



XPRO GLOBAL LIMITED

ANNUAL REPORT 2015/16

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Xpro Global Limited will be held at the Registered Office of the Company at "Birla Building", 2nd floor, 9/1, R. N. Mukherjee Road, Kolkata 700001 on Friday, July 15, 2016 at 10.30 a.m. to transact the following business:

1. To consider and adopt the Directors' Report and audited Financial Statements of the Company for the financial year ended March 31, 2016, and the Auditor's Report thereon.
2. To appoint a Director in place of Sri U C Jain (DIN: 00008980) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify appointment of Auditors of the Company and to fix their remuneration. In this connection, to consider and if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:

"RESOLVED that appointment of M/s. S. V. Kedia & Co., Chartered Accountants (FRN: 324122E), Kolkata be and is hereby ratified as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors in consultation with M/s. S. V. Kedia & Co."

New Delhi
May 5, 2016

By order of the Board

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

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.

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BOARD OF DIRECTORS

Sri Sidharth Birla
Sri C. Bhaskar
Sri S. Ragothaman
Sri U. C. Jain

REGISTERED OFFICE

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

REPORT OF THE DIRECTORS TO THE MEMBERS

We have pleasure in presenting herewith our Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2016.

Review of Operational Matters

During the year, the Company, taking advantage of prevailing market opportunities continued to focus on the business of trading in synthetic as well as wool-blended woven fabrics, an activity commenced during the last financial year. Elements of the supply and logistics chain were strengthened. Market acceptance remained encouraging and sales of woven fabrics increased substantially to over 55,000 mtrs. (from 23,000 mtrs. in the previous year). The Company in pursuance of its long term strategy, continues to seek further opportunities for domestic and international trade within the polymers segment (seen as high growth potential areas) and the textiles segment (considering the gradual revival of textile markets in the country and the fundamental nature of the product).

Sales during the year were higher at Rs.96.72 lacs against Rs.47.21 lacs during the previous year. Total income during the year was Rs.103.72 lacs (Rs.52.22 lacs). Working for the year yielded a profit before tax of Rs.3.82 lacs out of which a provision for tax of Rs.1.21 lacs has been made, and the balance amount, including amounts brought forward, of Rs.12.95 lacs is carried to the balance sheet.

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

Statutory and Other Matters

Sri U C Jain (DIN: 00008980), Director of the Company, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment.

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

During the year, Board Meetings were held on May 29, 2015, August 13, 2015, September 24, 2015, November 3, 2015 and January 28, 2016.

M/s. S.V. Kedia & Co., Chartered Accountants, had been appointed as the Statutory Auditors of the Company at the Fourteenth Annual General Meeting held on July 10, 2015 to hold office until the conclusion of the Nineteenth Annual General Meeting of the Company i.e. for a term of five years. As provided in Section 139 of the Act, the said appointment is being placed for ratification at the forthcoming Annual General Meeting. Auditors' observations are self-explanatory and do not call for any further clarifications.

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

The provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company. The provisions of Section 197 (particulars of employees) of the Companies Act, 2013 and of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company as there were no relevant employees during the year.

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The Company has not during the year (i) given any loans or guarantees or made any investments; or (ii) entered into any related party transactions.

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

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

For and on behalf of the Board

New Delhi
May 5, 2016

SIDHARTH BIRLA
C. BHASKAR
S RAGOTHAMAN
Directors

ANNEXURE TO THE DIRECTORS' REPORT

FORM NO. MGT – 9: EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2015
[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sl. No.	Name and Description of main products /services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of textiles (Woven fabrics)	513 5131 51311	93.26

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

i) Category-wise Shareholding:

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

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(ii) Shareholding of Promoters:

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

(iii) Change in Promoters' Shareholding

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel

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

V. INDEBTEDNESS

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

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

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Sri Sidharth Birla	Sri S. Ragothaman	Sri C. Bhaskar	Sri U. C. Jain	
1.	Independent Directors	-	-	-	-	-
	- Fee for attending Board/ Committee Meetings	-	-	-	-	-
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total B (1)	-	-	-	-	-
2.	Other Non-Executive Directors					
	- Fee for attending Board/ Committee Meetings	2500	2000	2500	1000	8000
	- Commission	-	-	-	-	-
	- Others, please specify	-	-	-	-	-
	Total B (2)	2500	2000	2500	1000	8000
	Total (B) = (1+2)	2500	2000	2500	1000	8000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

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

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

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VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **XPRO GLOBAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Kolkata
May 5, 2016

Vineet Kedia
Proprietor
Membership No.059660

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ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Xpro Global Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kolkata
May 5, 2016

Vineet Kedia
Proprietor
Membership No.059660

ANNEXURE "B" TO THE AUDITORS' REPORT

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

- i) The company does not have any fixed assets as yet and hence clauses i(a) , i(b) and i(c) of paragraph 3 of the Order are not applicable.
- ii) In respect of its inventory, as explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such verification;
- iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and hence clauses (a), (b) and (c) of para iii of the order are not applicable;
- iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans and investments, given guarantees or provided security as provided under section 185 and 186 of the Companies Act, 2013.
- v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Accordingly, provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable;
- vi) According to the information and explanations given to us, the Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and hence the clause is not applicable to the Company;
- vii) According to the information and explanations given to us in respect of statutory dues:
 - a) The Company has generally been regular in depositing undisputed dues, including Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities and there were no undisputed amounts payable in respect of Income-tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable;;
 - b) The Company has no material dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax or Cess which have not been deposited with the appropriate authorities on account of any dispute.;
- viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company;
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company;
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration and hence para 3(xi) of the order is not applicable to the Company;

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- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company;
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, there were no transactions with the related parties as provided under sections 177 and 188 of the Act. However details of such related parties have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year;
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company
- xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Kolkata
May 5, 2016

Vineet Kedia
Proprietor
Membership No.059660

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

<u>BALANCE SHEET AS AT</u>		<u>March 31, 2016</u>	<u>March 31, 2015</u>
	<u>Notes</u>	<u>Rs.</u>	<u>Rs.</u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Funds			
Share capital	3	52,50,000	52,50,000
Reserves and surplus	4	12,95,152	10,34,011
		65,45,152	62,84,011
Non-current Liabilities			
		-	-
Current Liabilities			
Trade payables (including acceptances)	5	22,18,854	29,51,944
Other current liabilities	6	31,13,996	28,62,624
Short-term provisions	7	1,18,000	76,500
		54,50,850	58,91,068
		119,96,002	121,75,079
<u>ASSETS</u>			
Non-current Assets			
		-	-
Current Assets			
Inventories	8	21,800	21,800
Trade receivables	9	31,89,989	49,70,410
Cash and cash equivalents	10	87,09,541	71,05,662
Short-term loans and advances	11	74,672	77,207
Other current assets	12	-	-
		119,96,002	121,75,079

Accompanying notes form integral part of the financial statements

In terms of our report attached

For **S. V. Kedia & Co.**

Chartered Accountants

Firm Registration No.324122E

Vineet Kedia

Proprietor

Membership No.059660

Kolkata

May 5, 2016

For and on behalf of the Board

Sidharth Birla

C. Bhaskar

S. Ragothaman

Directors

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED

	<u>Notes</u>	<u>March 31, 2016</u> Rs.	<u>March 31, 2015</u> Rs.
INCOME			
Revenue from Operations	13	96,72,307	47,21,082
less: excise duty		-	-
Revenue from Operations (Net)		<u>96,72,307</u>	47,21,082
Other income	14	<u>6,99,516</u>	5,00,983
		<u>103,71,823</u>	52,22,065
Expenses			
Purchase of stock-in-trade	15	61,91,909	29,51,944
Changes in inventories (of finished goods, work-in-progress & stock-in-trade)	16	-	22,543
Finance Costs		1,13,106	32,320
Other expenses	17	<u>36,85,095</u>	19,67,949
		<u>99,90,110</u>	49,74,756
Profit before tax		3,81,713	2,47,309
Tax expense			
Current Tax		1,18,000	76,500
Short/(Excess) tax provisions for earlier years (net)		<u>2,572</u>	(203)
		<u>1,20,572</u>	76,297
Profit for the year		<u><u>2,61,141</u></u>	<u><u>1,71,012</u></u>
Earnings per equity share (Face Value of Rs.10/- each)			
- Basic & Diluted (Rs.)		0.50	0.33
Number of shares used in computing earnings per share			
- Nominal value: Rs.10 each		5,25,000	5,25,000

Accompanying notes form integral part of the financial statements

In terms of our report attached

For **S. V. Kedia & Co.**

Chartered Accountants

Firm Registration No.324122E

Vineet Kedia

Proprietor

Membership No.059660

Kolkata

May 5, 2016

For and on behalf of the Board

Sidharth Birla

C. Bhaskar

S. Ragothaman

Directors

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

<u>CASH FLOW STATEMENT FOR THE YEAR ENDED</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	<u>Rs.</u>	<u>Rs.</u>
A. Cash flow from Operating Activities		
Net Profit/(Loss) before tax	3,81,713	2,47,309
Adjusted for:		
Finance costs	1,13,106	32,320
Interest income	(4,69,516)	(4,94,970)
Operating Profit/(Loss) before Working Capital changes	25,303	(2,15,341)
Adjusted for:		
Increase in Trade and other Receivables	17,82,956	(48,94,405)
Decrease in Inventories	-	22,543
Increase in Trade payables and other liabilities	(4,40,218)	50,50,125
Direct Taxes	(1,20,572)	(76,297)
Net Cash Flow from Operating activities	12,47,469	(1,13,375)
B. Cash flow from Investing Activities		
Interest Received	4,69,516	9,98,960
Net Cash Flow from Investing Activities	4,69,516	9,98,960
C. Cash flow from Financing Activities		
Finance costs	(1,13,106)	(32,320)
Net Cash Flow from Financing Activities	(1,13,106)	(32,320)
Net increase/(decrease) in Cash or Cash equivalents	16,03,879	8,53,265
Cash and Cash Equivalents at the beginning of the year	71,05,662	62,52,397
Cash and Cash Equivalents at the end of the year	87,09,541	71,05,662

Notes:

Cash and Cash Equivalents represent Cash and Bank balance (note 10)

In terms of our report attached

For S. V. Kedia & Co.

Chartered Accountants

Firm Registration No.324122E

Vineet Kedia

Proprietor

Membership No.059660

Kolkata

May 5, 2016

For and on behalf of the Board

Sidharth Birla

C. Bhaskar

S. Ragothaman

Directors

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

Notes to the Financial Statements

1. Company Overview:

Xpro Global Limited ("the Company") is a public company incorporated on April 10, 2001 under the Companies Act, 1956. The Company is a wholly owned subsidiary of Xpro India Limited, a listed public company incorporated in India. At present, the principal activity of the Company is general trade which includes trading in yarn and woven fabrics, besides import, distribution and marketing of high-end consumer products.

2. Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles, applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

2.2 Inventories

Inventories are valued "at lower of cost and net realizable value". Cost is determined on the weighted average method and include other costs incurred in bringing the inventories to their present location and condition.

2.3 Revenue Recognition

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the customer (on despatch to the customer). Sales are reported net of sales tax.
- iii. Income from Services: Revenue (including sales commission) is recognized on accrual basis.
- iv. Interest: Time pro-rated revenue is recognized taking into account the amount outstanding and rate applicable.

2.4 Borrowing Cost

Borrowing cost relating to (i) funds borrowed for acquisition of qualifying fixed assets are capitalized till the date of commissioning and thereafter charged to Profit and Loss Account and (ii) funds borrowed for other purposes are charged to Profit and Loss Account.

2.5 Foreign Currency Transactions

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

2.6 Taxation

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

2.7 Provisions, Contingent Liabilities and Contingent Assets

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

3. Share Capital

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	Rs.	Rs.
<u>Authorized</u>		
10,00,000 Equity Shares of Rs.10 each (March 31, 2015: 10,00,000)	1,00,00,000	1,00,00,000
<u>Issued, subscribed & paid share capital</u>		
50,000 Equity Shares of Rs.10 each fully paid (March 31, 2015: 50,000)	5,00,000	5,00,000
9,50,000 Equity Shares of Rs.10 each partly paid-up of Rs.5 each (March 31, 2015: 9,50,000)	47,50,000	47,50,000
	52,50,000	52,50,000

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

- 3.1 The Company has issued only one class of shares referred to as equity shares having a par value of Rs.10 each. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets.
- 3.2 The entire paid-up share capital of the Company is held by the holding company, Xpro India Limited and its nominees.
- 3.3 Reconciliation of the number of shares outstanding:
There has been no movement in the number of shares outstanding or in the share capital during the year or during the previous year.

4. Reserves and Surplus

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	Rs.	Rs.
Surplus		
Opening Balance	10,34,011	8,62,999
add: Net profit after tax transferred from Statement of Profit and Loss	<u>2,61,141</u>	<u>1,71,012</u>
Amount available for appropriation	12,95,152	10,34,011
Appropriations	-	-
Closing Balance	<u>12,95,152</u>	<u>10,34,011</u>
5. <u>Trade payables</u>		
Acceptances	<u>22,18,854</u>	<u>29,51,944</u>
	22,18,854	29,51,944
6. <u>Other Current Liabilities</u>		
Other payables	<u>31,13,996</u>	<u>28,62,624</u>
	31,13,996	28,62,624
7. <u>Short-term Provisions</u>		
Provision for employee benefits	-	-
Others		
Provision for Tax	<u>1,18,000</u>	<u>76,500</u>
	1,18,000	76,500
8. <u>Inventories</u>		
Stock-in-trade (in respect of goods acquired for trading)	<u>21,800</u>	<u>21,800</u>
	21,800	21,800
9. <u>Trade receivables</u>		
Unsecured, considered good		
Outstanding for a period exceeding six months from due date	-	-
less: Provision for Bad Debts	-	-
Others	<u>31,89,989</u>	<u>49,70,410</u>
	31,89,989	49,70,410
10. <u>Cash and cash equivalents</u>		
Balance with banks		
Current Accounts	10,41,975	2,59,837
Term Deposit Accounts (with maturity period less than 12 months)	76,55,149	68,30,230
Cash on hand	<u>12,417</u>	<u>15,595</u>
	87,09,541	71,05,662
11. <u>Short Term Loans and Advances</u>		
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received		
Refunds, Recoveries & Claims	<u>74,672</u>	<u>77,207</u>
	74,672	77,207

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

	<u>March 31, 2016</u>	<u>March 31, 2015</u>
	Rs.	Rs.
12. <u>Other Current Assets</u>		
Interest accrued but not due	-	-
	-	-
	<u>2015-16</u>	<u>2014-15</u>
	Rs.	Rs.
13. <u>Revenue from Operations</u>		
Gross Revenue from Operations (Sale of products)	96,72,307	47,21,082
less: Excise Duty	-	-
Net Revenue from Operations	<u>96,72,307</u>	<u>47,21,082</u>
<u>Additional Details of Products Sold</u>		
Goods traded in		
Audio Systems & Accessories	-	19,876
Woven fabrics	96,72,307	47,01,206
Others	-	-
	<u>96,72,307</u>	<u>47,21,082</u>
14. <u>Other Income</u>		
Interest income		
From Banks	4,69,516	4,94,970
Others	2,30,000	6,013
	<u>6,99,516</u>	<u>5,00,983</u>
TDS: Rs.43,321 (previous year: Rs.52,402)		
15. <u>Purchase of Stock-in-trade</u>		
Woven Fabrics	61,91,909	29,51,944
Others	-	-
	<u>61,91,909</u>	<u>29,51,944</u>
16. <u>Changes in Inventories</u>		
Inventories at the end of the year		
Stock-in-trade	21,800	21,800
Inventories at the beginning of the year		
Stock-in-trade	21,800	44,343
Change in inventory	-	(22,543)
17. <u>Other Expenses</u>		
Advertising & Sponsorship	14,18,355	6,00,000
Director's Fees	8,000	7,000
Freight, Forwarding & Shipment Charges	85,037	62,423
Miscellaneous	38,314	36,365
Balances w/off	9,469	-
Payment to Auditors (<i>towards audit fees</i>)	5,000	2,000
Professional & Legal	24,210	8,900
Rebates & Discounts	12,93,492	10,21,176
Sales incentives	2,11,982	1,79,071
Subscription and fees	-	-
Travel & Conveyance	5,91,236	51,014
	<u>36,85,095</u>	<u>19,67,949</u>

XPRO GLOBAL LIMITED : ANNUAL REPORT 2015/16

18. Related Party Disclosures

(in terms of AS 18)

A. List of Related Parties

- i) Parties where control exists:
 - a) Holding Company: Xpro India Limited
 - b) Companies where common control exists: Digjam Limited (*formerly Digjam Textiles Limited*)
- ii) Fellow subsidiaries of Holding Company: Xpro Global Pte. Ltd., Singapore

B. Transactions with Related Parties:

No transactions with related parties referred to in A(i) and (ii) above during the year or the previous year.

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

19. Previous year's figures have been regrouped/rearranged wherever considered necessary.

In terms of our report attached

For S. V. Kedia & Co.

Chartered Accountants

Firm Registration No.324122E

Vineet Kedia

Proprietor

Membership No.059660

Kolkata

May 5, 2016

For and on behalf of the Board

Sidharth Birla

C. Bhaskar

S. Ragothaman

Directors