Act, 1944	Excise Duty	12.79	-	2013-15	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	6.64	-	2014-16	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	4.09	-	2015-16	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	15.53	1.86	2013-15	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	9.31	-	2014-16	Commissioner of Central Excise Appeals, Kolkata

## Xpro India Limited : Annual Report 2021/22

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	26.93	2.29	2015-16	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	26.00	2.66	2016-17	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	1.32	0.40	2014-17	Commissioner of Central Excise Appeals, Kolkata
Sales Tax Act	Uttar Pradesh Entry Tax	11.34	-	2002-03	Hon'ble Supreme Court of India
Central Excise Act, 1944	Excise Duty	7.28	-	2014-17	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Excise Duty	61.23	-	2018-19	Assistant Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Service Tax	0.82	0.25	2014-17	Commissioner of Central Excise Appeals, Kolkata
Central Excise Act, 1944	Service Tax	53.11	-	2014-16	Commissioner of Central Excise Appeals, Kolkata
Central Goods & Service Tax Act, 2017	Excise Duty	0.32	-	2013-14	Assistant Commissioner CGST & Central Excise, Bankura
Central Goods & Service Tax Act, 2017	Excise Duty	23.90	-	2014-17	Assistant Commissioner CGST & Central Excise, Bankura
Central Goods & Service Tax Act, 2017	Excise Duty	1.80	-	2014-17	Assistant Commissioner CGST & Central Excise, Bankura
Central Goods & Service Tax Act, 2017	Excise Duty	1.42	-	2017-18	Assistant Commissioner CGST & Central Excise, Bankura
Goods & Service Tax Act, 2017	GST	27.60	-	2017-18	Supreme Court

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

## Xpro India Limited : Annual Report 2021/22

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

## **Xpro India Limited : Annual Report 2021/22**

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

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

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
UDIN: 22507568AJOEWG6422

Place: Faridabad  
Date: 25 May 2022

## **Xpro India Limited : Annual Report 2021/22**

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Annexure 2 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the standalone financial statements for the year ended 31 March 2022

### **Annexure 2**

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

1. In conjunction with our audit of the standalone financial statements of Xpro India Limited (the 'Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the standalone financial statements of the Company as at that date.

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

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

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Standalone Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

### **Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements**

6. A company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding

## **Xpro India Limited : Annual Report 2021/22**

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prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such controls were operating effectively as at 31 March 2022, based on internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
UDIN: 22507568AJOEWG6422

Place: Faridabad  
Date: 25 May 2022

## Xpro India Limited : Annual Report 2021/22

### STANDALONE BALANCE SHEET as at March 31, 2022

	Note No.	As at March 31, 2022	(Rs. in lacs) As at March 31, 2021
<b>ASSETS</b>			
<b>Non-Current assets</b>			
a. Property, plant and equipment	5 (a)	1,59,35.83	1,70,23.27
b. Capital work-in-progress	5 (b)	37.30	31.24
c. Right-of-use assets	48	8,81.22	8,85.32
d. Other intangible assets	6	-	-
e. Financial assets - Investments	7	4,99.36	1.50
- Loans	8	13.45	8.88
- Other financial assets	9	4,53.79	3,91.32
f. Deferred tax assets (net)	26	4,54.52	-
g. Non-current tax assets (net)	10	2,56.09	2,01.87
h. Other non-current assets	11	4,33.56	54.63
		<u>1,89,65.12</u>	<u>1,85,98.03</u>
<b>Current assets</b>			
a. Inventories	12	45,64.17	41,03.74
b. Financial assets - Trade receivables	13	66,34.46	66,38.12
- Cash and cash equivalents	14	18,65.85	1,68.47
- Other Bank balances	15	4,77.30	4,15.58
- Loans	16	9.41	8.71
- Other financial assets	17	82.72	1,71.42
c. Current tax assets	18	-	2.08
d. Other current assets	19	3,60.62	1,65.55
		<u>1,39,94.53</u>	<u>1,16,73.67</u>
<b>Assets held for sale</b>	20	<u>5,21.46</u>	<u>5,21.46</u>
<b>Total Assets</b>		<u>3,34,81.11</u>	<u>3,07,93.16</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	21	11,81.35	11,81.35
b. Other equity	22	1,60,20.67	78,07.09
<b>Total equity</b>		<u>1,72,02.02</u>	<u>89,88.44</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
a. Financial liabilities			
Borrowings	23	63,70.93	97,00.68
Lease liabilities	48	1,94.93	2,18.57
Other financial liabilities	24	6.57	6.57
b. Provisions	25	2,21.79	4,29.65
		<u>67,94.22</u>	<u>1,03,55.47</u>
<b>Current liabilities</b>			
a. Financial liabilities			
Borrowings	27	23,99.98	35,88.38
Lease liabilities	48	22.89	13.07
Trade payables - total outstanding dues of micro enterprises & small enterprises	28	1,76.05	1,37.67
- total outstanding dues of creditors other than micro enterprises & small enterprises	28	56,13.49	70,88.81
Other financial liabilities	29	2,40.50	2,02.90
b. Other current liabilities	30	10,31.96	4,18.42
		<u>94,84.87</u>	<u>1,14,49.25</u>
<b>Total liabilities</b>		<u>1,62,79.09</u>	<u>2,18,04.72</u>
<b>Total Equity and liabilities</b>		<u>3,34,81.11</u>	<u>3,07,93.16</u>

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

In terms of our report of even date attached

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

Nitin Toshniwal  
Partner  
Membership No. 507568  
Faridabad, May 25, 2022

Amit Dhanuka  
Company Secretary

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

For and on behalf of the Board

Sidharth Birla  
Chairman  
C. Bhaskar  
Managing Director &  
Chief Executive Officer



## Xpro India Limited : Annual Report 2021/22

### STANDALONE STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2022

	Note No.	Year ended March 31, 2022	(Rs. in lacs) Year ended March 31, 2021
<b>Revenue</b>			
- Revenue from operations	31	4,71,71.99	3,73,35.36
- Other income	32	1,82.93	2,15.17
<b>Total income</b>		<b>4,73,54.92</b>	<b>3,75,50.53</b>
<b>Expenses</b>			
- Cost of materials consumed	33	3,27,97.43	2,62,00.75
- Changes in inventories of finished goods & work-in-progress	34	(2,37.38)	3,05.51
- Employee benefits expense	35	30,19.12	27,61.37
- Finance costs	36	13,00.72	16,53.26
- Depreciation and amortisation expense	37	12,06.81	12,39.69
- Other expenses	38	52,09.55	40,35.30
<b>Total expenses</b>		<b>4,32,96.25</b>	<b>3,61,95.88</b>
<b>Profit before exceptional items and tax</b>		<b>40,58.67</b>	<b>13,54.65</b>
Exceptional items	43	-	(51.00)
<b>Profit before tax</b>		<b>40,58.67</b>	<b>13,03.65</b>
<b>Tax expense</b>			
- Current tax		-	-
- Deferred tax	26	(4,54.52)	5,33.58
- Tax adjusted for earlier years		20.12	(20.93)
<b>Total tax expense</b>		<b>(4,34.40)</b>	<b>5,12.65</b>
<b>Profit for the year</b>		<b>44,93.07</b>	<b>7,91.00</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(15.41)	(39.55)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
- Change in fair value of tax free bonds		(13.12)	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(28.53)</b>	<b>(39.55)</b>
<b>Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year)</b>		<b>44,64.54</b>	<b>7,51.45</b>
<b>Earnings per equity share (of Rs.10/- each)</b>			
- Basic (Rs.)	39	38.03	6.70
- Diluted (Rs.)		37.57	6.70

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

In terms of our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Sidharth Birla  
Chairman

Nitin Toshniwal

Partner

Membership No. 507568

Faridabad

May 25, 2022

Amit Dhanuka  
Company Secretary

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

C. Bhaskar  
Managing Director &  
Chief Executive Officer

## Xpro India Limited : Annual Report 2021/22

### STANDALONE STATEMENT OF CASH FLOWS

For the Year ended March 31, 2022

	Year ended March 31, 2022	(Rs. in lacs) Year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Net profit before tax	40,58.67	13,03.65
Adjustments for:		
Depreciation and amortisation (net)	12,06.81	12,39.69
Exceptional items	-	51.00
Excess provision written back	(48.85)	(87.30)
Interest income	(50.47)	(46.36)
Profit on repatriation of investment in foreign subsidiary	-	(5.54)
Finance costs	13,00.72	16,53.26
Loss on sale of property, plant & equipment	29.04	0.08
Dividend income	(0.05)	(0.05)
<b>Operating profit before working capital changes</b>	<b>64,95.87</b>	<b>41,08.43</b>
Movement in financial assets	32.45	(1.00)
Movement in trade receivables	3.65	(13,65.07)
Movement in other assets	(1,77.87)	2,99.38
Movement in inventory	(4,60.44)	69.60
Movement in financial liabilities	(13,44.77)	16,98.96
Movement in other liabilities	6,13.54	1,88.95
Movement in provisions	(2,23.27)	(1,48.68)
<b>Cash flow generated from operations (gross)</b>	<b>49,39.16</b>	<b>48,50.57</b>
Less: taxes paid (net)	(72.28)	(63.04)
<b>Net cash flow generated from operating activities (A)</b>	<b>48,66.88</b>	<b>47,87.53</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, right-of-use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(6,54.38)	(2,39.67)
Investment in tax-free bonds	(5,10.99)	-
Proceeds from sale of property, plant and equipment	1,34.34	20.53
Repatriation of investment in foreign subsidiary	-	23.93
Dividend received	0.05	0.05
Interest received	38.95	46.36
Proceeds from maturity of/(Investment in) fixed deposits	(61.71)	30.05
<b>Net cash flow (used in) investing activities (B)</b>	<b>(10,53.74)</b>	<b>(1,18.75)</b>
<b>C. Cash flow from financing activities</b>		
Payment of lease liabilities	(39.18)	(39.18)
Proceeds from issue of convertible warrants	37,49.04	-
Proceeds from long-term borrowings	4,86.93	19,30.00
Repayment of long-term borrowings	(38,43.10)	(30,25.36)
Repayment of short-term borrowings (net)	(11,88.40)	(23,06.67)
Interest paid/finance cost	(12,81.05)	(16,42.47)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(21,15.76)</b>	<b>(50,83.68)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>16,97.38</b>	<b>(4,14.90)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,68.47</b>	<b>5,83.37</b>
<b>Cash and Cash Equivalents at the end of the year (refer Note 14)</b>	<b>18,65.85</b>	<b>1,68.47</b>
	<u>As at</u>	<u>As at</u>
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Components of cash and cash equivalents (refer Note 14)</b>		
Balances with scheduled banks:		
- In current accounts	18,63.45	1,64.53
Cash on hand	2.40	3.94
	<u>18,65.85</u>	<u>1,68.47</u>

## Xpro India Limited : Annual Report 2021/22

Notes:

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

b) Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash Flows'

	Lease liabilities	Long-term borrowings	Short-term Borrowings	(Rs. in lacs)
Balance as on April 1, 2020 #*	2,44.00	1,06,71.59	58,95.05	
Cash flows:				
Proceeds	-	19,30.00	-	
Repayments	(39.18)	(30,25.36)	(23,06.67)	
Non-cash changes on account of:				
foreign exchange fluctuation	-	1,24.45	-	
interest cost on lease liabilities	<u>26.82</u>	-	-	
Balance as on April 1, 2021*	2,31.64	97,00.68	35,88.38	
Cash flows:				
Proceeds	-	4,86.93	-	
Repayments	(39.18)	(38,43.10)	(11,88.40)	
Non-cash changes on account of:				
foreign exchange fluctuation	-	26.42	-	
interest cost on lease liabilities	<u>25.36</u>	-	-	
Balance as on March 31, 2022*	2,17.82	63,70.93	23,99.98	

# Lease liabilities in 2019-20 have been created on account of transition to Ind AS 116 (refer note 48 for details)

\* includes current maturity of long-term borrowings Rs.16,59.50 lacs (March 31, 2021: Rs.24,16.41 lacs, March 31, 2020: Rs.19,16.07 lacs)

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

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

For and on behalf of the Board

**Sidharth Birla**  
Chairman

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

**Amit Dhanuka**  
Company Secretary

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

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

## Xpro India Limited : Annual Report 2021/22

### STANDALONE STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2022

(Rs. in lacs)

#### A. Equity Share Capital

Particulars	Number of shares	Amount
<b>Balance as at April 1, 2020</b>	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2021</b>	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2022</b>	1,18,13,500	11,81.35

#### B. Other equity

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Financial assets through OCI	Money received against warrants	Total
<b>Balance as at April 1, 2020</b>	60.50	4,06.58	67,50.00	(1,61.44)	-	-	70,55.64
Profit for the year	-	-	-	7,91.00	-	-	7,91.00
Other comprehensive income/(loss) (net of tax)	-	-	-	(39.55)	-	-	(39.55)
<b>Balance as at March 31, 2021</b>	60.50	4,06.58	67,50.00	5,90.01	-	-	78,07.09
Profit for the year	-	-	-	44,93.07	-	-	44,93.07
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	37,49.04	37,49.04
<b>Balance as at March 31, 2022</b>	60.50	4,06.58	67,50.00	50,67.67	(13.12)	37,49.04	1,60,20.67

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

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

For and on behalf of the Board

Sidharth Birla  
Chairman

Nitin Toshniwal  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

Amit Dhanuka  
Company Secretary

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

C. Bhaskar  
Managing Director &  
Chief Executive Officer

## Xpro India Limited : Annual Report 2021/22

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### Notes to the Financial Statements

#### 1. Company Information:

Xpro India Limited (the 'Company') is a public limited company domiciled in India with its registered office located at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal. Incorporated on November 26, 1997 as "Biax Films Limited" under the Companies Act, 1956, the present name was adopted w.e.f. September 22, 1998. Equity shares of the Company are listed on the National Stock Exchange (NSE) and are admitted for trading on the Bombay Stock Exchange (BSE). Organised into operating divisions for operational convenience, the Company is engaged mainly in the business of Polymers Processing at multiple locations and is the leading manufacturer in India of Coextruded Plastic Sheets, Thermoformed Liners and Speciality Films (including Dielectric Films and special purpose BOPP Films).

#### 2. Recent accounting pronouncements issued but not made effective

##### a. Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

##### b. Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

##### c. Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

##### d. Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

#### 3. Basis for Preparation:

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

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with Section 133 of the Companies Act, 2013.

These financial statements of the Company for the year ended March 31, 2022 were approved and authorized for issue by Board of Directors on May 25, 2022.

##### b. Basis of measurement

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

##### c. Functional and presentation currency

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

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

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

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

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

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All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

### **Operating Cycle**

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

### **e. Fair Value Measurements**

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

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

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

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

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

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

### **Overall Considerations**

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

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

### **4. Significant accounting policies:**

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

#### **a. Property, plant and equipment**

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

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

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

## Xpro India Limited : Annual Report 2021/22

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of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

### **b. Other intangible assets**

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

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

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

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

### **c. Borrowing Costs**

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

### **d. Impairment of non-financial assets**

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

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

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

### e. Assets held for sale

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

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

### f. Inventories

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

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

### g. Provisions, Contingent Liabilities, Contingent assets and Commitments

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

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

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

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

### h. Government grants

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



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### i. Cash and cash equivalents

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

### j. Foreign currency transactions and translation

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

Exchange differences arising on the settlement of short-term monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences pertaining to long-term foreign currency monetary items used for acquisition of depreciable fixed assets are added to the cost of fixed assets and depreciated over the remaining life of the respective fixed asset.

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

### k. Revenue recognition

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

Sales value is net of discounts, rebates and freight outward (on external sales) and are exclusive of value added tax and goods and service tax.

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

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

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

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

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

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

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

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

### l. Employee Benefits

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

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

## Xpro India Limited : Annual Report 2021/22

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

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

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

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

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

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

### m. Leases

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

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

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

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

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

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

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

### n. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised

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in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

### **o. Earnings per share**

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

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

### **p. Operating segment**

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

### **q. Equity investment**

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

### **r. Financial instruments**

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

#### **1. Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement:**

##### **Debt instruments at amortised cost**

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

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

##### **Derecognition**

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

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

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

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

After initial measurement, fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals in the statement of profit and loss.

### **Derecognition**

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

### **Impairment of financial assets**

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

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

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

## **2. Financial liabilities**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

### **Financial liabilities at amortised cost**

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

### **Derecognition**

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

## **3. Offsetting**

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

## **s. Use of estimates and management judgements**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based

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on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

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

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

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

### **Significant management judgements:**

#### **1. Recoverable amount of property, plant and equipment**

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

#### **2. Provisions and contingencies**

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

#### **3. Recognition of deferred tax assets**

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

### **Significant management estimates:**

#### **1. Useful life of property, plant and equipment**

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

#### **2. Employee benefit plans**

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

5. a) Property, plant and equipment	Particulars	(Rs. in lacs)								
		Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers & fittings	Equipment & fittings	Total	Capital work-in-progress
<b>Gross Block</b>										
	Balance as on April 1, 2020	-	42,07.68	2,50,34.67	3,35.48	3,00.99	1,50.74	1,17.14	3,01,46.70	31.36
	Additions (refer Note d' below)	-	22.00	2,66.96	-	64.29	6.17	0.93	3,60.35	-
	Less: Disposals	-	-	-	-	49.60	1.19	0.84	51.63	0.12
	<b>Balance as on March 31, 2021</b>	-	<b>42,29.68</b>	<b>2,53,01.63</b>	<b>3,35.48</b>	<b>3,15.68</b>	<b>1,55.72</b>	<b>1,17.23</b>	<b>3,04,55.42</b>	<b>31.24</b>
	Additions (refer Note d' below)	-	55.97	31.24	1.75	1,37.58	12.59	6.39	2,45.52	37.30
	Less: Disposals	-	1,50.69	59.85	2.65	1,12.44	10.24	3.43	3,39.30	31.24
	<b>Balance as on March 31, 2022</b>	-	<b>41,34.96</b>	<b>2,52,73.02</b>	<b>3,34.58</b>	<b>3,40.82</b>	<b>1,58.07</b>	<b>1,20.19</b>	<b>3,03,61.64</b>	<b>37.30</b>
<b>Accumulated Depreciation</b>										
	Balance as on April 1, 2020	-	8,88.87	1,07,88.81	2,24.37	1,26.34	1,35.93	96.06	1,22,60.38	-
	Add: depreciation for the year	-	1,29.01	10,04.66	20.95	35.96	4.46	7.76	12,02.80	-
	Less: Disposals	-	-	-	-	29.25	0.98	0.80	31.03	-
	<b>Balance as on March 31, 2021</b>	-	<b>10,17.88</b>	<b>1,17,93.47</b>	<b>2,45.32</b>	<b>1,33.05</b>	<b>1,39.41</b>	<b>1,03.02</b>	<b>1,34,32.15</b>	-
	Add: depreciation for the year	-	1,36.95	9,64.00	19.41	37.56	4.42	7.24	11,69.58	-
	Less: Disposals	-	48.49	31.76	2.51	80.12	9.78	3.26	1,75.92	-
	<b>Balance as on March 31, 2022</b>	-	<b>11,06.34</b>	<b>1,27,25.71</b>	<b>2,62.22</b>	<b>90.49</b>	<b>1,34.05</b>	<b>1,07.00</b>	<b>1,44,25.81</b>	-
	Balance as on March 31, 2022	-	30,28.62	1,25,47.31	72.36	2,50.33	24.02	13.19	1,59,35.83	37.30
	Balance as on March 31, 2021	-	32,11.80	1,35,08.16	90.16	1,82.63	16.31	14.21	1,70,23.27	31.24

Notes:

- Refer Note 23 for information on property, plant and equipment pledged as security by the Company;
- Refer Note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- The Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts;
- Exchange differences on all long-term monetary items resulted in an addition of Rs.26.42 lacs (March 31, 2021: addition of Rs.1,24.45 lacs) to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

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5. b) Capital Work-in-progress (CWIP) Schedule					(Rs. in lacs)
	Amount in CWIP for a period of				Total
	< 1 year	1 – 2 years	2 – 3 years	> 3 years	
<u>As at March 31, 2022</u>					
Projects in progress	37.30	-	-	-	37.30
Projects temporarily suspended	-	-	-	-	-
<u>As at March 31, 2021</u>					
Projects in progress	31.24	-	-	-	31.24
Projects temporarily suspended	-	-	-	-	-
<b>6. Other intangible assets</b>					(Rs. in lacs)
	Computer software	Technical knowhow	Total		
<b>Gross block</b>					
Balance as at April 1, 2020	28.32	3,48.38	3,76.70		
Additions	-	-	-		
Balance as at March 31, 2021	28.32	3,48.38	3,76.70		
Additions	-	-	-		
Balance as at March 31, 2022	28.32	3,48.38	3,76.70		
<b>Accumulated amortisation</b>					
Balance as at April 1, 2020	28.32	3,48.38	3,76.70		
Add: Amortisation during the year	-	-	-		
Balance as at March 31, 2021	28.32	3,48.38	3,76.70		
Add: Amortisation during the year	-	-	-		
Balance as at March 31, 2022	28.32	3,48.38	3,76.70		
<b>Net balance as at March 31, 2021</b>	-	-	-		
<b>Net balance as at March 31, 2022</b>	-	-	-		
<b>7. Investments (Non-current)</b>					(Rs. in lacs)
Investments measured at amortised cost					
		As at	As at		
		March 31, 2022	March 31, 2021		
<b>Investments in equity shares of wholly owned subsidiaries:</b>					
<b>Unquoted (valued at cost - non-trade)</b>					
10,00,000 equity shares (March 31, 2021: 10,00,000 equity shares) of Rs.10 each in Xpro Global Limited (out of which 9,50,000 equity shares (March 31, 2021: 9,50,000 equity shares) partly paid up of Rs.5 each)		52.50	52.50		
Less: impairment in value of investment, written off		(51.00)	(51.00)		
Nil equity shares (March 31, 2021: Nil equity shares) at SGD 1 each fully paid up in Xpro Global Pte Ltd *		-	-		
<b>Investments in bonds (quoted) (Fair value through other comprehensive income):</b>					
Tax Free Bonds (refer details below**)		4,97.86	-		
<b>Total investments</b>		<b>4,99.36</b>	<b>1.50</b>		
Aggregate amount of unquoted investments (net of impairment)		1.50	1.50		
Aggregate amount of impairment in value of unquoted investment		51.00	51.00		
Aggregate amount of quoted investments		4,97.86	-		
* Xpro Global Pte. Ltd. applied voluntarily and was struck off the Register of Companies by the regulatory agency in Singapore, w.e.f. February 8, 2021					
** Quoted investments					
March 31, 2022		Number of	Amount		
		Units	(Rs. in Lacs)		
8.66% IIFCL Tax Free Bond - 2034 (January 1, 2034) (Face Value: Rs.1,000 each)		20000	2,64.62		
8.48% IIFCL Tax Free Bond - 2028 (September 9, 2028) (Face Value: Rs.10,00,000 each)		10	1,21.89		
8.66% NTPC Tax Free Bond - 2033 (December 16, 2033) (Face Value: Rs.1,000 each)		3463	47.64		
8.63% IRFC Tax Free Bond - 2029 (March 26, 2029) (Face Value: Rs.1,000 each)		2500	30.85		
8.66% IIFCL Tax Free Bond - 2034 (January 22, 2034) (Face Value: Rs.1,000 each)		1499	20.56		
8.54% PFC Tax Free Bond - 2028 (November 16, 2028) (Face Value: Rs.1,000 each)		1000	12.30		
			4,97.86		
The aggregate amount of investment in bonds at purchase price is Rs.5,10.98 lacs (March 31, 2021: Nil)					

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8. Loans (Non-current)	(Rs. in lacs)	
<i>(Considered good, unsecured)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Loans to employees	13.45	8.88
<b>Total</b>	<b>13.45</b>	<b>8.88</b>

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

9. Other financial assets (Non-current)	(Rs. in lacs)	
<i>(Considered good, unsecured)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Security deposits	1,77.91	1,77.91
VAT Subsidy	1,75.88	2,13.41
Bank Deposits with more than 12 months maturity	1,00.00	-
<b>Total</b>	<b>4,53.79</b>	<b>3,91.32</b>

10. Non-current tax assets (net)	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Pre-paid taxes ( <i>net of provision for tax Rs.Nil; previous year Rs.Nil</i> )	2,56.09	2,01.87
<b>Total</b>	<b>2,56.09</b>	<b>2,01.87</b>

11. Other assets (Non-current)	(Rs. in lacs)	
<i>(Considered good, unsecured)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Capital advances [refer Note (a) and (b) below]	3,96.09	-
Advances other than capital advances		
- Pre-paid expenses	8.42	10.78
- Balances with statutory authorities	29.05	43.85
<b>Total</b>	<b>4,33.56</b>	<b>54.63</b>

Note:

**Capital commitment:**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the amount (net of capital advances): Rs. 1,45.81 lacs (March 31, 2021: Rs. Nil)

b) Unpaid portion of subscribed equity capital in subsidiary: Rs.47.50 lacs (March 31, 2021: Rs.47.50 lacs)

12. Inventories	(Rs. in lacs)	
<i>(valued at lower of cost and net realisable value)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Raw material	25,42.50	23,62.53
Work-in-progress	1,79.67	2,29.06
Finished products	14,32.75	11,45.98
Stores and spares	4,09.25	3,66.17
<b>Total</b>	<b>45,64.17</b>	<b>41,03.74</b>

Note: Raw materials includes goods in transit: Rs. Nil (March 31, 2021: Rs. Nil)

13. Trade receivables	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Trade receivables: Considered good, unsecured	66,34.46	66,38.12
<b>Total</b>	<b>66,34.46</b>	<b>66,38.12</b>

Note:

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

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



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c) Trade receivables ageing schedule		(Rs. in lacs)				
Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
<u>March 31, 2022</u>						
Undisputed trade receivables						
i) considered good	66,34.43	0.03	-	-	-	66,34.46
ii) which have significant increase in credit risk	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-
<u>March 31, 2021</u>						
Undisputed trade receivables						
i) considered good	66,36.11	2.01	-	-	-	66,38.12
ii) which have significant increase in credit risk	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-

<b>14. Cash and cash equivalents</b>	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Balance with banks in current accounts	18,63.45	1,64.53
Cash on hand	2.40	3.94
<b>Total</b>	<b>18,65.85</b>	<b>1,68.47</b>
<b>15. Other bank balances</b>	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months	65.13	62.69
Earmarked balances with bank (held as margin money)	4,12.17	3,52.89
<b>Total</b>	<b>4,77.30</b>	<b>4,15.58</b>
<b>16. Loans (Current)</b>	(Rs. in lacs)	
(Considered good, unsecured)	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Loans to employees	9.41	8.71
<b>Total</b>	<b>9.41</b>	<b>8.71</b>
<b>17. Other financial assets (Current)</b>	(Rs. in lacs)	
(Considered good, unsecured)	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Security deposits	0.41	1,00.62
Interest accrued but not due (on tax-free bonds)	11.51	-
Recoverable from others (refer note 20)	70.80	70.80
<b>Total</b>	<b>82.72</b>	<b>1,71.42</b>
<b>18. Current tax assets</b>	(Rs. in lacs)	
(Considered good, unsecured)	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Income-tax	-	2.08
<b>Total</b>	<b>-</b>	<b>2.08</b>

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<b>19. Other current assets</b>	(Rs. in lacs)	
<i>(Considered good, unsecured)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Advance to suppliers	18.57	12.72
Prepaid expenses	2,44.77	74.94
Balance with government authorities	64.61	35.18
Other receivable		
Loans - considered good, unsecured	32.67	42.71
<b>Total</b>	<b>3,60.62</b>	<b>1,65.55</b>

Notes:

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

<b>20. Assets held for sale</b>	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Property, plant and equipment	5,21.46	5,21.46
<b>Total</b>	<b>5,21.46</b>	<b>5,21.46</b>

The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Biax Division Unit 1 are presented as 'Assets held for sale' separately from other assets in the balance sheet. The contractual sale amount, including trial run expenses (Rs.70.80 lacs), has been received in full; the business transfer remains pending while the purchaser ties up certain operating arrangements, including power, and is expected to be completed during 2022-23.

The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sell and hence there is no impairment loss to be recognised in the statement of profit and loss account.

<b>21. Equity share capital</b>	(Rs.in lacs)	
<u>Particulars</u>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Authorised Share Capital</b>		
3,50,00,000 (March 31, 2021: 3,50,00,000) Equity shares of Rs.10 each	35,00.00	35,00.00
<b>Issued, Subscribed &amp; Paid-up</b>		
1,18,13,487 (March 31, 2021: 1,18,13,487) equity shares of Rs.10 each fully paid	11,81.35	11,81.35
<b>Share Capital Suspense</b>		
13 (March 31, 2021:13) equity shares of Rs.10 each fully paid	*	*
(*rounded off to Rs. Nil)	<b>11,81.35</b>	<b>11,81.35</b>

a) Share Capital Suspense comprises of 12 equity shares pending to be allotted as fully paid up to some non-resident equity shareholders without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000 (as amended) and 1 equity share of 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.

b) Reconciliation of number of equity shares outstanding:

	<u>For the year ended March 31, 2022</u>		<u>For the year ended March 31, 2021</u>	
	Number of	Amount	Number of	Amount
	equity shares	(Rs.in lacs)	equity shares	(Rs.in lacs)
<b>At the beginning/end of the year</b>	<b>1,18,13,500</b>	<b>11,81.35</b>	<b>1,18,13,500</b>	<b>11,81.35</b>

c) **Terms/rights attached to equity shares**

The Company has issued only one class of equity shares having a par value of Rs.10 per share. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. In the event of liquidation, the equity

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shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their respective shareholding. All shares rank equally with regard to the Company's residual assets.

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

Name of the Shareholder(s)	As at	
	March 31, 2022	March 31, 2021
i) Intellipro Finance Private Limited		
- No. of shares	23,05,000	23,05,000
- % of shares held	19.51	19.51
ii) iPro Capital Limited		
- No. of shares	29,40,000	29,40,000
- % of shares held	24.89	24.89

e) Shareholding of Promoters:

Sl.	Promoter Name	Shares held by Promoters/Promoter Group				% change during the year
		As on March 31, 2021		As on March 31, 2022		
		No. of Shares	% of total	No. of Shares	% of total	
1	Birla Eastern Limited	18400	0.16	18400	0.16	-
2	Birla Holdings Limited	166650	1.41	166650	1.41	-
3	Birla, Madhushree Smt.	125	Neg.	100125	0.85	0.85
4	Birla, Sidharth Kumar	201875	1.71	101875	0.86	(0.85)
5	Birla, S K	709	Neg.	709	Neg.	-
6	Birla, Sumangala Smt.	1527	0.01	1527	0.01	-
7	Central India General Agents Limited	275000	2.33	275000	2.33	-
8	IntelliPro Finance Private Limited	2305000	19.51	2305000	19.51	-
9	iPro Capital Limited	2940000	24.89	2940000	24.89	-
Promoter/Promoter Group Total:		5909286	50.02	5909286	50.02	-

f) There have been no shares which has been issued for a consideration other than cash and no shares bought back by the Company during the period of 5 years immediately preceding the reporting date.

g) There are no options outstanding as at the end of the year.

## 22. Other Equity

(Rs. in lacs)

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Financial assets through OCI	Money received against warrants	Total
<b>Balance as at April 1, 2020</b>	60.50	4,06.58	67,50.00	(1,61.44)	-	-	70,55.64
Profit for the year	-	-	-	7,91.00	-	-	7,91.00
Other comprehensive income/(loss) (net of tax)	-	-	-	(39.55)	-	-	(39.55)
<b>Balance as at March 31, 2021</b>	60.50	4,06.58	67,50.00	5,90.01	-	-	78,07.09
Profit for the year	-	-	-	44,93.07	-	-	44,93.07
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	37,49.04	37,49.04
<b>Balance as at March 31, 2022</b>	60.50	4,06.58	67,50.00	50,67.67	(13.12)	37,49.04	1,60,20.67

### Nature and purpose of reserves

#### a) Capital subsidy reserve

This represents the profit earned by the Company through a special transaction in the nature of a government subsidy that is not available for distributing dividend.

#### b) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

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**c) General reserve**

General reserve is a distributable reserve created by way of transfer from time to time from annual profits.

**d) Retained earnings**

Represents the profit/(loss) accumulated over the years.

**e) Money received against warrants**

Represents amount received towards preferential allotment of convertible warrants issued.

**23. Non-current financial liabilities - Borrowings**

	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<u>Loans from banks - Secured</u>		
Term loans (refer note a to b)	53,61.29	76,97.38
Foreign currency borrowings (refer note q)	9,70.59	19,83.82
Vehicle loans (refer note r)	39.05	19.48
<b>Total</b>	<b>63,70.93</b>	<b>97,00.68</b>

- a. Term loan from State Bank of India, outstanding Rs.Nil (previous year: Rs.2,72.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.3.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.10.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.12.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to Oldenburgische Landesbank AG ('OLB')) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.
- b. Term Loan from Punjab National Bank, outstanding Rs.3,47.35 lacs (previous year: Rs.5,74.78 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.7.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.24.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.28.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- c. Term Loan from State Bank of India, outstanding Rs.9,05.72 lacs (previous year: Rs.14,08.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.15.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.51.75 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.62.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- d. Term Loan from State Bank of India, outstanding Rs.6,99.26 lacs (previous year: Rs.10,88.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.40.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.48.00 lacs each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- e. Term Loan from State Bank of India, outstanding Rs.7,22.62 lacs (previous year: Rs.11,25.50 lacs ) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.41.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.49.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- f. Term Loan from Indian Bank, outstanding Rs.6,36.23 lacs (previous year: Rs.10,20.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 2 quarterly instalments of Rs.7.50 lacs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (iii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018 (iv) 12 quarterly instalments of Rs.44.50 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.47.25 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets,

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

- g. Corporate Loan from State Bank of India outstanding Rs. Nil (previous year: Rs.1,67.79 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.4.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.13.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.15.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.
- h. Corporate Loan from State Bank of India, outstanding Rs.3,55.66 lacs (previous year: Rs.10,20.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.45.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- i. Corporate Loan from State Bank of India, outstanding Rs.Nil (previous year: Rs.2,47.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.2.75 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.9.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.11.00 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.11.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Company & second charge on all the current assets of the Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.
- j. Term Loan from Punjab National Bank, outstanding Rs.1,35.99 lacs (previous year: Rs.3,39.77 lacs), carrying interest linked to the bank's MCLR, is repayable in (i) 24 quarterly instalments of Rs.25.00 lacs each starting from June, 2020; and is secured by exclusive 1<sup>st</sup> charge on the assets to be acquired out of above loan and ranking pari passu 2<sup>nd</sup> charge on all the current assets of the Company with other term lenders.
- k. During the year, term/corporate loans aggregating to Rs.26,90.00 lacs has been pre-paid to banks.
- l. During the previous year, the Company had been granted a moratorium of 6 months w.e.f. March 2020 for payment of instalment(s) on above mentioned terms loans as per RBI guidelines following the Covid-19 pandemic; accordingly the re-payment schedule has been extended.
- m. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding Rs.15,00.01 lacs (previous year: Rs.16,00.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of Rs.33.33 lacs each starting from January 2022 & (ii) last instalment of Rs.33.49 lacs in December 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC).
- n. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding Rs.2,15.60 lacs (previous year: Rs.230.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of Rs.6.38 lacs each starting from February 2022 & (ii) last instalment of Rs.6.70 lacs in January 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.
- o. Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding Rs.4,26.93 lacs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in 48 monthly instalments of Rs.8.96 lacs each starting from April 2022 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.
- p. The above-mentioned term loans carry interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).
- q. ECB from Oldenburgische Landesbank AG ('OLB'), in the nature of term loan, outstanding €2,268,005; equivalent to Rs.19,41.19 lacs (previous year: €3,402,008; equivalent to Rs.29,75.74 lacs), carrying annual interest at Euribor + 1.75% is repayable in 14 semi-annual instalments of €567,001.34 each, along with interest, commencing from April 2017, is secured by hypothecation of specified Dielectric Film Line and slitter at Barjora and is insured under Hermes export credit guarantee;

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- r. Vehicle Loan(s) of Rs.70.32 lacs (previous year: Rs.30.61 lacs) carrying interest at between 7 to 7.8 % per annum (previous year: 9 to 9.5%) repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles;
- s. Lenders retain the right to recompense for NPV loss amount of upto Rs.3,65.00 lacs arising on rescheduling of term loans effective April 1, 2016;
- t. There has been no default in servicing of loans and interest due thereon during and as at the end of the year;
- u. Loans from Indian banks are further secured by pledge of 15% of promoters equity shareholding in the Company;
- v. Rs.Nil, (March 31, 2021: Rs.80.46 lacs) has been adjusted against long term borrowings being adjustments on account of adoption of Ind AS.
- w. Interest accrued on above borrowings is Rs.73.55 lacs (March 31, 2021: Rs.80.72 lacs).

24. Non-current financial liabilities - Others	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Security deposits	6.57	6.57
<b>Total</b>	<b>6.57</b>	<b>6.57</b>

25. Provisions	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Employee benefits</b>		
<b>Non-current</b>		
Gratuity (refer Note 40)	1,93.96	4,06.09
Compensated absences	27.83	23.56
	<u>2,21.79</u>	<u>4,29.65</u>

26. **Deferred tax**  
As per Ind AS 12 - Income Taxes, deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. As a matter of abundant caution, deferred tax assets have been recognized in the balance sheet only to the extent reasonably likely to be recoverable within the next financial year.

Deferred tax assets/liabilities (net):	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Deferred tax liability</b>		
Fixed assets:	6,15.28	3,84.00
Impact of difference between book and tax depreciation		
<b>Gross deferred tax liability</b>	<b>6,15.28</b>	<b>3,84.00</b>
<b>Deferred tax assets</b>		
Carried forward of losses/unabsorbed depreciation	10,20.98	31,44.00
Expenses deductible on payment basis	48.82	53.00
<b>Gross deferred tax assets</b>	<b>10,69.80</b>	<b>31,97.00</b>
<b>Deferred tax assets to the extent recognized</b>	<b>10,69.80</b>	<b>3,84.00</b>
<b>Net deferred tax asset</b>	<b>4,54.52</b>	<b>-</b>

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Movement in Deferred tax asset				(Rs. in lacs)
<u>March 31, 2022</u>				
Particulars	Balance as at April 1, 2021	Recognised during the year In Statement of Profit & Loss	In OCI	Balance as at March 31, 2022
<b>Deferred tax liabilities</b>				
Property, plant and equipment	3,84.00	2,31.28	-	6,15.28
	3,84.00	2,31.28	-	6,15.28
<b>Deferred tax assets</b>				
Carry forward of losses	3,31.00	6,89.98	-	10,20.98
Provision for employee benefits	53.00	(4.18)	-	48.82
	3,84.00	6,85.80	-	10,69.80
Net deferred tax asset	-	4,54.52	-	4,54.52
<hr/>				
<u>March 31, 2021</u>				
Particulars	Balance as at April 1, 2020	Recognised during the year In Statement of Profit & Loss	In OCI	Balance as at March 31, 2021
<b>Deferred tax liabilities</b>				
Property, plant and equipment	12,70.00	(8,86.00)	-	3,84.00
	12,70.00	(8,86.00)	-	3,84.00
<b>Deferred tax assets</b>				
Carry forward of losses	12,22.00	8,91.00	-	3,31.00
Provision for employee benefits	48.00	5.00	-	53.00
	12,70.00	8,86.00	-	3,84.00
Net deferred tax asset	-	-	-	-

The carry forward tax losses as at March 31, 2022, expire as follows:-

Loss for the tax assessment year ended	Losses with no expiry
	Unabsorbed depreciation
	(Rs. in lacs)
2014-15	2,06.20
2015-16	18,67.05
2016-17	27,15.43
2017-18	17,67.16
2018-19	10,66.29
2020-21	4,90.51

<u>Reconciliation of tax and book profit</u>			(Rs. in lacs)
	Year ended March 31, 2022	Year ended March 31, 2021	
Profit before tax	40,58.67	13,03.65	
Tax rate (%)	25.17	25.17	
Tax expense at above rate	10,21.57	3,28.13	
Tax impact of utilisation of brought forward losses	(10,21.57)	(3,28.13)	
Current Tax	-	-	
Tax effect of amounts which are not deductible (taxable) in calculating taxable income			
Income tax expense			
Deferred Tax	(4,54.52)	5,33.58	
Add: Tax adjusted for earlier years	20.12	(20.93)	
Total tax expense/(credit)	(4,34.40)	5,12.65	

- 1) The Company has opted for the alternate tax regime under Section 115BAA of the Income Tax Act, 1961, with effect from the Financial Year 2019-20, which allows the Company a lower tax rate of 25.17% (against 34.94%) but restricts availability

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of exemptions/incentives under different provisions of income tax, and is accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit. Accordingly taxable income for financial year 2020-21 had been adjusted against assessed business losses brought forward and revised return for A.Y. 2020-21 had been filed.

- 2) The Deferred Tax Assets/Liabilities as at March 31, 2021 and March 31, 2020 and the estimate of Tax Expense for the year ended March 31, 2021 had been accordingly re-measured and Deferred Tax Asset amounting to Rs.5,33.58 lacs, in the nature of MAT credit carried forward had been written off in 2020-21 as no longer available to the Company.

27. Current financial liabilities - Borrowings	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Secured</b>		
Loans repayable on demand		
- Working capital loan from banks	7,40.48	11,71.97
- Current maturities of long term borrowings (refer note 23)	16,59.50	24,16.41
<b>Total</b>	<u>23,99.98</u>	<u>35,88.38</u>

- a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Company, present and future, wherever situated.
- b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the year.

28. Current financial liabilities – Trade payables	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Trade payables</b>		
Total outstanding dues to micro enterprises & small enterprises	1,76.05	1,37.67
Total outstanding dues to creditors other than micro & small enterprises	37,39.09	50,93.47
Acceptances	18,74.40	19,95.34
<b>Total</b>	<u>57,89.54</u>	<u>72,26.48</u>

a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 47 for information on the Company's credit risk management processes.

b) Acceptances include arrangements where operational supplies of goods and services are initially paid by banks while the Company continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

c) Disclosures with respect to related party transactions is given in note 42.

d) Micro & small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. The disclosure pursuant to MSMED Act on the amount due to micro and small enterprises is given below:

	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Principal amount due and remaining unpaid	1,75.92	1,37.67
Interest due on above and remaining unpaid	0.13	-
Interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
Payment made to suppliers (other than interest) beyond appointed day	-	-
Interest paid in terms of Sec.16 of MSMED Act	-	-
Further interest remaining due and payable in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments made	-	-
Interest accrued and remaining unpaid	-	-



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e) Trade payables ageing schedule					(Rs. in lacs)
Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
<u>March 31, 2022</u>					
i) MSME	1,76.05	-	-	-	1,76.05
ii) Others	55,76.28	0.34	0.37	36.50	56,13.49
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-
<u>March 31, 2021</u>					
i) MSME	1,37.67	-	-	-	1,37.67
ii) Others	70,51.65	0.55	0.31	36.30	70,88.81
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-
<b>29. Current financial liabilities – Others</b>					(Rs. in lacs)
	As at		As at		
	<u>March 31, 2022</u>		<u>March 31, 2021</u>		
Creditors for capital expenditure	0.20		0.20		
Interest accrued but not due	10.01		15.72		
Employees payables	2,22.79		1,82.18		
Security deposit received	7.50		4.80		
<b>Total</b>	<b>2,40.50</b>		<b>2,02.90</b>		
<b>30. Other current liabilities</b>					(Rs. in lacs)
	As at		As at		
	<u>March 31, 2022</u>		<u>March 31, 2021</u>		
Advance from customer	1,13.94		10.75		
Statutory dues payable	2,40.02		1,82.67		
Advance against sale of 'assets held for sale'	6,78.00		2,25.00		
<b>Total</b>	<b>10,31.96</b>		<b>4,18.42</b>		
<b>31. Revenue from operations</b>					(Rs.in lacs)
	Year ended		Year ended		
	<u>March 31, 2022</u>		<u>March 31, 2021</u>		
Sale of products (refer note 49)					
- Finished goods	4,58,48.95		3,67,91.75		
Other operating income					
- Scrap sale	3,94.92		5,33.89		
- Export incentives and margins	59.99		9.72		
- Processing charges	8,68.13		-		
<b>Total</b>	<b>4,71,71.99</b>		<b>3,73,35.36</b>		
<b>32. Other income</b>					(Rs.in lacs)
	Year ended		Year ended		
	<u>March 31, 2022</u>		<u>March 31, 2021</u>		
Interest on					
- Fixed deposits	34.82		19.33		
- Other financial assets carried at FVTOCI	5.30		-		
- Others	8.54		21.07		
- Income-tax refund	1.81		5.96		
Dividend Income	0.05		0.05		
Other non-operating income					
- Foreign currency transactions (net)	-		41.01		
- Excess provision written back	48.85		87.30		
- Profit on repatriation of investment in foreign subsidiary	-		5.54		
- Miscellaneous income	83.56		34.91		
<b>Total</b>	<b>1,82.93</b>		<b>2,15.17</b>		

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<b>33. Cost of materials consumed</b>		(Rs.in lacs)	
	Year ended	Year ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Inventories at the beginning of the year	23,62.53	21,62.30	
Add: Purchases during the year	3,29,77.40	2,64,00.98	
Less: Inventories at the end of the year	<u>25,42.50</u>	<u>23,62.53</u>	
<b>Cost of materials consumed</b>	<b>3,27,97.43</b>	<b>2,62,00.75</b>	
<b>34. Changes in inventories of finished and work-in-progress</b>		(Rs.in lacs)	
	Year ended	Year ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Inventories at the beginning of the year			
Finished goods	11,45.98	13,49.29	
Work-in-progress	<u>2,29.06</u>	<u>3,31.26</u>	
	13,75.04	16,80.55	
Inventories at the end of the year			
Finished goods	14,32.75	11,45.98	
Work-in-progress	<u>1,79.67</u>	<u>2,29.06</u>	
	<u>16,12.42</u>	<u>13,75.04</u>	
<b>Net (decrease)/increase</b>	<b>(2,37.38)</b>	<b>3,05.51</b>	
<b>35. Employees benefits expense</b>		(Rs.in lacs)	
	Year ended	Year ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Salaries, wages & bonus	26,00.74	23,58.12	
Contribution to provident and other funds	2,82.69	2,77.70	
Staff welfare expenses	<u>1,35.69</u>	<u>1,25.55</u>	
<b>Total</b>	<b>30,19.12</b>	<b>27,61.37</b>	
Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 40			
<b>36. Finance costs</b>		(Rs.in lacs)	
	Year ended	Year ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Interest expense on borrowings measured at amortised cost	9,39.04	11,59.33	
Interest on lease liability	25.36	26.82	
Other borrowing costs	<u>3,36.32</u>	<u>4,67.11</u>	
<b>Total</b>	<b>13,00.72</b>	<b>16,53.26</b>	
<b>37. Depreciation and amortisation expenses</b>		(Rs.in lacs)	
	Year ended	Year ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Depreciation on tangible assets	11,69.58	12,02.80	
Depreciation on right-to-use assets	<u>37.23</u>	<u>36.89</u>	
<b>Total</b>	<b>12,06.81</b>	<b>12,39.69</b>	
<b>38. Other expenses</b>		(Rs.in lacs)	
	Year ended	Year ended	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Consumption of stores and spares	10,55.32	8,60.76	
Processing charges	35.39	34.52	
Power & Fuel	25,56.96	19,99.65	
Rent	31.62	45.24	
Repairs to:			
- Buildings	8.82	15.81	
- Plant & Machinery	1,86.52	1,08.74	
- Others	24.78	22.32	
Communication	19.21	16.76	
Director's Fees	40.50	35.05	

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Other expenses (contd.)	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Insurance	1,06.39	78.07
Legal & professional	2,05.50	1,05.62
Rates & Taxes	82.81	42.68
Security expenses	67.39	64.15
Travelling and conveyance	1,51.05	75.62
Rebate and commission	2,68.44	2,90.07
Payment to Auditors (refer note 'a' below)	21.72	19.53
Other selling expenses	20.06	8.69
Corporate social responsibility (refer Note 45)	17.70	-
Loss on disposal/discard of property, plant and equipment	29.04	0.07
Foreign currency transactions (net)	23.29	-
Miscellaneous expenses	2,57.04	2,11.95
<b>Total</b>	<b>52,09.55</b>	<b>40,35.30</b>

a) Payment to auditors	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
To Statutory Auditors		
- As Auditors	18.00	18.00
- For other matters	0.75	-
- Reimbursement of expenses	2.97	1.53
	<b>21.72</b>	<b>19.53</b>

39. Earnings per share (EPS)	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
a) Profit for the year attributable to equity shareholders (A)	44,93.07	7,91.00
b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS	1,18,13,500	1,18,13,500
Add: impact of convertible warrants	1,46,381	-
Weighted average number of equity shares outstanding during the year for computation of Diluted EPS	1,19,59,881	1,18,13,500
Nominal value per share (Rs.)	10	10
c) Basic earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	38.03	6.70
Dilutive earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	37.57	6.70

Note: there are no dilutive shares as on March 31, 2021

#### 40. Employee benefits Defined Contribution Plan

The Company makes contribution towards provident fund and ESI for qualifying employees to government administered /approved funds wherein the Company is required to contribute a specified percentage of payroll cost to the schemes to fund the benefits. The Company has no further obligations beyond the periodic contributions.

The Company recognized Rs.2,82.69 lacs (March 31, 2021: Rs 2,77.70 lacs) towards provident fund contributions and ESI contribution in the Statement of Profit and Loss included in "Employee benefits expense" (note 35).

#### Defined Benefit Plan

##### Gratuity

The Company provides for gratuity as per the Payment of Gratuity Act, 1972 or as per applicable Company rules, whichever is higher. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Company accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

The following table sets out the status of the gratuity plan, based on the actuarial valuation obtained in this respect and the amounts recognised in the Company's financial statements as at balance sheet date:

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	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
<b>(i) Asset/(Liability) recognised in Balance Sheet</b>		
Present value of the obligation at end of the year	11,02.26	9,99.00
Fair value of plan assets	9,08.30	5,92.90
Net assets/(liability) recognised in balance sheet as provision	<b>1,93.96</b>	<b>4,06.10</b>
<b>(ii) Amount recognised in the statement of profit and loss is as under:</b>		
Current service cost	53.51	49.45
Net interest cost	17.46	28.81
Expense recognised in the income statement	<b>70.97</b>	<b>78.26</b>
<b>(iii) Amount recognised in other comprehensive income is as under:</b>		
Actuarial gain/(loss) for the year on defined benefit obligation	(8.41)	(36.82)
Actuarial gain/(loss) for the year on plan assets	(7.00)	(2.73)
<b>Total actuarial gain/(loss) for the year</b>	<b>(15.41)</b>	<b>(39.55)</b>
<b>(iv) Movement in the liability recognised in the balance sheet is as under:</b>		
Present value of defined obligation as at start of the year	9,99.00	9,26.85
Current service cost	53.51	49.45
Interest cost	64.93	60.25
Actuarial loss/(gain) recognised during the year	8.41	36.82
Benefits paid	<b>(23.59)</b>	<b>(74.37)</b>
Present value of defined benefit obligation as at the end of the year	<b>11,02.26</b>	<b>9,99.00</b>
<b>(v) Movement in the plan assets recognised in the balance sheet is as under:</b>		
Fair value of plan assets at beginning of the year	5,92.90	4,03.08
Expected return on plan assets	47.47	31.43
Employer's contribution	2,98.52	2,00.00
Benefits paid	(23.59)	(38.87)
Actuarial gain/(loss) on plan assets	(7.00)	(2.74)
Fair value of plan assets at the end of the year	<b>9,08.30</b>	<b>5,92.90</b>
Actual return on plan assets	40.47	28.70
<b>(vi) Breakup of actuarial (gain)/loss on defined benefit obligation:</b>		
Actuarial (gain)/loss on arising from change in financial assumption	-	7.86
Actuarial (gain)/loss on arising from experience adjustment	8.41	28.96
<b>Total actuarial (gain)/loss for the year</b>	<b>8.41</b>	<b>36.82</b>
<b>(vii) Actuarial assumptions:</b>		
Discount rate (%)	6.50	6.50
Future salary increase (%)	6.00	6.00
Expected average remaining working lives of employees (years)	13.07	14.31
Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.		
These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.		
<b>(viii) Sensitivity analysis for gratuity liability</b>		
Impact of the change in discount rate		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	(26.22)	(25.02)
- Impact due to decrease of 1 %	30.31	28.75
Impact of the change in salary increase		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	30.16	25.35
- Impact due to decrease of 1 %	(26.57)	(28.60)

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	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
(ix) <b>Expected (undiscounted) benefit payments in future years</b>		
Projections are for current members and their currently accumulated benefits		
Year- 1	7,59.42	6,43.13
Year- 2	32.43	69.67
Year- 3	30.01	28.44
Year- 4	56.08	27.36
Year- 5	31.83	46.68
Year- 6 to Year- 10	2,80.56	1,43.98
(x) <b>Category of plan assets</b>		
LIC managed fund	100 %	100 %

### Compensated absence:

The leave obligations cover the Company's liability for earned leave and sick leave. The liability towards compensated absences for the year ended March 31, 2022 based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution to the plan assets has resulted in a net liability of Rs.27.83 lacs (March 31, 2021: Rs. 23.56 lacs) which has been shown under Provisions in the Standalone Financial Statements.

### 41. Contingent Liabilities

	As at March 31, 2022	(Rs. in lacs) As at March 31, 2021
Claims against the Company, not acknowledged as debt	2.50	2.50
Sales tax, Excise & Customs matters under appeal	3,95.10	3,66.06
Others ( <i>claims not acknowledged as debt</i> )	36.68	36.68

Note: The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Company as no reliable estimate can yet be made.

### 42. Related party disclosures: According to Ind AS 24 'Related Party Disclosures'

*Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS24. However, they are not KMPs as per Companies Act, 2013*

#### A. List of Related Parties:

1. Subsidiary companies (wholly owned)
  - a) Xpro Global Limited;
  - b) Xpro Global Pte. Ltd., Singapore (*till February 8, 2021*)
2. Entities exercising significant influence over the Company
  - a) iPro Capital Limited;
  - b) Intellipro Finance Pvt. Ltd.;
3. Entities over which Key Managerial Personnel have control
  - a) Alpha Capital Resources Pte. Ltd., Singapore;
  - b) Tanjore Partners LLP;
4. Post-employment benefit funds
  - a) Xpro India Limited Employees Provident Fund Trust
  - b) Xpro India Limited Senior Officers Superannuation Fund
  - c) Xpro India Limited Employees Gratuity Fund

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### 5. Key managerial personnel

#### a) Executive Directors:

- (i) Sri Sidharth Birla, *Chairman*;
- (ii) Sri C Bhaskar, *Managing Director & CEO*

#### b) Non-executive Independent Directors:

- (i) Sri Amitabha Guha;
- (ii) Sri Ashok Kumar Jha;
- (iii) Sri Utsav Parekh;
- (iv) Sri S Ragothaman;
- (v) Smt. Vijaya Sampath (*upto 17/6/2020*)
- (vi) Ms. Suhana Murshed (*w.e.f. 10/8/2021*)

#### c) Non-executive Non-Independent Directors:

- (i) Smt Madhushree Birla

#### d) Others:

- (i) Sri H Bakshi, *Sr. President & COO*
- (ii) Sri V K Agarwal, *President (F) & CFO*
- (iii) Sri S C Jain, *Company Secretary (upto 30/6/2020)*
- (iii) Sri Amit Dhanuka, *Company Secretary (w.e.f. 1/7/2020)*

### B. Transactions with Related Parties:

<u>Related Party</u>	<u>Nature of transaction</u>	(Rs.in lacs)	
		Year ended <u>March 31, 2022</u>	Year ended <u>March 31, 2021</u>
iPro Capital Limited	Aggregate ICD repayments	-	1,00.00
	Interest paid on inter-corporate deposits	-	9.97
Xpro India Limited Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	56.95	49.70
Xpro India Limited Senior Officers Superannuation Fund	Contribution to post employment benefit fund (with LIC)	59.20	38.77
Xpro India Limited Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	298.52	2,00.00
Sri Sidharth Birla	Remuneration (including leave encashment)	1,07.81	91.08
Sri C Bhaskar	Remuneration (including leave encashment)	1,43.52	1,47.46
	Payable amount at year end	8.75	-

<u>Related Party</u>	<u>Nature of transaction</u>	(Rs.in lacs)	
		Year ended <u>March 31, 2022</u>	Year ended <u>March 31, 2021</u>
Smt Madhushree Birla	Sitting Fees	6.00	5.60
Sri Amitabha Guha	Sitting Fees	8.65	8.45
Sri Ashok Kumar Jha	Sitting Fees	6.50	6.40
Sri Utsav Parekh	Sitting Fees	6.90	6.95
Sri S Ragothaman	Sitting Fees	7.95	7.55
Smt Vijaya Sampath	Sitting Fees	-	0.10
Ms. Suhana Murshed ( <i>w.e.f.10/8/21</i> )	Sitting Fees	4.50	-
Sri H Bakshi	Remuneration	1,31.38	1,01.88
Sri V K Agarwal	Remuneration	94.22	75.57
Sri S C Jain	Remuneration	-	18.08
Sri Amit Dhanuka	Remuneration	20.35	14.64

*Note: Provisions for gratuity and leave benefits are made for the Company as a whole, hence the amount pertaining to key management personnel are not specifically identified and are not included in remuneration above*

- C. No balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than as stated above.
- D. Related party relationships have been identified by the management and relied upon by the auditors.

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### 43. Exceptional items

Exceptional items: Rs.Nil (Rs.51.00 lacs in 2020-21 representing the amount of impairment in value of unquoted investment in Xpro Global Limited written off).

### 44. Segment Information

The Company operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India. There are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

Revenue of Rs.1,32,64.60 lacs (previous year: Rs. 1,73,37.31 lacs) was derived from external customers each accounting for over ten percent of the revenue.

### 45. CSR Expenditure

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
i) Gross amount required to be spent during the year as per provisions of Section 135 of the Companies Act 2013	10.84	-
ii) Amount spent during the year on the following:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above ( <i>contribution to PM Cares Fund (Rs.10.00 lakhs) and Covid-19 related activities (Rs.7.70 lakhs)</i> )	17.70	-
Total	17.70	-

Note: i) All CSR expenditure has been paid during the year and accordingly there are no provisions for expenses;

ii) The Company intends to carry forward the excess amount of Rs.6.86 lacs spent during the year;

iii) The Company does not have any ongoing projects as at March 31, 2022.

### 46. Fair Value Measurement

#### Financial instrument by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, trade payables, employee related liabilities and short term loans from banks, are measured at amortised cost.

#### Fair Value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorised into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: if there are unobservable inputs for the asset or liability, then the instrument is included in level 3.

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
<b>Financial asset measured at FVTOCI</b>				
Investment in Tax Free Bonds	Level 1	Market valuation technique: The fair value of the bond is based on direct and market observable inputs	Not applicable	Not applicable

#### Financial instrument by category measured at amortised cost

(Rs. in lacs)

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
- Trade Receivables	66,34.46	66,34.46	66,38.12	66,38.12
- Cash & cash equivalents	18,65.85	18,65.85	1,68.47	1,68.47
- Other bank balances	4,77.30	4,77.30	4,15.58	4,15.58
- Loans	22.86	22.86	17.59	17.59
- Other financial asset	5,36.51	5,36.51	5,62.74	5,62.74
Total	95,36.98	95,36.98	78,02.50	78,02.50

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Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities				
- Borrowings	87,70.91	87,70.91	1,32,89.06	1,32,89.06
- Other financial liabilities	2,47.07	2,47.07	2,09.47	2,09.47
- Trade payables	57,89.54	57,89.54	72,26.48	72,26.48
- Lease liabilities	2,17.82	2,17.82	2,31.64	2,31.64
Total	1,50,25.34	1,50,25.34	2,09,56.65	2,09,56.65

The management assessed that for current assets including security deposits, loans, cash and cash equivalents, trade receivables, other recoverable, borrowings, trade payables and other current financial liabilities, the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

(ii) All the long-term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. The management believes that the carrying rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

#### 47. Financial risk management

##### i) Financial instrument by category

Particulars	(Rs. in lacs)					
	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
- Investments	-	4,97.86	1.50	-	-	1.50
- Trade receivable	-	-	66,34.46	-	-	66,38.12
- Cash and cash equivalent	-	-	18,65.85	-	-	1,68.47
- Other Bank balances	-	-	4,77.30	-	-	4,15.58
- Loans	-	-	22.86	-	-	17.59
- Other financial assets	-	-	5,36.51	-	-	5,62.74
	-	4,97.86	95,38.48	-	-	78,04.00
Financial liabilities						
- Lease liabilities	-	-	2,17.82	-	-	2,31.64
- Borrowings	-	-	87,70.91	-	-	1,32,89.06
- Trade payables	-	-	57,89.54	-	-	72,26.48
- Other financial liabilities	-	-	2,47.07	-	-	2,09.47
Total	-	-	1,50,25.34	-	-	2,09,56.65

Note: Investment in subsidiaries as at the close of year ended March 31, 2022 and March 31, 2021 respectively are carried at cost, per the exemption availed by the Company; hence not considered herein.

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

##### ii) Risk management

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk management framework. "This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

##### A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity



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continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investment carried at amortised cost and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets:

i) Low credit risk; ii) Moderate credit risk and iii) High credit risk on financial reporting date

The Company provides for expected credit loss on the following:

<u>Asset group</u>	<u>Basis of categorisation</u>	<u>Provision for expected credit loss</u>
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss

Based on business environment in which the entity operates, there have been no defaults on financial assets of the entity by the counterparty.

Assets are written off when there is no reasonable expectation of recovery, such a debtor declaring bankruptcy or a litigation decided against the entity. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity does not have any of the debts which are recoverable.

Assets under credit risk -

<u>Credit rating</u>	<u>Particulars</u>	(Rs. in lacs)	
		<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	95,38.48	78,04.00

### **Cash & cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### **Trade receivables**

The Company closely monitors the credit-worthiness of the debtors through internal systems for corporate customers, thereby, limiting the credit risk. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivables become one year past due.

### **Other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes loans and advances to employees, security deposit and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are written defined limits.

### **Expected credit risk losses for financial assets other than trade receivables**

Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

## Xpro India Limited : Annual Report 2021/22

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	(Rs. in lacs)
				Carrying amount net of impairment provision
<u>March 31, 2022</u>				
Investments	5,50.36	9 %	51.00	4,99.36
Loans	22.86	0 %	-	22.86
Trade receivables	66,34.46	0 %	-	66,34.46
Cash and cash equivalents	18,65.85	0 %	-	18,65.85
Other bank balances	4,77.30	0 %	-	4,77.30
Other financial assets	5,36.51	0 %	-	5,36.51
<u>March 31, 2021</u>				
Investments	52.50	97 %	51.00	1.50
Loans	17.59	0 %	-	17.59
Trade receivables	66,38.12	0 %	-	66,38.12
Cash and cash equivalents	1,68.47	0 %	-	1,68.47
Other bank balances	4,15.58	0 %	-	4,15.58
Other financial assets	5,62.74	0 %	-	5,62.74

### Expected credit loss for trade receivables under simplified approach

The Company recognizes life-time expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analyzing historical trends of default. There have been no significant past due trade receivables as Company receives its significant revenue from selling to major customers directly, wherein there are very low or no chances of non-recoverability. For the rest of operations there were no significant past due receivables.

Particulars	(Rs. in lacs)	
	As at March 31, 2022	As at March 31, 2021
Gross amount of trade receivables where no default has occurred	66,34.46	66,38.12
Expected loss rate	(%)	-
Expected credit loss (loss allowance provision)	-	-

### B. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	(Rs.in lacs)			
	< 1 year	1 - 5 years *	>5 years	Total
<u>As at March 31, 2022</u>				
Borrowings	23,99.98	63,70.93	-	87,70.91
Trade payables	57,89.54	-	-	57,89.54
Lease liabilities	22.89	1,42.69	52.24	2,17.82
Financial liabilities	2,40.50	6.57	-	2,47.07
<b>Total</b>	<b>84,52.91</b>	<b>65,20.19</b>	<b>52.24</b>	<b>1,50,25.34</b>
<u>As at March 31, 2021</u>				
Borrowings	35,88.38	96,94.45	6.23	1,32,89.06
Trade payables	72,26.48	-	-	72,26.48
Lease liabilities	13.07	1,19.61	98.96	2,31.64
Financial liabilities	26,19.31	6.57	-	26,25.88
<b>Total</b>	<b>1,34,47.24</b>	<b>98,20.63</b>	<b>1,05.19</b>	<b>2,33,73.06</b>

\*interest outflow of the said liabilities has not been considered

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### C. Market risk

#### Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Company's exposure to foreign currency at each reporting date is disclosed herein.

#### Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

Particulars	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Financial liabilities</b>		
Payable on imports		
- USD	24,54,180	25,12,515
Borrowings		
- Euro	2,279,707	3,419,980
<b>Financial assets</b>		
Receivables on export		
- USD	1,228,594	383,774
- Euro	162,009	61,571

#### Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, assuming no change in other variables.

Particulars	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>USD sensitivity</b>		
INR/USD - increase by 2 %	(18.88)	(31.62)
INR/USD - decrease by 2 %	18.88	31.62
<b>Euro sensitivity</b>		
INR/Euro - increase by 2 %	(36.32)	(58.79)
INR/Euro - decrease by 2 %	36.32	58.79

#### Interest rate risk

##### Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2022, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits bear fixed interest rates.

#### Interest rate risk exposure

The Company's overall exposure to interest rate risk is as under:

Particulars	(Rs.in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Variable rate borrowings	87,70.91	1,32,89.06
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>87,70.91</b>	<b>1,32,89.06</b>

#### Sensitivity

The sensitivity of profit or loss before tax to interest rate is:

Particulars	(Rs.in lacs)	
	Year ending	Year ending
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Interest sensitivity</b>		
Interest rates - increase by 1 %	1,30.07	1,65.32
Interest rates - decrease by 1 %	(1,30.07)	(1,65.32)

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### Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

### Capital management policies and procedures

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

<u>Particulars</u>	Year ending <u>March 31, 2022</u>	(Rs.in lacs) Year ending <u>March 31, 2021</u>
Long-term borrowings	63,70.93	97,00.68
Current maturities of long-term borrowings	16,59.50	24,16.41
Short-term borrowings	7,40.48	11,71.97
Interest accrued but not due on borrowings	10.01	15.72
<b>Total borrowings</b>	<b><u>87,80.92</u></b>	<b><u>1,33,04.78</u></b>
Less: Cash and cash equivalents	18,65.85	1,68.47
Bank balance other than above	4,77.30	4,15.58
<b>Net debts</b>	<b><u>64,37.77</u></b>	<b><u>1,27,20.73</u></b>
<b>Total equity *</b>	<b>1,72,02.02</b>	<b>89,88.44</b>
<b>Net debts to equity ratio</b>	<b>37.42 %</b>	<b>141.52 %</b>

\* Equity includes equity share capital and other equity of the Company that are managed as capital

### 48. Leases

- a. The Company has adopted Ind AS 116 -'Lease' from April 1, 2019, which resulted in changes in accounting policies in the standalone financial statements.
- b. **Practical expedients applied**  
The Company has used the practical expedients permitted by the standard:
  - applying a single discount rate to a portfolio of leases with reasonably similar characteristics
  - accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.
- c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities on April 1, 2019 was 11.25% with maturity between 2020 - 2028.
- d. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Company is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Company must keep the property in a good state of repair and return the property in the original condition at the end of the lease.
- e. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term (Years)	Average remaining lease term (years)
Building	1	6	6
Land	4	68 - 85	75.37

There are no leases entered by the Company which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

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f. Amounts recognized in balance sheet and statement of profit and loss account:

The balance sheet shows the following amounts relating to leases:

	(Rs. in lacs)		
	Category of right-of-use assets		
	Land	Building	Total
<b>Balance as at April 1, 2020</b> (on account of initial application of Ind AS 116)	6,95.50	2,26.71	9,22.21
Add: Additions	-	-	-
Less: Depreciation charged on the right-of-use	8.57	28.32	36.89
<b>Balance as at March 31, 2021</b>	6,86.93	1,98.39	8,85.32
Add: Additions	33.13	-	33.13
Less: Depreciation charged on the right-of-use	8.89	28.34	37.23
<b>Balance as at March 31, 2022</b>	7,11.17	1,70.05	8,81.22

g. Amount recognised in Statement of Profit or Loss:

Particulars	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
i) Depreciation of right-of-use assets (classified under Depreciation and amortisation expense)	37.23	36.89
ii) Interest on lease liabilities (classified under Finance costs)	25.36	26.82
iii) Expenses related to short term leases (classified under Other expenses)	31.62	45.24

h. The total cash outflow for leases for the year ended March 31, 2022 was Rs.39.18 lacs (March 31, 2021: Rs.39.18 lacs)

i. Lease liabilities included in balance sheet:

Particulars	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current	22.89	13.07
Non-current	194.93	218.57

i. Future minimum lease payments are as follows:

	(Rs. in lacs)		
	Lease Payments	Finance charges	Net present value
<u>As on March 31, 2022</u>			
<u>Minimum lease payments due:</u>			
Within 1 year	46.23	(23.34)	22.89
1 - 2 years	46.23	(20.64)	25.59
2 - 3 years	46.23	(17.60)	28.63
3 - 4 years	55.48	(13.72)	41.76
4 - 5 years	55.48	(8.77)	46.71
After 5 years	55.48	(3.24)	52.24
<b>Total</b>	<b>3,05.13</b>	<b>(87.31)</b>	<b>2,17.82</b>
<u>As on March 31, 2021</u>			
<u>Minimum lease payments due:</u>			
Within 1 year	39.18	(25.36)	13.82
1 - 2 years	46.23	(23.35)	22.88
2 - 3 years	46.23	(20.64)	25.59
3 - 4 years	46.23	(17.60)	28.63
4 - 5 years	55.48	(13.72)	41.76
After 5 years	1,10.96	(12.00)	98.96
<b>Total</b>	<b>3,44.31</b>	<b>(1,12.67)</b>	<b>2,31.64</b>

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49. Revenue related disclosures (in accordance with AS 115)

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Company's revenue from contract with customers is set out below:

	Year ended March 31, 2022	Year ended March 31, 2021
		(Rs. in lacs)
<b>Revenue from contracts with customers</b>		
(i) Sale of products:		
(a) Coextruded sheets, cast films and liners	3,32,97.20	2,79,33.94
(b) Biaxially oriented films	1,25,51.75	88,57.81
(ii) Other operating income	13,23.04	5,43.61
<b>Total revenue covered under Ind AS 115</b>	<b>4,71,71.99</b>	<b>3,73,35.36</b>

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

	Year ended March 31, 2022	Year ended March 31, 2021
		(Rs. in lacs)
<b>Contract liabilities</b>		
Advance received from customers	1,13.94	10.75
<b>Total contract liabilities</b>	<b>1,13.94</b>	<b>10.75</b>
<b>Receivables</b>		
Trade receivables	66,34.46	66,38.12
<b>Total receivables</b>	<b>66,34.46</b>	<b>66,38.12</b>

C. Significant changes in the contract liabilities balances during the year:

	As at March 31, 2022	As at March 31, 2021
		(Rs. in lacs)
<b>Contract liabilities - Advance received from customers</b>		
Opening balance	10.75	13.80
Addition during the year	1,13.94	10.75
Revenue recognized during the year	(10.75)	(13.80)
<b>Closing balance</b>	<b>1,13.94</b>	<b>10.75</b>

D. Refer Note No. 44 for single customer disclosure.

50. Pursuant to the special resolution passed at the Extraordinary General Meeting held on December 29, 2021, and relevant regulatory provisions, the Company issued and allotted on January 11, 2022 by way of preferential allotment 19,68,000 warrants at a price of Rs.762 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value Rs.10 of the Company (including premium of Rs.752 each). The Company has received allotment money of Rs.3749.04 lacs, being 25% of the total warrant price by the end of this financial year. As per the offer letter, the issue proceeds may be utilized for growth capital and expansion/diversification requirements (whether organic or inorganic), to meet capital expenditure, to reduce borrowings, to enhance long-term resources and strengthen the financial structure, for meeting working capital requirements and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being fully utilized for the purposes stated.

51. Estimation of uncertainties relating to global pandemic - Covid-19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, deferred tax assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information such as current contract terms, market and financial strength of customers, future volume estimates etc. Having reviewed the underlying data and based on current estimates the Company expects the carrying amount of these assets will be recovered and there will be no significant impact on liabilities accrued. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company continues to closely monitor material changes to the economic conditions and impact on business to address and mitigate the overall impact, if any, in this unprecedented situation.

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### 52. Ratios

Ratio	Ratio Formula	Year 2021-22	Year 2020-21	Variance (%)	Explanation for variance
a) Current ratio	<i>Current assets / Current liabilities</i>	1.53	1.07	42.99	Growth in revenue along with improved operating efficiencies in business resulting in higher current assets and lower current liabilities, and infusion of capital (convertible warrants application and allotment money)
b) Debt-equity ratio	<i>Total debt / Shareholder's equity</i>	0.51	1.48	(65.54)	Repayment (including in advance) of term loans availed in previous financial years; lower working capital borrowing and infusion of capital (convertible warrants application and allotment money)
c) Debt service coverage ratio	<i>Earnings available for Debt Service (i.e. net profit after taxes + interest and lease payment + depreciation and amortization expenses + loss on sale of PPE) / Debt Service (i.e. Interest and lease payments + principal repayments)</i>	1.18	0.87	35.63	Significant increase in profitability, and reduction in debt, including through pre-payment
d) Return on equity (%)	<i>Profit for the year / Avg. shareholder's equity</i>	34.31	9.18	273.74	Significant increase in profitability
e) Inventory turnover ratio	<i>Cost of goods sold / Average inventory</i>	7.51	6.40	17.34	-
f) Trade receivables turnover ratio	<i>Revenue from operations / Average trade receivables</i>	7.11	6.27	13.39	-
g) Trade payables turnover ratio	<i>Purchase of raw materials / Average trade payables</i>	5.07	4.10	23.66	-
h) Net capital turnover ratio	<i>Revenue from operations / Working capital (i.e. Current assets - current liabilities)</i>	9.38	50.06	(81.26)	Increase in revenue along with increase in working capital following lower current liabilities
i) Net profit ratio (%)	<i>Profit for the year / Revenue from operations</i>	9.52	2.12	349.05	Significant increase in profitability, together with higher value added products, and optimisation of product & customer mix
j) Return on capital employed (%)	<i>Earning before interest &amp; taxes / Capital employed (i.e. total equity + borrowings including accrued interest)</i>	20.63	13.49	52.92	Significant increase in profitability
k) Return on investment (%)	<i>Profit after tax / Total assets</i>	13.42	2.57	422.42	Significant increase in profitability

### 53. Significant events after the reporting period

The Board of Directors has recommended a dividend of Rs.2.00 per share for the year 2021-22, (March 31, 2021 - Rs. Nil per share) subject to approval by the shareholders at the ensuing Annual General Meeting of the Company; No liability has been recognised as at March 31, 2022.

Further, the Board of Directors has recommended for approval by shareholders the issue and allotment of Bonus shares by capitalization of appropriate reserves and surplus, in the ratio of 1 equity share for every 2 equity shares.

There were no other significant adjusting events that occurred subsequent to the reporting period other than events disclosed in the relevant notes.

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54. **Additional Regulatory Information:**
- There are no immovable properties where the title deeds are not held in the name of the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company);
  - There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or period of repayment;
  - The Company does not have any Benami property, and no proceedings have been initiated or is pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988;
  - The Company has been regular in filling quarterly returns or statements of current assets with banks and those are in agreement with the books of accounts;
  - The Company has not been declared a wilful defaulter by any bank or financial institution;
  - The Company has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956;
  - The Company does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period;
  - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year;
  - The Company has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or (ii) provide any guarantee, security or the like to or on behalf of the Company;
  - The Company has not received any funds from any person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Company shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or (ii) provide any guarantee, security or the like to or on behalf of the Company;
  - The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
55. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
56. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/ disclosure.
57. The audited standalone financial results along with the report thereon are also available on the Company's website [www.xproindia.com](http://www.xproindia.com) and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
58. The standalone financial statements were approved for issue by the Board of Directors at their meeting, deemed to have been held at New Delhi, through video conferencing on May 25, 2022.

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

For and on behalf of the Board

**Sidharth Birla**  
Chairman

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

**Amit Dhanuka**  
Company Secretary

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

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



## Xpro India Limited : Consolidated Annual Report 2021/22

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

#### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying consolidated financial statements of **Xpro India Limited** ('the Holding Company'), and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Recognition and recoverability of deferred tax assets</b></p> <p>Refer note 4(n) of Summary of significant accounting policies and other explanatory information and the note 25 of the consolidated financial statements of the Group for the year ended 31 March 2022.</p> <p>At the balance sheet date 31 March 2022, the Holding Company has recognised deferred tax assets (net) of Rs. 454.52 lacs which includes deferred tax asset recognized for carried forward tax losses and unabsorbed depreciation amounting to Rs. 1,020.98 lacs (31 March 2021: Rs. 384.00 lacs).</p>	<p>Our key audit procedures included, but were not limited to the following procedures:</p> <ol style="list-style-type: none"><li>a) Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company over recognition of deferred tax assets.</li><li>b) Understood the process and tested the relevant key controls over preparation of future taxable profit projections based on reasonable and supportable assumptions.</li></ol>

## Xpro India Limited : Consolidated Annual Report 2021/22

<p>The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets created for unabsorbed losses including depreciation within the period prescribed under the relevant tax laws involves significant judgement regarding the likelihood of its realisation within the specified time period through estimation of future taxable profits of the Holding Company and consequently there is a risk that such deferred tax assets may not be realised within the specified period, if these future projections are not met.</p> <p>Determining forecasts of future projections and taxable profits include key factors such as future growth rate, market conditions, expected reduction in fixed costs and finance costs and closure of loss making business lines. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions and materialization of the Group's expansion plans.</p> <p>Owing to the significance of the balances and inherent uncertainty involved in judgements and estimates of future taxable profits as described above, we have considered recognition and recoverability of deferred tax assets recognised during the current year as a key audit matter</p>	<ul style="list-style-type: none"> <li>c) Reconciled the future taxable profit projections to future business plans of the Holding Company as approved by the Board of Directors.</li> <li>d) Tested the assumptions used in the aforesaid future projections such as growth rates, expected savings etc, considering our understanding of business, actual historical results, other relevant existing conditions, external data and market conditions and challenged management's judgements relating to the forecasts of future taxable profits to conclude on the reasonableness of the assumptions.</li> <li>e) Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process.</li> <li>f) Tested the arithmetical accuracy of the projections including those related to sensitivity analysis performed by management.</li> <li>g) Performed independent sensitivity analysis to the key assumptions used in the future projections to determine impact of estimation uncertainty on future taxable profits.</li> <li>h) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961.</li> <li>i) Re-computed the amount of deferred tax assets as appearing in the consolidated financial statements.</li> <li>j) Assessed the appropriateness and adequacy of the disclosures included in the accompanying consolidated financial statements in accordance with applicable accounting standards.</li> </ul>
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### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

## **Xpro India Limited : Consolidated Annual Report 2021/22**

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### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors of the Company also responsible for overseeing the financial reporting process of the companies included in the Group.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

## **Xpro India Limited : Consolidated Annual Report 2021/22**

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- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

15. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of Rs. 5.84 lacs and net assets of Rs. 2.12 lacs as at 31 March 2022, total revenues of Rs. Nil and net cash outflows amounting to Rs. (4.37) lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

### **Report on Other Legal and Regulatory Requirements**

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such company
18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements has been audited under the Act, we report, to the extent applicable, that:

## Xpro India Limited : Consolidated Annual Report 2021/22

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- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2' wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 40 to the consolidated financial statements;
  - ii. the Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2022;
  - iv.
    - a. The respective managements of the Holding Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 53(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any persons or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
    - b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in the note 53(j) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has

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caused us to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement;

- v. As stated in note 52 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared during the year ended 31 March 2022 by the Holding Company is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
UDIN: 22507568AJOEZD9088  
Place: Faridabad  
Date: 25 May 2022

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**Annexure 1 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2022**

### **Annexure 1**

#### **List of entities included in the consolidated financial statements**

##### **Name of Holding Company:**

- a. Xpro India Limited

##### **Name of Subsidiary Company:**

- b. Xpro Global Limited

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Annexure 2 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2022

### **Annexure 2**

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

1. In conjunction with our audit of the consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

### **Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements**

6. A company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the consolidated financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary

## **Xpro India Limited : Consolidated Annual Report 2021/22**

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to permit preparation of the consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements**

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

### **Opinion**

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to the consolidated financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such controls were operating effectively as at 31 March 2022, based on internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of Rs. 5.84 lacs and net assets of Rs. 2.12 lacs as at 31 March 2022, total revenues of Rs. Nil and net cash outflows amounting to Rs. (4.37) lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
UDIN: 22507568AJOEZD9088  
Place: Faridabad  
Date: 25 May 2022



## Xpro India Limited : Consolidated Annual Report 2021/22

### CONSOLIDATED BALANCE SHEET as at March 31, 2022

	Note No.	As at March 31, 2022	As at March 31, 2021
(Rs. in lacs)			
<b>ASSETS</b>			
<b>Non-Current assets</b>			
a. Property, plant and equipment	5(a)	1,59,35.83	1,70,23.27
b. Capital work-in-progress	5(b)	37.30	31.24
c. Right-of-use assets	46	8,81.22	8,85.32
d. Other intangible assets	6	-	-
e. Financial assets - Investments	7	4,97.86	-
- Loans	8	13.45	8.88
- Other financial assets	9	4,53.79	3,91.32
f. Deferred tax assets (net)	25	4,54.52	-
g. Non-current tax assets (net)	10	2,56.06	2,01.82
h. Other non-current assets	11	4,33.56	54.63
		<u>1,89,63.59</u>	<u>1,85,96.48</u>
<b>Current assets</b>			
a. Inventories	12	45,64.23	41,03.80
b. Financial assets - Trade receivables	13	66,34.46	66,38.12
- Cash and cash equivalents	14	18,71.19	1,70.69
- Other bank balances	15	4,77.30	4,23.21
- Loans	16	9.41	8.71
- Other financial assets	17	82.72	1,71.42
c. Current tax assets	18	-	2.39
d. Other current assets	19	3,61.01	1,65.75
		<u>1,40,00.32</u>	<u>1,16,84.09</u>
<b>Assets held for sale</b>	20	<u>5,21.46</u>	<u>5,21.46</u>
<b>Total Assets</b>		<u>3,34,85.37</u>	<u>3,08,02.03</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	21	11,81.35	11,81.35
b. Other equity	21	1,60,21.29	78,07.60
<b>Total equity</b>		<u>1,72,02.64</u>	<u>89,88.95</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
a. Financial liabilities			
Borrowings	22	63,70.93	97,00.68
Lease liabilities	46	1,94.93	2,18.57
Other financial liabilities	23	6.57	6.57
b. Provisions	24	2,21.79	4,29.65
		<u>67,94.22</u>	<u>1,03,55.47</u>
<b>Current liabilities</b>			
a. Financial liabilities			
Borrowings	26	23,99.98	35,88.38
Lease liabilities	46	22.89	13.07
Trade payables - total outstanding dues of micro enterprises & small enterprises	27	1,76.05	1,37.67
- total outstanding dues of creditors other than micro enterprises & small enterprises	27	56,17.13	70,97.17
Other financial liabilities	28	2,40.50	2,02.90
b. Other current liabilities	29	10,31.96	4,18.42
		<u>94,88.51</u>	<u>1,14,57.61</u>
<b>Total liabilities</b>		<u>1,62,82.73</u>	<u>2,18,13.08</u>
<b>Total Equity and liabilities</b>		<u>3,34,85.37</u>	<u>3,08,02.03</u>

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

In terms of our report of even date attached

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

Nitin Toshniwal  
Partner  
Membership No. 507568  
Faridabad, May 25, 2022

Amit Dhanuka  
Company Secretary

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

For and on behalf of the Board

Sidharth Birla  
Chairman

C. Bhaskar  
Managing Director &  
Chief Executive Officer

## Xpro India Limited : Consolidated Annual Report 2021/22

### STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For the Year ended March 31, 2022

	Note No.	Year ended March 31, 2022	(Rs. in lacs) Year ended March 31, 2021
<b>Revenue</b>			
- Revenue from operations	30	4,71,71.99	3,73,35.36
- Other income	31	<u>1,83.89</u>	<u>2,10.99</u>
<b>Total income</b>		<b>4,73,55.88</b>	<b>3,75,46.35</b>
<b>Expenses</b>			
- Cost of materials consumed	32	3,27,97.43	2,62,00.75
- Changes in inventories of finished goods & work-in-progress	33	(2,37.37)	3,05.55
- Employee benefits expense	34	30,19.13	27,61.37
- Finance costs	35	13,00.72	16,53.27
- Depreciation and amortisation expense	36	12,06.81	12,39.69
- Other expenses	37	<u>52,10.38</u>	<u>40,37.71</u>
<b>Total expenses</b>		<b>4,32,97.10</b>	<b>3,61,98.34</b>
<b>Profit before exceptional items and tax</b>		<b>40,58.78</b>	<b>13,48.01</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>40,58.78</b>	<b>13,48.01</b>
Tax expense			
- Current tax		-	-
- Deferred tax	25	(4,54.52)	5,33.58
- Tax adjusted for earlier years		<u>20.12</u>	<u>(20.93)</u>
<b>Total tax expense</b>		<b>(4,34.40)</b>	<b>5,12.65</b>
<b>Profit for the year</b>		<b>44,93.18</b>	<b>8,35.36</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(15.41)	(39.55)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
- Change in fair value of tax free bonds		(13.12)	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(28.53)</b>	<b>(39.55)</b>
<b>Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year)</b>		<b>44,64.65</b>	<b>7,95.81</b>
<b>Profit for the year attributable to</b>			
- Owners of the Company		44,93.18	8,35.36
- Non-controlling interest		-	-
<b>Other comprehensive income for the year attributable to</b>			
- Owners of the Company		(28.53)	(39.55)
- Non-controlling interest		-	-
<b>Total comprehensive income for the year attributable to</b>			
- Owners of the Company		<b>44,64.65</b>	<b>7,95.81</b>
- Non-controlling interest		-	-
<b>Earnings per equity share (of Rs.10/- each)</b>	38		
- Basic (Rs.)		38.03	7.07
- Diluted (Rs.)		37.57	7.07

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

In terms of our report of even date attached

For Walker Chandniok & Co LLP

Chartered Accountants

Firm's Registration No. 001076N/N500013

For and on behalf of the Board

Sidharth Birla  
Chairman

Nitin Toshniwal  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

Amit Dhanuka  
Company Secretary

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

C. Bhaskar  
Managing Director &  
Chief Executive Officer

## Xpro India Limited : Consolidated Annual Report 2021/22

### STANDALONE STATEMENT OF CASH FLOWS

For the Year ended March 31, 2022

	Year ended March 31, 2022	(Rs. in lacs) Year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Net profit before tax	40,58.78	13,48.01
Adjustments for:		
Depreciation and amortisation (net)	12,06.81	12,39.69
Excess provision written back	(49.56)	(87.30)
Interest income	(50.71)	(46.92)
Finance costs	13,00.72	16,53.27
Loss on sale of property, plant & equipment	29.04	0.08
Dividend income	(0.05)	(0.05)
<b>Operating profit before working capital changes</b>	<b>64,95.03</b>	<b>41,06.78</b>
Movement in financial assets	32.46	(0.99)
Movement in trade receivables	3.65	(13,64.44)
Movement in other assets	(1,78.08)	2,99.77
Movement in inventory	(4,60.44)	69.64
Movement in financial liabilities	(13,48.77)	16,93.22
Movement in other liabilities	6,13.54	1,87.90
Movement in provisions	(2,23.27)	(1,48.68)
<b>Cash flow generated from operations (gross)</b>	<b>49,34.12</b>	<b>48,43.19</b>
Less: taxes paid (net)	(72.00)	(62.64)
<b>Net cash flow generated from operating activities (A)</b>	<b>48,62.12</b>	<b>47,80.56</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment, right-of-use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(6,54.38)	(2,39.67)
Investment in tax-free bonds	(5,10.99)	-
Proceeds from sale of property, plant and equipment	1,34.34	20.53
Dividend received	0.05	0.05
Interest received	39.20	46.92
Proceeds from maturity of/(Investment in) fixed deposits	(54.08)	22.42
<b>Net cash flow (used in)/generated from investing activities (B)</b>	<b>(10,45.86)</b>	<b>(1,49.75)</b>
<b>C. Cash flow from financing activities</b>		
Payment of lease liabilities	(39.18)	(39.18)
Proceeds from issue of convertible warrants	37,49.04	-
Proceeds from long-term borrowings	4,86.93	19,30.00
Repayment of long-term borrowings	(38,43.10)	(30,25.36)
Repayment of short-term borrowings (net)	(11,88.40)	(23,06.67)
Interest paid/finance cost	(12,81.05)	(16,42.47)
<b>Net cash flow (used in) from financing activities (C)</b>	<b>(21,15.76)</b>	<b>(50,83.68)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>17,00.50</b>	<b>(4,52.88)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,70.69</b>	<b>6,23.57</b>
<b>Cash and Cash Equivalents at the end of the year (refer Note 14)</b>	<b>18,71.19</b>	<b>1,70.69</b>
	<u>As at</u>	<u>As at</u>
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Components of cash and cash equivalents (refer Note 14)</b>		
Balances with scheduled banks:		
- In current accounts	18,68.60	1,66.55
Cash on hand	2.59	4.14
	<u>18,71.19</u>	<u>1,70.69</u>

Notes:

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

## Xpro India Limited : Consolidated Annual Report 2021/22

b) Disclosures as required in terms of Amendment to Ind AS 7 'Statement of cash Flows'

	Lease liabilities	Long-term borrowings	Short-term Borrowings
Balance as on April 1, 2020 #*	2,44.00	1,06,71.59	58,95.05
Cash flows:			
Proceeds	-	19,30.00	-
Repayments	(39.18)	(30,25.36)	(23,06.67)
Non-cash changes on account of:			
foreign exchange fluctuation	-	1,24.45	-
interest cost on lease liabilities	<u>26.82</u>	<u>-</u>	<u>-</u>
Balance as on April 1, 2021*	2,31.64	97,00.68	35,88.38
Cash flows:			
Proceeds	-	4,86.93	-
Repayments	(39.18)	(38,43.10)	(11,88.40)
Non-cash changes on account of:			
foreign exchange fluctuation	-	26.42	-
interest cost on lease liabilities	<u>25.36</u>	<u>-</u>	<u>-</u>
Balance as on March 31, 2022*	2,17.82	63,70.93	23,99.98

# Lease liabilities in 2019-20 have been created on account of transition to Ind AS 116 (refer note 46 for details)

\* includes current maturity of long-term borrowings Rs.16,59.50 lacs (March 31, 2021: Rs.24,16.41 lacs, March 31, 2020: Rs.19,16.07 lacs)

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

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

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

**Nitin Toshniwal**  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

**Amit Dhanuka**  
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President (Finance) &  
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**C. Bhaskar**  
Managing Director &  
Chief Executive Officer

## Xpro India Limited : Consolidated Annual Report 2021/22

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2022

(Rs. in lacs)

#### A. Equity Share Capital

Particulars	Number of shares	Amount
Balance as at April 1, 2020	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	<u>1,18,13,500</u>	<u>11,81.35</u>

#### B. Other equity

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Financial assets through OCI	Money received against warrants	Total
Balance as at April 1, 2020	60.50	4,06.58	67,50.00	(2,07.57)	2.28	-	-	70,11.79
Profit for the year	-	-	-	8,35.36	-	-	-	8,35.36
Other comprehensive income/(loss) (net of tax)	-	-	-	(39.55)	-	-	-	(39.55)
Currency fluctuation on translation	-	-	-	2.28	(2.28)	-	-	-
Balance as at March 31, 2021	<u>60.50</u>	<u>4,06.58</u>	<u>67,50.00</u>	<u>5,90.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,07.60</u>
Profit for the year	-	-	-	44,93.18	-	-	-	44,93.18
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	-	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	-	37,49.04	37,49.04
Balance as at March 31, 2022	<u>60.50</u>	<u>4,06.58</u>	<u>67,50.00</u>	<u>50,68.29</u>	<u>-</u>	<u>(13.12)</u>	<u>37,49.04</u>	<u>1,60,21.29</u>

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

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

For and on behalf of the Board

**Sidharth Birla**  
Chairman

Nitin Toshniwal  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

**Amit Dhanuka**  
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President (Finance) &  
Chief Financial Officer

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

## Xpro India Limited : Consolidated Annual Report 2021/22

### Notes to the Financial Statements

#### 1. Company Information:

These Consolidated financial statements comprise the financial statements of Xpro India Limited ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') for the year ended March 31, 2022

<u>Name of Subsidiary</u>	<u>% Shareholding</u>	<u>Principal Activity</u>	<u>Country of Incorporation</u>
a. Xpro Global Limited	100 *	General Trade	India
b. Xpro Global Pte. Ltd.	100 ^	General Wholesale Trade Business & management consultancy services	Singapore

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiaries are insignificant.

(\* 100% shareholding in each of the years ended March 31, 2022 and March 31, 2021);

(^100% shareholding in the year 2020-21; Xpro Global Pte. Ltd., Singapore, had applied voluntarily and was accordingly struck off the Register of Companies by the regulatory agency in Singapore, with effect from February 8, 2021)

#### 2. Recent accounting pronouncements issued but not made effective

##### a. Amendment to Ind AS 16, Property, Plant and Equipment

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

##### b. Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

##### c. Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

##### d. Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

#### 3. Basis for Preparation:

##### a. Principles of Consolidation

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

i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Separate Financial Statements.

##### b. Statement of compliance with Indian Accounting Standards (Ind AS)

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 read with Section 133 of the Companies Act, 2013.

These financial statements of the Group for the year ended March 31, 2022 were approved and authorized for issue by Board of Directors on May 25, 2022.

##### c. Basis of measurement

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

## Xpro India Limited : Consolidated Annual Report 2021/22

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### d. Functional and presentation currency

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

### e. Current and non-current classification

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

### Operating Cycle

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

### f. Fair Value Measurements

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

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

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

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

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

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

### Overall Considerations

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

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

## Xpro India Limited : Consolidated Annual Report 2021/22

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### 4. Significant accounting policies:

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

#### a. **Property, plant and equipment**

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

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

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Statement of Profit and Loss.

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

#### b. **Other intangible assets**

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

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

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

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



## Xpro India Limited : Consolidated Annual Report 2021/22

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### c. Borrowing Costs

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

### d. Impairment of non-financial assets

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

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

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

### e. Assets held for sale

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

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

### f. Inventories

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

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

### g. Provisions, Contingent Liabilities, Contingent assets and Commitments

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

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

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a

## Xpro India Limited : Consolidated Annual Report 2021/22

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contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

### **h. Government grants**

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

### **i. Cash and cash equivalents**

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

### **j. Foreign currency transactions and translation**

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

Exchange differences arising on the settlement of short-term monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences pertaining to long-term foreign currency monetary items used for acquisition of depreciable fixed assets are added to the cost of fixed assets and depreciated over the remaining life of the respective fixed asset.

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

### **k. Revenue recognition**

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

Sales value is net of discounts, rebates and freight outward (on external sales) and are exclusive of value added tax and goods and service tax.

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

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

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

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

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

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

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

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

### **l. Employee Benefits**

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

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

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

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

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

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

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

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

### **m. Leases**

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

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

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

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

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

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

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

### **n. Income tax**

Income tax expense comprises current and deferred tax.

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

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

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

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

### **o. Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Group and the weighted average number of equity shares outstanding the year is adjusted for the effects of all dilutive potential equity shares.

### **p. Operating segment**

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

### **q. Equity investment**

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

### **r. Financial instruments**

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

#### **1. Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement:**

##### **Debt instruments at amortised cost**

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

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

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### **Derecognition**

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

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

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

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

After initial measurement, fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses and reversals in the statement of profit and loss.

### **Derecognition**

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

### **Impairment of financial assets**

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

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

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

## **2. Financial liabilities**

### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

#### **Financial liabilities at amortised cost**

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

### **Derecognition**

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

## **3. Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability

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simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### s. Use of estimates and management judgements

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

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

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

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

#### Significant management judgements:

##### 1. Recoverable amount of property, plant and equipment

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

##### 2. Provisions and contingencies

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

##### 3. Recognition of deferred tax assets

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

#### Significant management estimates:

##### 1. Useful life of property, plant and equipment

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

##### 2. Employee benefit plans

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

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5. a) Property, plant and equipment	(Rs. in lacs)							
Particulars	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers & fittings	Capital work-in-progress	
<b>Gross Block</b>								
Balance as on April 1, 2020	-	42,07.68	2,50,34.67	3,35.48	3,00.99	1,50.74	1,17.14	3,01,46.70
Additions (refer Note d' below)	-	22.00	2,66.96	-	64.29	6.17	0.93	3,60.35
Less: Disposals	-	-	-	-	49.60	1.19	0.84	51.63
<b>Balance as on March 31, 2021</b>	-	42,29.68	2,53,01.63	3,35.48	3,15.68	1,55.72	1,17.23	3,04,55.42
Additions (refer Note d' below)	-	55.97	31.24	1.75	1,37.58	12.59	6.39	2,45.52
Less: Disposals	-	1,50.69	59.85	2.65	1,12.44	10.24	3.43	3,39.30
<b>Balance as on March 31, 2022</b>	-	41,34.96	2,52,73.02	3,34.58	3,40.82	1,58.07	1,20.19	3,03,61.64
<b>Accumulated Depreciation</b>								
Balance as on April 1, 2020	-	8,88.87	1,07,88.81	2,24.37	1,26.34	1,35.93	96.06	1,22,60.38
Add: depreciation for the year	-	1,29.01	10,04.66	20.95	35.96	4.46	7.76	12,02.80
Less: Disposals	-	-	-	-	29.25	0.98	0.80	31.03
<b>Balance as on March 31, 2021</b>	-	10,17.88	1,17,93.47	2,45.32	1,33.05	1,39.41	1,03.02	1,34,32.15
Add: depreciation for the year	-	1,36.95	9,64.00	19.41	37.56	4.42	7.24	11,69.58
Less: Disposals	-	48.49	31.76	2.51	80.12	9.78	3.26	1,75.92
<b>Balance as on March 31, 2022</b>	-	11,06.34	1,27,25.71	2,62.22	90.49	1,34.05	1,07.00	1,44,25.81
<b>Balance as on March 31, 2022</b>	-	30,28.62	1,25,47.31	72.36	2,50.33	24.02	13.19	1,59,35.83
<b>Balance as on March 31, 2021</b>	-	32,11.80	1,35,08.16	90.16	1,82.63	16.31	14.21	1,70,23.27

Notes:

- a) Refer Note 23 for information on property, plant and equipment pledged as security by the Group;
- b) Refer Note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- c) The Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts;
- d) Exchange differences on all long-term monetary items resulted in an addition of Rs.26.42 lacs (March 31, 2021: addition of Rs.1,24.45 lacs) to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

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5. b) Capital Work-in-progress (CWIP) Schedule		Amount in CWIP for a period of				(Rs. in lacs)
		< 1 year	1 – 2 years	2 – 3 years	> 3 years	Total
<u>As at March 31, 2022</u>						
Projects in progress		37.30	-	-	-	37.30
Projects temporarily suspended		-	-	-	-	-
<u>As at March 31, 2021</u>						
Projects in progress		31.24	-	-	-	31.24
Projects temporarily suspended		-	-	-	-	-
<b>6. Other intangible assets</b>						(Rs. in lacs)
		<u>Computer software</u>	<u>Technical knowhow</u>			<u>Total</u>
<b>Gross block</b>						
Balance as at April 1, 2020		28.32	3,48.38			3,76.70
Additions		-	-			-
Balance as at March 31, 2021		28.32	3,48.38			3,76.70
Additions		-	-			-
Balance as at March 31, 2022		28.32	3,48.38			3,76.70
<b>Accumulated amortisation</b>						
Balance as at April 1, 2020		28.32	3,48.38			3,76.70
Add: Amortisation during the year		-	-			-
Balance as at March 31, 2021		28.32	3,48.38			3,76.70
Add: Amortisation during the year		-	-			-
Balance as at March 31, 2022		28.32	3,48.38			3,76.70
<b>Net balance as at March 31, 2021</b>		-	-			-
<b>Net balance as at March 31, 2022</b>		-	-			-
<b>7. Investments (Non-current)</b>						(Rs. in lacs)
Investments measured at amortised cost						
		As at		As at		
		<u>March 31, 2022</u>		<u>March 31, 2021</u>		
<b>Investments in bonds (quoted) (Fair value through other comprehensive income):</b>						
Tax Free Bonds (refer details below **)		4,97.86		-		
<b>Aggregate amount of quoted investments</b>		<b>4,97.86</b>		<b>-</b>		
<b>** Quoted investments</b>		<b>Number of</b>		<b>Amount</b>		
<b>March 31, 2022</b>		<b>Units</b>		<b>(Rs. in Lacs)</b>		
8.66% IIFCL Tax Free Bond - 2034 (January 1, 2034) (Face Value: Rs.1,000 each)		20000		2,64.62		
8.48% IIFCL Tax Free Bond - 2028 (September 9, 2028) (Face Value: Rs.10,00,000 each)		10		1,21.89		
8.66% NTPC Tax Free Bond - 2033 (December 16, 2033) (Face Value: Rs.1,000 each)		3463		47.64		
8.63% IRFC Tax Free Bond - 2029 (March 26, 2029) (Face Value: Rs.1,000 each)		2500		30.85		
8.66% IIFCL Tax Free Bond - 2034 (January 22, 2034) (Face Value: Rs.1,000 each)		1499		20.56		
8.54% PFC Tax Free Bond - 2028 (November 16, 2028) (Face Value: Rs.1,000 each)		1000		12.30		
				<u>4,97.86</u>		
The aggregate amount of investment in bonds at purchase price is Rs.5,10.98 lacs (March 31, 2021: Nil)						
<b>8. Loans (Non-current)</b>						(Rs. in lacs)
(Considered good, unsecured)						
		As at		As at		
		<u>March 31, 2022</u>		<u>March 31, 2021</u>		
Loans to employees		13.45		8.88		
<b>Total</b>		<b>13.45</b>		<b>8.88</b>		

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



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<b>9. Other financial assets (Non-current)</b>	(Rs. in lacs)	
<i>(Considered good, unsecured)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Security deposits	1,77.91	1,77.91
VAT Subsidy	1,75.88	2,13.41
Bank Deposits with more than 12 months maturity	1,00.00	-
<b>Total</b>	<u>4,53.79</u>	<u>3,91.32</u>

<b>10. Non-current tax assets (net)</b>	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Pre-paid taxes <i>(net of provision for tax Rs.Nil; previous year Rs.Nil)</i>	2,56.06	2,01.82
<b>Total</b>	<u>2,56.06</u>	<u>2,01.82</u>

<b>11. Other assets (Non-current)</b>	(Rs. in lacs)	
<i>(Considered good, unsecured)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Capital advances [refer Note below]	3,96.09	-
Advances other than capital advances		
- Pre-paid expenses	8.42	10.78
- Balances with statutory authorities	29.05	43.85
<b>Total</b>	<u>4,33.56</u>	<u>54.63</u>

Note:

**Capital commitment:**

Estimated amount of contracts remaining to be executed on capital account and not provided for in the amount (net of capital advances): Rs. 1,45.81 lacs (March 31, 2021: Rs. Nil)

<b>12. Inventories</b>	(Rs. in lacs)	
<i>(valued at lower of cost and net realisable value)</i>	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Raw material	25,42.50	23,62.53
Work-in-progress	1,79.67	2,29.06
Finished products	14,32.75	11,45.98
Stores and spares	4,09.25	3,66.17
Stock-in-trade	0.06	0.06
<b>Total</b>	<u>45,64.23</u>	<u>41,03.80</u>

Note: Raw materials includes goods in transit: Rs. Nil (March 31, 2021: Rs. Nil)

<b>13. Trade receivables</b>	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Trade receivables: Considered good, unsecured	66,34.46	66,38.12
<b>Total</b>	<u>66,34.46</u>	<u>66,38.12</u>

Note:

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

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

(c) Trade receivables ageing schedule (Rs. in lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
<u>March 31, 2022</u>						
Undisputed trade receivables						
i) considered good	66,34.43	0.03	-	-	-	66,34.46
i) which have significant increase in credit risk	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-

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Particulars	Outstanding for following periods from due date of payment					(Rs. in lacs)
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
<u>March 31, 2021</u>						
Undisputed trade receivables						
i) considered good	66,36.11	2.01	-	-	-	66,38.12
ii) which have significant increase in credit risk	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-
<b>14. Cash and cash equivalents</b>						(Rs. in lacs)
				As at	As at	
				<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Balance with banks in current accounts				18,68.60	1,66.55	
Cash on hand				2.59	4.14	
<b>Total</b>				<u>18,71.19</u>	<u>1,70.69</u>	
<b>15. Other bank balances</b>						(Rs. in lacs)
				As at	As at	
				<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months				65.13	70.32	
Earmarked balances with bank (held as margin money)				4,12.17	3,52.89	
<b>Total</b>				<u>4,77.30</u>	<u>4,23.21</u>	
<b>16. Loans (Current)</b>						(Rs. in lacs)
<i>(Considered good, unsecured)</i>				As at	As at	
				<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Loans to employees				9.41	8.71	
<b>Total</b>				<u>9.41</u>	<u>8.71</u>	
<b>17. Other financial assets (Current)</b>						(Rs. in lacs)
<i>(Considered good, unsecured)</i>				As at	As at	
				<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Security deposits				0.41	1,00.62	
Interest accrued but not due (on tax-free bonds)				11.51	-	
Recoverable from others (refer note 20)				70.80	70.80	
<b>Total</b>				<u>82.72</u>	<u>1,71.42</u>	
<b>18. Current tax assets</b>						(Rs. in lacs)
<i>(Considered good, unsecured)</i>				As at	As at	
				<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Income-tax				-	2.39	
<b>Total</b>				-	<u>2.39</u>	
<b>19. Other current assets</b>						(Rs. in lacs)
<i>(Considered good, unsecured)</i>				As at	As at	
				<u>March 31, 2022</u>	<u>March 31, 2021</u>	
Advance to suppliers				18.57	12.72	
Prepaid expenses				2,44.77	74.94	
Balance with government authorities				64.61	35.38	
Other receivable						
Loans - considered good, unsecured				33.06	42.71	
<b>Total</b>				<u>3,61.01</u>	<u>1,65.75</u>	

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### Notes:

Balance with government authorities represents goods and service tax (earlier service tax) paid on inputs (earlier input and services) consumed by the Group and eligible for utilisation towards discharge of goods and service tax (earlier service tax liability) in respect of services rendered by the Group. The Group expects the utilisation of outstanding balances as at each date of statement of financial position within twelve months thereof.

### 20. Assets held for sale

	(Rs. in lacs)	
	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	5,21.46	5,21.46
<b>Total</b>	<b>5,21.46</b>	<b>5,21.46</b>

The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Biax Division Unit 1 are presented as 'Assets held for sale' separately from other assets in the balance sheet. The contractual sale amount, including trial run expenses (Rs.70.80 lacs), has been received in full; the business transfer remains pending while the purchaser ties up certain operating arrangements, including power, and is expected to be completed during 2022-23.

The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sell and hence there is no impairment loss to be recognised in the statement of profit and loss account.

### 21.a) Equity Share Capital

For disclosures please refer Notes to standalone financial statements

### b) Other Equity

Particulars	(Rs. in lacs)							
	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign Currency translation reserve	Financial assets through OCI	Money received against warrants	Total
<b>Balance as at April 1, 2020</b>	60.50	4,06.58	67,50.00	(2,07.57)	2.28	-	-	70,11.79
Profit for the year	-	-	-	8,35.36	-	-	-	8,35.36
Other comprehensive income/(loss) (net of tax)	-	-	-	(39.55)	-	-	-	(39.55)
Currency fluctuation on translation	-	-	-	2.28	(2.28)	-	-	-
<b>Balance as at March 31, 2021</b>	<b>60.50</b>	<b>4,06.58</b>	<b>67,50.00</b>	<b>5,90.52</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,07.60</b>
Profit for the year	-	-	-	44,93.18	-	-	-	44,93.18
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	-	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	-	37,49.04	37,49.04
<b>Balance as at March 31, 2022</b>	<b>60.50</b>	<b>4,06.58</b>	<b>67,50.00</b>	<b>50,68.29</b>	<b>-</b>	<b>(13.12)</b>	<b>37,49.04</b>	<b>1,60,21.29</b>

### Nature and purpose of reserves

#### a) Capital subsidy reserve

This represents the profit earned by the Company through a special transaction in the nature of a government subsidy that is not available for distributing dividend.

#### b) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

#### c) General reserve

General reserve is a distributable reserve created by way of transfer from time to time from annual profits.

#### d) Retained earnings

Represents the profit/(loss) accumulated over the years.

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e) **Money received against warrants**

Represents amount received towards preferential allotment money of convertible warrants.

22. **Non-current financial liabilities - Borrowings**

	(Rs. in lacs)	
	As at	As at
	March 31, 2022	March 31, 2021
<u>Loans from banks - Secured</u>		
Term loans (refer note a to p)	53,61.29	76,97.38
Foreign currency borrowings (refer note q)	9,70.59	19,83.82
Vehicle loans (refer note r)	39.05	19.48
<b>Total</b>	<b>63,70.93</b>	<b>97,00.68</b>

- a. Term loan from State Bank of India, outstanding Rs.Nil (previous year: Rs.2,72.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.3.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.10.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.12.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to Oldenburgische Landesbank AG ('OLB')) of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.
- b. Term Loan from Punjab National Bank, outstanding Rs.3,47.35 lacs (previous year: Rs.5,74.78 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.7.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.24.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.28.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.
- c. Term Loan from State Bank of India, outstanding Rs.9,05.72 lacs (previous year: Rs.14,08.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.15.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.51.75 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.62.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.
- d. Term Loan from State Bank of India, outstanding Rs.6,99.26 lacs (previous year: Rs.10,88.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.40.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.48.00 lacs each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.
- e. Term Loan from State Bank of India, outstanding Rs.7,22.62 lacs (previous year: Rs.11,25.50 lacs ) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.41.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.49.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.
- f. Term Loan from Indian Bank, outstanding Rs.6,36.23 lacs (previous year: Rs.10,20.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 2 quarterly instalments of Rs.7.50 lacs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (iii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018 (iv) 12 quarterly instalments of Rs.44.50 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.47.25 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

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- g. Corporate Loan from State Bank of India outstanding Rs. Nil (previous year: Rs.1,67.79 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.4.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.13.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.15.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.
- h. Corporate Loan from State Bank of India, outstanding Rs.3,55.66 lacs (previous year: Rs.10,20.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.45.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.
- i. Corporate Loan from State Bank of India, outstanding Rs.Nil (previous year: Rs.2,47.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.2.75 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.9.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.11.00 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.11.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company & second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.
- j. Term Loan from Punjab National Bank, outstanding Rs.1,35.99 lacs (previous year: Rs.3,39.77 lacs), carrying interest linked to the bank's MCLR, is repayable in (i) 24 quarterly instalments of Rs.25.00 lacs each starting from June, 2020; and is secured by exclusive 1<sup>st</sup> charge on the assets to be acquired out of above loan and ranking pari passu 2<sup>nd</sup> charge on all the current assets of the Holding Company with other term lenders.
- k. During the year, term/corporate loans aggregating to Rs.26,90.00 lacs has been pre-paid to banks.
- l. During the previous year, the Holding Company had been granted a moratorium of 6 months w.e.f. March 2020 for payment of instalment(s) on above mentioned terms loans as per RBI guidelines following the Covid-19 pandemic; accordingly the re-payment schedule has been extended.
- m. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding Rs.15,00.01 lacs (previous year: Rs.16.00.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of Rs.33.33 lacs each starting from January 2022 & (ii) last instalment of Rs.33.49 lacs in December 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC).
- n. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding Rs.2,15.60 lacs (previous year: Rs.230.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of Rs.6.38 lacs each starting from February 2022 & (ii) last instalment of Rs.6.70 lacs in January 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.
- o. Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding Rs.4,26.93 lacs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in 48 monthly instalments of Rs.8.96 lacs each starting from April 2022 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.
- p. The above-mentioned term loans carry interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).
- q. ECB from Oldenburgische Landesbank AG ('OLB'), in the nature of term loan, outstanding €2,268,005; equivalent to Rs.19,41.19 lacs (previous year: €3,402,008; equivalent to Rs.29,75.74 lacs), carrying annual interest at Euribor + 1.75% is repayable in 14 semi-annual instalments of €567,001.34 each, along with interest, commencing from April 2017, is secured by hypothecation of specified Dielectric Film Line and slitter at Barjora and is insured under Hermes export credit guarantee;
- r. Vehicle Loan(s) of Rs.70.32 lacs (previous year: Rs.30.61 lacs) carrying interest at between 7 to 7.8 % per annum (previous year: 9 to 9.5%), repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles;

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- s. Lenders retain the right to recompense for NPV loss amount of upto Rs.3,65.00 lacs arising on rescheduling of term loans effective April 1, 2016;
- t. There has been no default in servicing of loans and interest due thereon during and as at the end of the year;
- u. Loans from Indian banks are further secured by pledge of 15% of promoters equity shareholding in the Holding Company;
- v. Rs.Nil, (March 31, 2021: Rs.80.46 lacs) has been adjusted against long term borrowings being adjustments on account of adoption of Ind AS.
- w. Interest accrued and due on above borrowings is Rs.73.55 lacs (March 31, 2021: Rs.80.72 lacs).

23. Non-current financial liabilities - Others	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Security deposits	6.57	6.57
<b>Total</b>	<u>6.57</u>	<u>6.57</u>

24. Provisions	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Employee Benefits</b>		
<b>Non-current</b>		
Gratuity (refer Note 39)	1,93.96	4,06.09
Compensated absences	27.83	23.56
	<u>2,21.79</u>	<u>4,29.65</u>

25. **Deferred tax**  
As per Ind AS 12 - Income Taxes, deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. As a matter of abundant caution, deferred tax assets have been recognized in the balance sheet only to the extent reasonably likely to be recoverable within the next financial year.

Deferred tax assets/liabilities (net):	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Deferred tax liability</b>		
Fixed assets:	6,15.28	3,84.00
Impact of difference between book and tax depreciation	<u>6,15.28</u>	<u>3,84.00</u>
<b>Gross deferred tax liability</b>	<u>6,15.28</u>	<u>3,84.00</u>
<b>Deferred tax assets</b>		
Carried forward of losses/unabsorbed depreciation	10,20.98	31,44.00
Expenses deductible on payment basis	48.82	53.00
<b>Gross deferred tax assets</b>	<u>10,69.80</u>	<u>31,97.00</u>
<b>Deferred tax assets to the extent recognized</b>	<u>10,69.80</u>	<u>3,84.00</u>
<b>Net deferred tax asset</b>	<u>4,54.52</u>	-

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Movement in Deferred tax asset				(Rs. in lacs)
<u>March 31, 2022</u>				
Particulars	Balance as at April 1, 2021	Recognised during the year		Balance as at March 31, 2022
		In Statement of Profit & Loss	In OCI	
<b>Deferred tax liabilities</b>				
Property, plant and equipment	3,84.00	2,31.28	-	6,15.28
	<u>3,84.00</u>	<u>2,31.28</u>	<u>-</u>	<u>6,15.28</u>
<b>Deferred tax assets</b>				
Carry forward of losses	3,31.00	6,89.98	-	10,20.98
Provision for employee benefits	53.00	(4.18)	-	48.82
	<u>3,84.00</u>	<u>6,85.80</u>	<u>-</u>	<u>10,69.80</u>
Net deferred tax asset		4,54.52	-	4,54.52
<hr/>				
<u>March 31, 2021</u>				
Particulars	Balance as at April 1, 2020	Recognised during the year		Balance as at March 31, 2021
		In Statement of Profit & Loss	In OCI	
<b>Deferred tax liabilities</b>				
Property, plant and equipment	12,70.00	(8,86.00)	-	3,84.00
	<u>12,70.00</u>	<u>(8,86.00)</u>	<u>-</u>	<u>3,84.00</u>
<b>Deferred tax assets</b>				
Carry forward of losses	12,22.00	8,91.00	-	3,31.00
Provision for employee benefits	48.00	5.00	-	53.00
	<u>12,70.00</u>	<u>8,86.00</u>	<u>-</u>	<u>3,84.00</u>
Net deferred tax asset				

The carry forward tax losses as at March 31, 2022, expire as follows:-

Loss for the tax assessment year ended	Losses with no expiry Unabsorbed depreciation (Rs. in lacs)
2014-15	2,06.20
2015-16	18,67.05
2016-17	27,15.43
2017-18	17,67.16
2018-19	10,66.29
2020-21	4,90.51

Reconciliation of tax and book profit	(Rs. in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	40,58.78	13,48.01
Tax rate (%)	25.17	25.17
Tax expense at above rate	10,21.59	3,39.29
Tax impact of utilisation of brought forward losses	<u>(10,21.59)</u>	<u>(3,39.29)</u>
Current Tax	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Income tax expense		
Deferred Tax	(4,54.52)	5,33.58
Add: Tax adjusted for earlier years	20.12	(20.93)
Total tax expense	<u>(4,34.40)</u>	<u>5,12.65</u>

- 1) The Holding Company had opted for the alternate tax regime under Section 115BAA of the Income Tax Act, 1961, with effect from the Financial Year 2019-20, which allows the Company a lower tax rate of 25.17% (against 34.94%) but restricts

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availability of exemptions/incentives under different provisions of income tax, and is accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit. Accordingly taxable income for financial year 2020-21 had been adjusted against assessed business losses brought forward and revised return for A.Y. 2020-21 had been filed.

- 2) The Deferred Tax Assets/Liabilities as at March 31, 2021 and March 31, 2020 and the estimate of Tax Expense for the year ended March 31, 2021 had been accordingly re-measured and Deferred Tax Asset amounting to Rs.5,33.58 lacs, in the nature of MAT credit carried forward had been written off in 2020-21 as no longer available to the Company.

26. Current financial liabilities - Borrowings	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Secured</b>		
Loans repayable on demand		
- Working capital loan from banks	7,40.48	11,71.97
- Current maturities of long term borrowings (refer note 22)	<u>16,59.50</u>	<u>24,16.41</u>
<b>Total</b>	<u><b>23,99.98</b></u>	<u><b>35,88.38</b></u>

- a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated.
- b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the year.

27. Current financial liabilities - Trade payables	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<b>Trade payables</b>		
Total outstanding dues to micro enterprises & small enterprises	1,76.05	1,37.67
Total outstanding dues to creditors other than micro enterprises & small enterprises	37,42.73	51,01.83
Acceptances	<u>18,74.40</u>	<u>19,95.34</u>
<b>Total</b>	<u><b>57,93.18</b></u>	<u><b>72,34.84</b></u>

a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 45 for information on the Group's credit risk management processes.

b) Acceptances include arrangements where operational supplies of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within a period of 90 days.

c) Disclosures with respect to related party transactions is given in note 41.

d) Micro & small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Group on the basis of the information available with the Group and the auditors have relied on the same. The disclosure pursuant to MSMED Act on the amount due to micro and small enterprises is given below:

	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Principal amount due and remaining unpaid	1,75.92	1,37.67
Interest due on above and remaining unpaid	0.13	-
Interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
Payment made to suppliers (other than interest) beyond appointed day	-	-
Interest paid in terms of Sec.16 of MSMED Act	-	-
Further interest remaining due and payable in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments made	-	-
Interest accrued and remaining unpaid	-	-



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e) Trade payables ageing schedule <span style="float: right;">(Rs. in lacs)</span>					
Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
<u>March 31, 2022</u>					
i) MSME	1,76.05	-	-	-	1,76.05
ii) Others	55,79.92	0.34	0.37	36.50	56,17.13
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-
<u>March 31, 2021</u>					
i) MSME	1,37.67	-	-	-	1,37.67
ii) Others	70.60.01	0.55	0.31	36.30	70,97.17
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-
<b>28. Current financial liabilities - Others</b>					(Rs. in lacs)
				As at	As at
				<u>March 31, 2022</u>	<u>March 31, 2021</u>
Creditors for capital expenditure				0.20	0.20
Interest accrued but not due				10.01	15.72
Employees payables				2,22.79	1,82.18
Security deposit received				7.50	4.80
<b>Total</b>				<u>2,40.50</u>	<u>2,02.90</u>
<b>29. Other current liabilities</b>					(Rs. in lacs)
				As at	As at
				<u>March 31, 2022</u>	<u>March 31, 2021</u>
Advance from customer				1,13.94	10.75
Statutory dues payable				2,40.02	1,82.67
Advance against sale of 'assets held for sale'				6,78.00	2,25.00
<b>Total</b>				<u>10,31.96</u>	<u>4,18.42</u>
<b>30. Revenue from operations</b>					(Rs.in lacs)
				Year ended	Year ended
				<u>March 31, 2022</u>	<u>March 31, 2021</u>
Sale of products (refer note 47)					
- Finished goods				4,58,48.95	3,67,91.75
Other operating income					
- Scrap sale				3,94.92	5,33.89
- Export incentives and margins				59.99	9.72
- Processing charges				8,68.13	-
<b>Total</b>				<u>4,71,71.99</u>	<u>3,73,35.36</u>
<b>31. Other income</b>					(Rs.in lacs)
				Year ended	Year ended
				<u>March 31, 2022</u>	<u>March 31, 2021</u>
Interest on					
- Fixed deposits				35.07	19.87
- Other financial assets carried at FVTOCI				5.30	-
- Others				8.54	21.07
- Income-tax refund				1.81	5.99
Dividend Income				0.05	0.05
Other non-operating income					
- Foreign currency transactions (net)				-	41.01
- Excess provision written back				49.56	87.30
- Miscellaneous income				83.56	35.70
<b>Total</b>				<u>1,83.89</u>	<u>2,10.99</u>

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<b>32. Cost of materials consumed</b>		(Rs.in lacs)
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Inventories at the beginning of the year	23,62.53	21,62.30
Add: Purchases during the year	3,29,77.40	2,64,00.98
Less: Inventories at the end of the year	<u>25,42.50</u>	<u>23,62.53</u>
<b>Cost of materials consumed</b>	<b>3,27,97.43</b>	<b>2,62,00.75</b>
<b>33. Changes in inventories of finished and work-in-progress</b>		(Rs.in lacs)
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Inventories at the beginning of the year		
Finished goods	11,45.98	13,49.29
Work-in-progress	2,29.06	3,31.26
Stock-in-trade	<u>0.07</u>	<u>0.11</u>
	13,75.11	16,80.66
Inventories at the end of the year		
Finished goods	14,32.75	11,45.98
Work-in-progress	1,79.67	2,29.06
Stock-in-trade	<u>0.06</u>	<u>0.07</u>
	16,12.48	13,75.11
<b>Net (decrease)/increase</b>	<b>(2,37.37)</b>	<b>3,05.55</b>
<b>34. Employees benefits expense</b>		(Rs.in lacs)
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Salaries, wages & bonus	26,00.74	23,58.12
Contribution to provident and other funds	2,82.69	2,77.70
Staff welfare expenses	<u>1,35.70</u>	<u>1,25.55</u>
<b>Total</b>	<b>30,19.13</b>	<b>27,61.37</b>
Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 39		
<b>35. Finance costs</b>		(Rs.in lacs)
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Interest expense on borrowings measured at amortised cost	9,39.04	11,59.33
Interest on lease liability	25.36	26.82
Other borrowing costs	<u>3,36.32</u>	<u>4,67.12</u>
<b>Total</b>	<b>13,00.72</b>	<b>16,53.27</b>
<b>36. Depreciation and amortisation expenses</b>		(Rs.in lacs)
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Depreciation on tangible assets	11,69.58	12,02.80
Depreciation on right-to-use assets	<u>37.23</u>	<u>36.89</u>
<b>Total</b>	<b>12,06.81</b>	<b>12,39.69</b>
<b>37. Other expenses</b>		(Rs.in lacs)
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Consumption of stores and spares	10,55.32	8,60.76
Processing charges	35.39	34.52
Power & Fuel	25,56.96	19,99.65
Rent	31.62	45.24
Repairs to:		
- Buildings	8.82	15.81
- Plant & Machinery	1,86.52	1,08.74
- Others	<u>24.78</u>	<u>22.32</u>

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Other expenses (contd.)	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Communication	19.21	16.76
Director's Fees	40.64	35.80
Insurance	1,06.39	78.07
Legal & professional	2,05.91	1,05.75
Rates & Taxes	82.84	42.76
Security expenses	67.39	64.15
Travelling and conveyance	1,51.05	75.62
Rebate and commission	2,68.44	2,90.07
Payment to Auditors (refer note 'a' below)	21.72	19.53
Other selling expenses	20.06	8.69
Corporate social responsibility (refer Note 43)	17.70	-
Loss on disposal/discard of property, plant and equipment	29.04	0.07
Foreign currency transactions (net)	23.29	-
Miscellaneous expenses	2,57.29	2,13.40
<b>Total</b>	<b>52,10.38</b>	<b>40,37.71</b>

a) Payment to auditors	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
To Statutory Auditors		
- As Auditors	18.00	18.00
- For other matters	0.75	-
- Reimbursement of expenses	2.97	1.53
	<b>21.72</b>	<b>19.53</b>

38. Earnings per share (EPS)	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
a) Profit for the year attributable to equity shareholders (A)	44,93.18	8,35.36
b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS	1,18,13,500	1,18,13,500
add: Impact of convertible warrants	1,46,381	-
Weighted average number of equity shares outstanding during the year for computation of Diluted EPS	1,19,59,881	1,18,13,500
Nominal value per share (Rs.)	10	10
c) Basic earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	<b>38.03</b>	<b>7.07</b>
Dilutive earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	<b>37.57</b>	<b>7.07</b>

Note: there are no dilutive shares as on March 31, 2021

### 39. Employee benefits Defined Contribution Plan

The Group makes contribution towards provident fund and ESI for qualifying employees to government administered /approved funds wherein the Group is required to contribute a specified percentage of payroll cost to the schemes to fund the benefits. The Group has no further obligations beyond the periodic contributions.

The Group recognized Rs.2,82.69 lacs (March 31, 2021: Rs 2,77.70 lacs) towards provident fund contributions and ESI contribution in the Statement of Profit and Loss included in "Employee benefits expense" (note 34).

#### Defined Benefit Plan

##### Gratuity

The Group provides for gratuity as per the Payment of Gratuity Act, 1972 or as per applicable Group rules, whichever is higher. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Group accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

The following table sets out the status of the gratuity plan, based on the actuarial valuation obtained in this respect and the amounts recognised in the Group's financial statements as at balance sheet date:

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	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
<b>(i) Asset/(Liability) recognised in Balance Sheet</b>		
Present value of the obligation at end of the year	11,02.26	9,99.00
Fair value of plan assets	9,08.30	5,92.90
Net assets/(liability) recognised in balance sheet as provision	<b>1,93.96</b>	<b>4,06.10</b>
<b>(ii) Amount recognised in the statement of profit and loss is as under:</b>		
Current service cost	53.51	49.45
Net interest cost	17.46	28.81
Expense recognised in the income statement	<b>70.97</b>	<b>78.26</b>
<b>(iii) Amount recognised in other comprehensive income is as under:</b>		
Actuarial gain/(loss) for the year on defined benefit obligation	(8.41)	(36.82)
Actuarial gain/(loss) for the year on plan assets	(7.00)	(2.73)
<b>Total actuarial gain/(loss) for the year</b>	<b>(15.41)</b>	<b>(39.55)</b>
<b>(iv) Movement in the liability recognised in the balance sheet is as under:</b>		
Present value of defined obligation as at start of the year	9,99.00	9,26.85
Current service cost	53.51	49.45
Interest cost	64.93	60.25
Actuarial loss/(gain) recognised during the year	8.41	36.82
Benefits paid	<b>(23.59)</b>	<b>(74.37)</b>
Present value of defined benefit obligation as at the end of the year	<b>11,02.26</b>	<b>9,99.00</b>
<b>(v) Movement in the plan assets recognised in the balance sheet is as under:</b>		
Fair value of plan assets at beginning of the year	5,92.90	4,03.08
Expected return on plan assets	47.47	31.43
Employer's contribution	2,98.52	2,00.00
Benefits paid	(23.59)	(38.87)
Actuarial gain/(loss) on plan assets	(7.00)	(2.74)
Fair value of plan assets at the end of the year	<b>9,08.30</b>	<b>5,92.90</b>
Actual return on plan assets	40.47	28.70
<b>(vi) Breakup of actuarial (gain)/loss on defined benefit obligation:</b>		
Actuarial (gain)/loss on arising from change in financial assumption	-	7.86
Actuarial (gain)/loss on arising from experience adjustment	8.41	28.96
<b>Total actuarial (gain)/loss for the year</b>	<b>8.41</b>	<b>36.82</b>
<b>(vii) Actuarial assumptions:</b>		
Discount rate (%)	6.50	6.50
Future salary increase (%)	6.00	6.00
Expected average remaining working lives of employees (years)	13.07	14.31
Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.		
These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.		
<b>(viii) Sensitivity analysis for gratuity liability</b>		
Impact of the change in discount rate		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	(26.22)	(25.02)
- Impact due to decrease of 1 %	30.31	28.75
Impact of the change in salary increase		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	30.16	25.35
- Impact due to decrease of 1 %	(26.57)	(28.60)

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	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
(ix) <b>Expected (undiscounted) benefit payments in future years</b>		
Projections are for current members and their currently accumulated benefits		
Year- 1	7,59.42	6,43.13
Year- 2	32.43	69.67
Year- 3	30.01	28.44
Year- 4	56.08	27.36
Year- 5	31.83	46.68
Year- 6 to Year- 10	2,80.56	1,43.98
(x) <b>Category of plan assets</b>		
LIC managed fund	100 %	100 %

### Compensated absence:

The leave obligations cover the Group's liability for earned leave and sick leave. The liability towards compensated absences for the year ended March 31, 2022 based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution to the plan assets has resulted in a net liability of Rs.27.83 lacs (March 31, 2021: Rs. 23.56 lacs) which has been shown under Provisions in the Standalone Financial Statements.

## 40. Contingent Liabilities

	As at March 31, 2022	(Rs. in lacs) As at March 31, 2021
Claims against the Group, not acknowledged as debt	2.50	2.50
Sales tax, Excise & Customs matters under appeal	3,95.10	3,66.06
Others ( <i>Claims not acknowledged as debt</i> )	36.68	36.68

Note: The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Group as no reliable estimate can yet be made.

## 41. Related party disclosures: According to Ind AS 24 'Related Party Disclosures'

*Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS24. However, they are not KMPs as per Companies Act, 2013*

### A. List of Related Parties:

1. Entities exercising significant influence over the Group
  - a) iPro Capital Limited;
  - b) Intellipro Finance Pvt. Ltd.;
2. Entities over which Key Managerial Personnel have control
  - a) Alpha Capital Resources Pte. Ltd., Singapore;
  - b) Tanjore Partners LLP;
3. Post-employment benefit funds
  - a) Xpro India Limited Employees Provident Fund Trust
  - b) Xpro India Limited Senior Officers Superannuation Fund
  - c) Xpro India Limited Employees Gratuity Fund
4. Key managerial personnel
  - a) Executive Directors:
    - (i) Sri Sidharth Birla, *Chairman*;
    - (ii) Sri C Bhaskar, *Managing Director & CEO*
  - b) Non-executive Independent Directors:
    - (i) Sri Amitabha Guha;
    - (ii) Sri Ashok Kumar Jha;
    - (iii) Sri Utsav Parekh;

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- (iv) Sri S Ragothaman:
- (v) Smt. Vijaya Sampath (upto 17/6/2020)
- (vi) Ms. Suhana Murshed (w.e.f. 10/8/2021)
- (vii) Sri Umrao Chand Jain

c) Non-executive Non-Independent Directors:

- (i) Smt Madhushree Birla

d) Others:

- (i) Sri H Bakshi, Sr. President & COO
- (ii) Sri V K Agarwal, President (F) & CFO
- (iii) Sri S C Jain, Company Secretary (upto 30/6/2020)
- (iii) Sri Amit Dhanuka, Company Secretary (w.e.f. 1/7/2020)

B. Transactions with Related Parties:

(Rs.in Lacs)

<u>Related Party</u>	<u>Nature of transaction</u>	<u>Year ended</u> <u>March 31, 2022</u>	<u>Year ended</u> <u>March 31, 2021</u>
iPro Capital Limited	Aggregate ICD repayments	-	1,00.00
	Outstanding amount at year end	-	-
	Interest paid on inter-corporate deposits	-	9.97
Xpro India Limited Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	56.95	49.70
Xpro India Limited Senior Officers Superannuation Fund	Contribution to post employment benefit fund (with LIC)	59.20	38.77
Xpro India Limited Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	3,00.00	2,00.00
Sri Sidharth Birla	Remuneration (including leave encashment)	1,07.81	91.08
Sri C Bhaskar	Remuneration (including leave encashment)	1,43.52	1,47.46
	Payable amount at year end	8.75	-
	Sitting Fees	0.04	0.20
Smt Madhushree Birla	Sitting Fees	6.04	5.80
Sri Amitabha Guha	Sitting Fees	8.65	8.45
Sri Ashok Kumar Jha	Sitting Fees	6.50	6.40
Sri Utsav Parekh	Sitting Fees	6.90	6.95
Sri S Ragothaman	Sitting Fees	7.99	7.75
Smt Vijaya Sampath	Sitting Fees	-	0.10
Ms. Suhana Murshed (w.e.f.10/8/21)	Sitting Fees	4.50	-
Sri Umrao Chand jain	Sitting Fees	0.02	0.15
Sri H Bakshi	Remuneration	1,31.38	1,01.88
Sri V K Agarwal	Remuneration	94.22	75.57
Sri S C Jain	Remuneration	-	18.08
Sri Amit Dhanuka	Remuneration	20.35	14.64

*Note: Provisions for gratuity and leave benefits are made for the Group as a whole, hence the amount pertaining to key management personnel are not specifically identified and are not included in remuneration above*

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

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

**42. Segment Information**

The Group operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India; the transactions of the subsidiaries being insignificant. Accordingly, there are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

Revenue of Rs.1,32,64.60 lacs (previous year: Rs. 1,73,37.31 lacs) was derived from external customers each accounting for over ten percent of the revenue.

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### 43. CSR Expenditure

	(Rs.in lacs)	
	Year ended March 31, 2022	Year ended March 31, 2021
i) Gross amount required to be spent by the Group during the year as per provisions of Section 135 of the Companies Act 2013	10.84	-
ii) Amount spent during the year on the following:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above (contribution to PM Cares Fund (Rs.10.00 lakhs) and Covid-19 related activities (Rs.7.70 lakhs))	17.70	-
Total	17.70	-

Note: i) All CSR expenditure has been paid during the year and accordingly there are no provisions for expenses;  
ii) The Group intends to carry forward the excess amount of Rs.6.86 lacs spent during the year;  
iii) The Group does not have any ongoing projects as at March 31, 2022.

### 44. Fair Value Measurement

#### Financial instrument by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, trade payables, employee related liabilities and short term loans from banks, are measured at amortised cost.

#### Fair Value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorised into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: if there are unobservable inputs for the asset or liability, then the instrument is included in level 3.

Particulars	Fair value hierarchy	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
<b>Financial asset measured at FVTOCI</b>				
Investment in Tax Free Bonds	Level 1	Market valuation technique: The fair value of the bond is based on direct and market observable inputs	Not applicable	Not applicable

#### Financial instrument by category measured at amortised cost

(Rs. in lacs)

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
- Trade Receivables	66,34.46	66,34.46	66,38.12	66,38.12
- Cash & cash equivalents	18,71.19	18,71.19	1,70.69	1,70.69
- Other bank balances	4,77.30	4,77.30	4,23.21	4,23.21
- Loans	22.86	22.86	17.59	17.59
- Other financial asset	5,36.51	5,36.51	5,62.74	5,62.74
Total	95,42.32	95,42.32	78,12.35	78,12.35
Financial liabilities				
- Borrowings	87,70.91	87,70.91	1,32,89.06	1,32,89.06
- Other financial liabilities	2,47.07	2,47.07	2,09.47	2,09.47
- Trade payables	57,93.18	57,93.18	72,34.84	72,34.84
- Lease liabilities	2,17.82	2,17.82	2,31.64	2,31.64
Total	1,50,28.98	1,50,28.98	2,09,65.01	2,09,65.01

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The management assessed that for current assets including security deposits, loans, cash and cash equivalents, trade receivables, other recoverable, borrowings, trade payables and other current financial liabilities, the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and other market risk factors.

(ii) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

(iii) All the long-term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. The management believes that the carrying rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

#### 45. Financial risk management

##### i) Financial instrument by category

Particulars	(Rs. in lacs)					
	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
- Investments	-	4,97.86	-	-	-	-
- Trade receivable	-	-	66,34.46	-	-	66,38.12
- Cash and cash equivalent	-	-	18,71.19	-	-	1,70.69
- Other Bank balances	-	-	4,77.30	-	-	4,23.21
- Loans	-	-	22.86	-	-	17.59
- Other financial assets	-	-	5,36.51	-	-	5,62.74
	-	4,97.86	95,42.32	-	-	78,12.35
Financial liabilities						
- Lease liabilities	-	-	2,17.82	-	-	2,31.64
- Borrowings	-	-	87,70.91	-	-	1,32,89.06
- Trade payables	-	-	57,93.18	-	-	72,34.84
- Other financial liabilities	-	-	2,47.07	-	-	2,09.47
Total	-	-	1,50,28.98	-	-	2,09,65.01

Note: Investment in subsidiaries as at the close of year ended March 31, 2022 and March 31, 2021 respectively are carried at cost, per the exemption availed by the Group; hence not considered herein.

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

##### ii) Risk management

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk management framework. "This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

##### A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investment carried at amortised cost and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets:

i) Low credit risk; ii) Moderate credit risk and iii) High credit risk on financial reporting date



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The Group provides for expected credit loss on the following:

<u>Asset group</u>	<u>Basis of categorisation</u>	<u>Provision for expected credit loss</u>
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss

Based on business environment in which the entity operates, there have been no defaults on financial assets of the entity by the counterparty.

Assets are written off when there is no reasonable expectation of recovery, such a debtor declaring bankruptcy or a litigation decided against the entity. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity does not have any of the debts which are recoverable.

Assets under credit risk -

<u>Credit rating</u>	<u>Particulars</u>	(Rs. in lacs)	
		<u>As at</u> <u>March 31, 2022</u>	<u>As at</u> <u>March 31, 2021</u>
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	95,42.32	78,12.35

### Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

### Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems for corporate customers, thereby, limiting the credit risk. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivables become one year past due.

### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposit and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are written defined limits.

### Expected credit risk losses for financial assets other than trade receivables

Group provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

<u>Particulars</u>	<u>Estimated gross carrying amount at default</u>	<u>Expected probability of default</u>	<u>Expected credit losses</u>	(Rs. in lacs)
				<u>Carrying amount net of impairment provision</u>
<u>March 31, 2022</u>				
Investments	4,97.86	0 %	-	4,97.86
Loans	22.86	0 %	-	22.86
Trade receivables	66,34.46	0 %	-	66,34.46
Cash and cash equivalents	18,71.19	0 %	-	18,71.19
Other bank balances	4,77.30	0 %	-	4,77.30
Other financial assets	5,36.51	0 %	-	5,36.51
<u>March 31, 2021</u>				
Loans	17.59	0 %	-	17.59
Trade receivables	66,38.12	0 %	-	66,38.12
Cash and cash equivalents	1,70.69	0 %	-	1,70.69
Other bank balances	4,23.21	0 %	-	4,23.21
Other financial assets	5,62.74	0 %	-	5,62.74

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### Expected credit loss for trade receivables under simplified approach

The Group recognizes life-time expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analyzing historical trends of default. There have been no significant past due trade receivables as Group receives its significant revenue from selling to major customers directly, wherein there are very low or no chances of non-recoverability. For the rest of operations there were no significant past due receivables.

Particulars	As at March 31, 2022	As at March 31, 2021
Gross amount of trade receivables where no default has occurred	66,34.46	66,38.12
Expected loss rate (%)	-	-
Expected credit loss (loss allowance provision)	-	-

(Rs. in lacs)

### B. Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	< 1 year	1 - 5 years *	>5 years	Total
(Rs.in lacs)				
<u>As at March 31, 2022</u>				
Borrowings	23,99.98	63,70.93	-	87,70.91
Trade payables	57,93.18	-	-	57,93.18
Lease liabilities	22.89	1,42.69	52.24	2,17.82
Financial liabilities	2,40.50	6.57	-	2,47.07
<b>Total</b>	<b>84,56.55</b>	<b>65,20.19</b>	<b>52.24</b>	<b>1,50,28.98</b>
<u>As at March 31, 2021</u>				
Borrowings	35,88.38	97,00.68	-	1,32,89.06
Trade payables	72,34.84	-	-	72,34.84
Lease liabilities	13.07	1,06.39	1,12.18	2,31.64
Financial liabilities	2,02.90	6.57	-	2,09.47
<b>Total</b>	<b>1,10,39.19</b>	<b>98,13.64</b>	<b>1,12.16</b>	<b>2,09,65.01</b>

\*interest outflow of the said liabilities has not been considered

### C. Market risk

#### Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Group's exposure to foreign currency at each reporting date is disclosed herein.

#### Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial liabilities</b>		
Payable on imports		
- USD	24,54,180	25,12,515
Borrowings		
- Euro	2,279,707	3,419,980

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Particulars	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>		
Receivables on export		
- USD	1,228,594	383,774
- Euro	162,009	61,571

### Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, assuming no change in other variables.

Particulars	As at March 31, 2022	As at March 31, 2021
		(Rs. in lacs)
<b>USD sensitivity</b>		
INR/USD - increase by 2 %	(18.88)	(31.62)
INR/USD - decrease by 2 %	18.88	31.62
<b>Euro sensitivity</b>		
INR/Euro - increase by 2 %	(36.32)	(58.79)
INR/Euro - decrease by 2 %	36.32	58.79

### Interest rate risk

#### Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits all pay fixed interest rates.

#### Interest rate risk exposure

The Group's overall exposure to interest rate risk is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
		(Rs.in lacs)
Variable rate borrowings	87,70.91	1,32,89.06
Fixed rate borrowings	-	-
<b>Total borrowings</b>	<b>87,70.91</b>	<b>1,32,89.06</b>

### Sensitivity

The sensitivity of profit or loss before tax to interest rate is:

Particulars	Year ending March 31, 2022	Year ending March 31, 2021
		(Rs.in lacs)
<b>Interest sensitivity</b>		
Interest rates - increase by 1 %	1,30.07	1,65.32
Interest rates - decrease by 1 %	(1,30.07)	(1,65.32)

### Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

### Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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<u>Particulars</u>	Year ending <u>March 31, 2022</u>	(Rs.in lacs) Year ending <u>March 31, 2021</u>
Long-term borrowings	63,70.93	97,00.68
Current maturities of long-term borrowings	16,59.50	24,16.41
Short-term borrowings	7,40.48	11,71.97
Interest accrued but not due on borrowings	10.01	15.72
<b>Total borrowings</b>	<b>87,80.92</b>	<b>1,33,04.78</b>
Less: Cash and cash equivalents	18,71.19	1,70.69
Other bank balance	4,77.30	4,23.21
<b>Net debts</b>	<b>64,32.43</b>	<b>1,27,10.88</b>
<b>Total equity *</b>	<b>1,72,02.64</b>	<b>89,88.95</b>
<b>Net debts to equity ratio</b>	<b>37.39 %</b>	<b>141.41 %</b>

\* Equity includes equity share capital and other equity of the Group that are managed as capital

#### 46. Leases

a. The Group has adopted Ind AS 116 -'Lease' from April 1, 2019, which resulted in changes in accounting policies in the standalone financial statements.

#### b. Practical expedients applied

The Group has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities on April 1, 2019 was 11.25% with maturity between 2020 - 2028.

d. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good state of repair and return the property in the original condition at the end of the lease.

e. The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term (Years)	Average remaining lease term (years)
Building	1	6	6
Land	4	68 - 85	75.37

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

#### f. Amounts recognized in balance sheet and statement of profit and loss account:

The balance sheet shows the following amounts relating to leases:

	(Rs. in lacs)		
	Category of right-of-use assets		
	Land	Building	Total
<b>Balance as at April 1, 2020</b> (on account of initial application of Ind AS 116)	6,95.50	2,26.71	9,22.21
Add: Additions	-	-	-
Less: Depreciation charged on the right-of-use	8.57	28.32	36.89
<b>Balance as at March 31, 2021</b>	6,86.93	1,98.39	8,85.32
Add: Additions	33.13	-	33.13
Less: Depreciation charged on the right-of-use	8.89	28.34	37.23
<b>Balance as at March 31, 2022</b>	<b>7,11.17</b>	<b>1,70.05</b>	<b>8,81.22</b>

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g. Amount recognised in Statement of Profit or Loss:

Particulars	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
i) Depreciation of right-of-use assets (classified under Depreciation and amortisation expense)	37.23	36.89
ii) Interest on lease liabilities (classified under Finance costs)	25.36	26.82
iii) Expenses related to short term leases (classified under Other expenses)	31.62	45.24

h. The total cash outflow for leases for the year ended March 31, 2022 was Rs.39.18 lacs (March 31, 2021: Rs.39.18 lacs)

i. Lease liabilities included in balance sheet:

Particulars	(Rs. in lacs)	
	As at	As at
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Current	22.89	13.07
Non-current	194.93	218.57

j. Future minimum lease payments are as follows:

(Rs. in lacs)			
<u>As on March 31, 2022</u>			
<u>Minimum lease payments due:</u>	<u>Lease Payments</u>	<u>Finance charges</u>	<u>Net present value</u>
Within 1 year	46.23	(23.34)	22.89
1 - 2 years	46.23	(20.64)	25.59
2 - 3 years	46.23	(17.60)	28.63
3 - 4 years	55.48	(13.72)	41.76
4 - 5 years	55.48	(8.77)	46.71
After 5 years	55.48	(3.24)	52.24
<b>Total</b>	<b>3,05.13</b>	<b>(87.31)</b>	<b>2,17.82</b>
<u>As on March 31, 2021</u>			
<u>Minimum lease payments due:</u>	<u>Lease Payments</u>	<u>Finance charges</u>	<u>Net present value</u>
Within 1 year	39.18	(25.36)	13.82
1 - 2 years	46.23	(23.35)	22.88
2 - 3 years	46.23	(20.64)	25.59
3 - 4 years	46.23	(17.60)	28.63
4 - 5 years	55.48	(13.72)	41.76
After 5 years	1,10.96	(12.00)	98.96
<b>Total</b>	<b>3,44.31</b>	<b>(1,12.67)</b>	<b>2,31.64</b>

47. Revenue related disclosures (in accordance with AS 115)

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Group's revenue from contract with customers is set out below:

Revenue from contracts with customers	(Rs. in lacs)	
	Year ended	Year ended
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
(i) Sale of products:		
(a) Coextruded sheets, cast films and liners	3,32,97.20	2,79,33.94
(b) Biaxially oriented films	1,25,51.75	88,57.81
(ii) Other operating income	13,23.04	5,43.61
<b>Total revenue covered under Ind AS 115</b>	<b>4,71,71.99</b>	<b>3,73,35.36</b>

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

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	Year ended March 31, 2022	Year ended March 31, 2021
<b>Contract liabilities</b>		
Advance received from customers	1,13.94	10.75
<b>Total contract liabilities</b>	<u>1,13.94</u>	<u>10.75</u>
<b>Receivables</b>		
Trade receivables	66,34.46	66,38.12
<b>Total receivables</b>	<u>66,34.46</u>	<u>66,38.12</u>

### C. Significant changes in the contract liabilities balances during the year:

	As at March 31, 2022	As at March 31, 2021
<b>Contract liabilities - Advance received from customers</b>		
<b>Opening balance</b>	10.75	13.80
Addition during the year	1,13.94	10.75
Revenue recognized during the year	<u>(10.75)</u>	<u>(13.80)</u>
<b>Closing balance</b>	<u>1,13.94</u>	<u>10.75</u>

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

Name of the Company	Net Assets (Total Assets minus total liabilities)		Share in Profit or Loss		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
	As % of	Net Assets	As % of	Profit/(Loss)	As % of	OCI	As % of	TCI
	Consolidated	Net Assets	Consolidated	Profit/(Loss)	Consolidated	OCI	Consolidated	TCI
<u>2021 - 22</u>								
<b>Parent Company</b>								
Xpro India Ltd.	99.99	172,00.52	100.00	44,93.07	100.00	(28.53)	100.00	44,64.54
<b>Indian Subsidiary</b>								
Xpro Global Ltd.	0.01	2.12	0.00	0.11	-	-	0.00	0.11
Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2022								
<u>2020 - 21</u>								
<b>Parent Company</b>								
Xpro India Ltd.	99.98	89,86.94	100.13	8,36.49	100.00	(39.55)	100.14	7,96.94
<b>Indian Subsidiary</b>								
Xpro Global Ltd.	0.02	2.01	0.03	0.29	-	-	0.03	0.29
<b>Foreign Subsidiary</b>								
Xpro Global Pte Ltd	-	-	(0.16)	(1.42)	-	-	(0.17)	(1.42)
Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2021								

49. Pursuant to the special resolution passed at the Extraordinary General Meeting held on December 29, 2021, and relevant regulatory provisions, the Holding Company issued and allotted on January 11, 2022 by way of preferential allotment 19,68,000 warrants at a price of Rs.762 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value Rs.10 of the Holding Company (including premium of Rs.752 each). The Holding Company has received allotment money of Rs.3749.04 lacs, being 25% of the total warrant price by the end of this financial year. As per the offer letter, the issue proceeds may be utilized for growth capital and expansion/diversification requirements (whether organic or inorganic), to meet capital expenditure, to reduce borrowings, to enhance long-term resources and strengthen the financial structure, for meeting working capital requirements and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being fully utilized for the purposes stated.

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### 50. Estimation of uncertainties relating to global pandemic - Covid-19

The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, deferred tax assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as current contract terms, market and financial strength of customers, future volume estimates etc. Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of these assets will be recovered and there will be no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group continues to closely monitor material changes to the economic conditions and impact on business to address and mitigate the overall impact, if any, in this unprecedented situation.

### 51. Ratios

Ratio	Ratio Formula	Year 2021-22	Year 2020-21	Variance (%)	Explanation for variance
a) Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	1.53	1.07	42.99	Growth in revenue along with improved operating efficiencies in business resulting in higher current assets and lower current liabilities, and infusion of capital (convertible warrants application and allotment money)
b) Debt-equity ratio	$\frac{\text{Total debt}}{\text{Shareholder's equity}}$	0.51	1.48	(65.54)	Repayment (including in advance) of term loans availed in previous financial years; lower working capital borrowing and infusion of capital (convertible warrants application and allotment money)
c) Debt service coverage ratio	$\frac{\text{Earnings available for Debt Service (i.e. net profit after taxes + interest and lease payment + depreciation and amortization expenses + loss on sale of PPE)}}{\text{Debt Service (i.e. Interest and lease payments + principal repayments)}}$	1.18	0.88	34.09	Significant increase in profitability, and reduction in debt, including through pre-payment
d) Return on equity (%)	$\frac{\text{Profit for the year}}{\text{Avg. shareholder's equity}}$	34.31	9.70	253.71	Significant increase in profitability
e) Inventory turnover ratio	$\frac{\text{Cost of goods sold}}{\text{Average Inventory}}$	7.51	6.40	17.34	-
f) Trade receivables turnover ratio	$\frac{\text{Revenue from operations}}{\text{Average trade receivables}}$	7.11	6.27	13.39	-
g) Trade payables turnover ratio	$\frac{\text{Purchase of raw materials}}{\text{Average trade payables}}$	5.06	4.09	23.72	-
h) Net capital turnover ratio	$\frac{\text{Revenue from operations}}{\text{Working capital (i.e. Current assets - current liabilities)}}$	9.37	49.93	(81.23)	Increase in revenue along with increase in working capital following lower current liabilities
i) Net profit ratio (%)	$\frac{\text{Profit for the year}}{\text{Revenue from operations}}$	9.53	2.24	325.44	Significant increase in profitability, together with higher value added products, and optimisation of product & customer mix
j) Return on capital employed (%)	$\frac{\text{Earning before interest \& taxes}}{\text{Capital employed (i.e. total equity + borrowings including accrued interest)}}$	20.63	13.46	53.27	Significant increase in profitability
k) Return on investment (%)	$\frac{\text{Profit after tax}}{\text{Total assets}}$	13.42	2.71	394.77	Significant increase in profitability

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### 52. Significant events after the reporting period

The Board of Directors of the Holding Company has recommended a dividend of Rs.2.00 per share for the year 2021-22 (March 31, 2021 - Rs. Nil per share), subject to approval by the shareholders at the ensuing Annual General Meeting of the Company; No liability has been recognised as at March 31, 2022.

Further, the Board of Directors has recommended for approval by shareholders the issue and allotment of Bonus shares by capitalization of appropriate reserves and surplus, in the ratio of 1 equity share for every 2 equity shares.

There were no other significant adjusting events that occurred subsequent to the reporting period other than events disclosed in the relevant notes.

### 53. Additional Regulatory Information:

- a. There are no immovable properties where the title deeds are not held in the name of the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group);
  - b. There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or period of repayment;
  - c. The Group does not have any Benami property, and no proceedings have been initiated or is pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988;
  - d. The Group has been regular in filling quarterly returns or statements of current assets with banks and those are in agreement with the books of accounts;
  - e. The Group has not been declared a wilful defaulter by any bank or financial institution;
  - f. The Group has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956;
  - g. The Group does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period;
  - h. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year;
  - i. The Group has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;
  - j. The Group has not received any funds from any person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;
  - k. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
54. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
55. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.
56. The audited consolidated financial results along with the report thereon are also available on the Holding Company's website [www.xproindia.com](http://www.xproindia.com) and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
57. The consolidated financial statements were approved for issue by the Board of Directors at their meeting, deemed to have been held at New Delhi, through video conferencing on May 25, 2022.

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

For and on behalf of the Board

Sidharth Birla  
Chairman

Nitin Toshniwal  
Partner  
Membership No. 507568  
Faridabad  
May 25, 2022

Amit Dhanuka  
Company Secretary

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

C. Bhaskar  
Managing Director &  
Chief Executive Officer