



XPRO INDIA LIMITED

ANNUAL REPORT 2017/18

Board of Directors

Sri Sidharth Birla

Chairman

Smt. Madhushree Birla

Sri Amitabha Guha

Sri Ashok Kumar Jha

Ms Nandini Khaitan

Sri P. Murari

Sri Utsav Parekh

Sri S. Ragothaman

Sri C. Bhaskar

Managing Director & Chief Executive Officer

Company Secretary

Sri S.C. Jain

Senior Executives

Sri H. Bakshi

President & Chief Operating Officer

Sri V.K. Agarwal

Joint President & Chief Financial Officer

Sri N. Ravindran

Joint President (Marketing)

Sri Anil Jain

Sr. Vice President, Coex Division

Sri Radhey Shyam

Executive Vice President, Coex Division (RNJ & GRN)

Sri Sunil Mehta

Executive Vice President, Biax Division (Pithampur)

Sri Satish M. Agarwal

Vice President (Commercial), Coex Division

Registered Office

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

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

Corporate Office

1st Flr., 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

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

Auditors

M/s Walker Chandiok & Co. LLP
New Delhi

Company Identification Number

L25209WB1997PLC085972

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NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Xpro India Limited will be held on Friday, August 10, 2018 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202 to transact the following business:

1. To consider and adopt the Directors' Report and the audited financial statements of the Company for the financial year ended March 31, 2018 and the Auditors' report thereon.
2. To appoint a Director in place of Smt. Madhushree Birla (DIN: 00004224) who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

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

3. AS A SPECIAL RESOLUTION

"RESOLVED that that pursuant to the Articles of Association of the Company and provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, the Company hereby approves the re-appointment of Sri C Bhaskar (DIN 00003343) as Managing Director & Chief Executive Officer of the Company whose office shall not be liable to retirement by rotation under the Companies Act, 2013 for a period of three years with effect from January 1, 2018 subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted from time to time to or conferred upon him by the Board and with liberty to either party to terminate the appointment with three months' notice to the other. Sri C Bhaskar shall be paid remuneration by way of either:

- i) Salary, commission (not exceeding 2% of the net profits), perquisites and other benefits/allowances (as per the rules of the Company) as may be decided by the Board of Directors from time to time subject in aggregate to a maximum of 5% of the net profits of the Company calculated in accordance with the provisions of Section 197 of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, as may be applicable;
- or
- ii) Where in any financial year the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Sri C Bhaskar by way of salary, house rent allowance, special allowance and other benefits/allowances (as per the rules of the Company) as may be approved by the Board of Directors of the Company from time to time as minimum remuneration, within the limits specified in Part II Section II Para (A) of Schedule V of the Companies Act, 2013 as amended from time to time or any re-enactment thereof, i.e., Rs. 20 lacs per month, as may be applicable;

whichever of (i) or (ii) is higher.

RESOLVED FURTHER that Sri C Bhaskar shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on minimum remuneration specified here-in-above in accordance with the provisions of Schedule V to the Companies Act, 2013 as amended from time to time or any re-enactment thereof, if the Company has no profits or its profits are inadequate:

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

4. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to Sections 13 and 61 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the Authorised Share Capital of the Company be and is hereby reorganised by re-classifying 2,00,00,000 Unclassified Shares of Rs.10/- each forming part of the Authorised Share Capital of the Company as 2,00,00,000 Equity Shares of Rs.10/- each and that consequently existing Clause V of the Memorandum of Association of the Company relating to the Authorised Share Capital be and is hereby altered by deleting the same and substituting in its place and stead the following as new Clause V:

- V. The Authorised Share Capital of the Company is Rs.35,00,00,000/- (Rupees Thirty Five Crores only) divided into 3,50,00,000 Equity Shares of Rs.10/- each with the rights, privileges and conditions attached thereto as per the relevant provisions contained in the Articles of Association of the Company for the time being or as may be fixed by the Board of Directors or Committee thereof from time to time with power to increase or reduce the Capital of the Company and to divide the Shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company or by the Board of Directors or Committee thereof from time to time and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company and consolidate or sub-divide the shares and issue the shares in higher or lower denominations.”

5. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to the 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), the remuneration payable for the year 2017-18 to M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Firm Registration No. 00175) appointed by the Board of Directors of the Company to fill the casual vacancy in the office of the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year 2017-18, amounting to Rs.1,00,000/- (Rupees One Lakh) 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.”

6. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to the 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), the remuneration payable for the year 2018-19 to M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Firm Registration No. 00175) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19, amounting to Rs.1,00,000/- (Rupees One Lakh) 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.”

7. AS AN ORDINARY RESOLUTION

“RESOLVED that pursuant to the provisions of Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules made thereunder, a member who requests for delivery of any document through a particular mode, may be charged a fee of Rs. 100/- (Rupees One Hundred Only) per such document, over and above reimbursement of actual expenses incurred by the Company, provided such request alongwith the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may

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arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to give effect to the above resolution.”

New Delhi
May 24, 2018

By Order of the Board

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

S.C. JAIN
Company Secretary
e-mail: cosec@xproindia.com
Tel.:+91-33-30573700
website: www.xproindia.com

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members of the Company will remain closed from August 6, 2018 to August 10, 2018 (both days inclusive).
4. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrar & Share Transfer Agents, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026, quoting their folio numbers. **Further, please note that in the case of dematerialized shares any change(s) required in Address, Bank details, Bank Mandate, ECS Mandate, Power of Attorney and also requests for registration of Nomination, Transmission, etc., are to be intimated to your DP and not to the Company or our Registrars.**
5. Members holding shares in the same name(s) but under different Ledger Folios, are requested to apply for consolidation of such folios and send the relevant Share Certificates to the Company's Registrar and Share Transfer Agents at Kolkata as stated in Note No. 4 above for endorsement of the consolidated folio number.
6. Members are requested to provide their e-mail ID to the Registrars, MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata – 700 026 (mcssta@rediffmail.com), if shares are held in physical form or to their respective Depository Participants if shares are held in Demat form.
7. Electronic copy of Annual Report for the year 2017-18 and Notice of the 21st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies are being sent in the permitted mode.
8. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for year 2017-18 will also be available on the Company's website, www.xproindia.com, for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
9. **Voting through electronic means**
 - i. Pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), 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). The instructions for e-voting are as under:
 - a) Log on to the e-voting website: 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.

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(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 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 Members holding shares in Demat / Physical Form

| | |
|-----------------------|---|
| PAN* | Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to enter, in the PAN field, the first two letters of their name and the 8 digits of the Sequence Number, printed on the address label. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For Example, If your name is <i>Ramesh Kumar</i> with sequence number 1 then enter <i>RA00000001</i> in the PAN field. |
| DOB | Enter the Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records for the said demat account or folio. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. In case both the details are not recorded with the depository or company, please re-enter the User ID as mentioned in c(i) above in the Dividend Bank Details field. |

- f) After entering these details appropriately, click on "SUBMIT" tab.
- g) Members holding shares in physical form will then reach directly 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.
 - 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 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.

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- II. 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 under help section or write an email to helpdesk.evoting@cDSLindia.com.
You can also contact the helpdesk on the toll free number: 1800-200-5533.
- III. **The e-voting period commences on August 7, 2018 (9 a.m.) and ends on August 9, 2018 (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 August 4, 2018, may cast their vote electronically.** The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder by electronic means, the shareholder shall not be allowed to change it subsequently or cast his vote by any other means. The facility for voting through ballot/polling paper shall also be made available at the venue of the 21st AGM and the members attending the same will be able to exercise their voting rights accordingly, provided they have not already voted through remote e-voting. Such members who have already voted through remote e-voting may attend the AGM but shall not be entitled to vote again thereat.
- IV. 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 August 4, 2018.
- V. Sri K. C. Khowala, Practising Company Secretary (Membership No. ACS 4695 & CP No.2421) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. 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 3 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company, or a person duly authorised, who shall countersign the same and thereafter, the Chairman or the person so authorised, shall declare the results of the voting forthwith. This Notice as well as the Results declared 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.
10. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours on all working days, up to and including the date of the Annual General Meeting of the Company.
11. Members are hereby informed that the Company would transfer unpaid/unclaimed dividends, which remains unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 125(1) of the Companies Act, 2013. Details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such IEP Fund of the Central Government are as under:

| Financial Year | Date of Declaration | Due date for transfer to IEP Fund |
|-----------------------|----------------------------|--|
| 2010-11 | August 11, 2011 | September 17, 2018 |
| 2011-12 | July 26, 2012 | September 1, 2019 |
| 2012-13 | July 26, 2013 | September 1, 2020 |

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

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

Item No. 2

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

Smt. Madhushree Birla, aged about 62 years, graduate from University of Ahmedabad, was first appointed on the Board of the Company in the year 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 Market Café Foods Ltd. She chairs the Corporate Social Responsibility ("CSR") Committee of the Company.

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

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

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Item No. 3

Sri C Bhaskar was last re-appointed as Managing Director & Chief Executive Officer of the Company with effect from January 1, 2015 for a period of 3 years. Sri C Bhaskar's term as Managing Director & Chief Executive Officer expired on December 31, 2017. The Remuneration & Nomination Committee and the Board of Directors at their respective meetings held on November 16, 2017 have unanimously approved the re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer of the Company for a period of three years with effect from January 1, 2018 on the payment of remuneration as proposed in the resolution, subject to the approval of the Members of the Company in General Meeting.

During Sri C Bhaskar's long association with the Company at different levels and with various businesses since 1984, he has contributed greatly in the Company achieving its present position. The Company has exhibited a fair but stable performance during his tenure. He has extensive experience of 39 years approximately in consultancy, industry and business.

Sri C Bhaskar shall subject to superintendence, control and direction of the Board of Directors, be entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time.

The Board of Directors of the Company considers that the re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer will prove beneficial to the Company and accordingly recommends the resolution, as set out at Item No. 3 of the Notice convening this meeting, for your approval.

Sri C Bhaskar is also the Managing Director & Chief Executive Officer of Digjam Ltd. He is a Director of Market Cafe Foods Ltd., Prosperous Healthy Life Pvt. Ltd., Xpro Global Ltd., Xpro Global Pte. Ltd., Singapore, Holland & Sherry India Pvt. Ltd. and Kriti Industries (India) Ltd. He is also a designated partner of Tanjore Partners LLP and a member of the Executive Committee and immediate past President of Organisation of Plastics Processors of India.

Sri C Bhaskar is the member of Stakeholders Relationship Committee, Committee of Directors and Corporate Social Responsibility Committee of Xpro India Limited and of Digjam Limited. He is also the Chairman of Stakeholders Relation Committee and member of Nomination & Remuneration Committee & Executive Committee of Kirti Industries (India) Ltd.

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

I. General Information:

| 1 Nature of Industry | Polymer Business (diversified) | | | | | | | | | | | | | | | | |
|--|---|---------|-------------|---------|---------|---------|---------|--------|------|---------|---------|--------|------|---------|-------|--------|------|
| 2 Date or Expected date of commencement of commercial production | The company has Manufacturing units at different locations where commercial production first commenced as per details below: a) Barjora, West Bengal - 1991 b) Barjora Unit II, West Bengal - 2014 c) Greater Noida, Uttar Pradesh - 2003 d) Ranjangaon, Maharashtra – 2008 | | | | | | | | | | | | | | | | |
| 3 In case of new companies, expected date of commencement of activities as per projects approved by financial institutions appearing in the prospectus | Not Applicable | | | | | | | | | | | | | | | | |
| 4 Financial performance based on given indicators | The net profit after tax, net sales and foreign exchange earned through exports (FOB Value) / deemed exports for last three years were as follows: (in Rs. Crores) <table><thead><tr><th>Year</th><th>Net Profits</th><th>Revenue</th><th>Exports</th></tr></thead><tbody><tr><td>2015-16</td><td>(35.16)</td><td>307.98</td><td>4.11</td></tr><tr><td>2016-17</td><td>(12.36)</td><td>348.88</td><td>8.53</td></tr><tr><td>2017-18</td><td>10.45</td><td>314.47</td><td>6.00</td></tr></tbody></table> | Year | Net Profits | Revenue | Exports | 2015-16 | (35.16) | 307.98 | 4.11 | 2016-17 | (12.36) | 348.88 | 8.53 | 2017-18 | 10.45 | 314.47 | 6.00 |
| Year | Net Profits | Revenue | Exports | | | | | | | | | | | | | | |
| 2015-16 | (35.16) | 307.98 | 4.11 | | | | | | | | | | | | | | |
| 2016-17 | (12.36) | 348.88 | 8.53 | | | | | | | | | | | | | | |
| 2017-18 | 10.45 | 314.47 | 6.00 | | | | | | | | | | | | | | |
| 5 Foreign Investments or Collaborations, if any | Nil | | | | | | | | | | | | | | | | |

II. Information about appointee:

| | |
|----------------------|---|
| 1 Background details | Sri C Bhaskar, B.Tech. (Chem.) with distinction, and a post-graduate from Indian Institute of Management, Calcutta, aged about 63 years, has extensive experience of 39 years in Consulting, Industry, Business and Financial Management including 5 years with Tata Sons Limited/Tata Economic Consultancy Services and 34 years with the businesses of Xpro India Limited. He |
|----------------------|---|

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|---|--|
| | has worked in areas of Corporate and Business planning, Market Research, Asset Revaluation, 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. |
| 2 Past remuneration | For the year 2017-18: Salary: Rs.85.56 lacs; Other Perquisites (incl. LTA / medical reimbursement): Rs.1.29 lacs; Contribution to PF & Superannuation: Rs.10.61 lacs; Encashment of unavailed leave at end of tenure: Rs.14.88 lacs; Perquisite value of ESOP exercised: Rs.4.23 lacs |
| 3 Recognition or Awards | Fellow of the Indian Plastics Institute; Immediate Past President and Member of the Executive Committee of Organisation of Plastics Processors of India; Member of the National Executive Committee & Chairman of Proplast Committee, Plastindia; Former Vice President of All India Plastic Manufacturers Association. |
| 4 Job Profile and its Suitability | He has been appointed as Managing Director & Chief Executive Officer subject to the superintendence, control and direction of Board of Directors, entrusted with substantial powers of management in respect of the whole of the affairs of the Company and shall perform such duties and exercise such powers as have been or may be entrusted to or conferred upon him by the Board from time to time. He has been associated with the business of the Company since 1984. Considering his background and experience, he is eminently suitable to continue to hold the position of Managing Director & Chief Executive Officer in the Company. |
| 5 Remuneration proposed | As per details contained in the Notice for the Annual General Meeting. |
| 6 Comparative remuneration with respect to Industry Standards | The proposed remuneration is in line with remuneration payable to the Directorial personnel holding similar stature/position in the Industry. |
| 7 Any Pecuniary Relationship | Besides remuneration, Sri C Bhaskar holds 52,581 (0.45%) of the Equity Shares of the Company. |

III. Other Information:

| | |
|---|---|
| 1 Reasons for loss or inadequate profit | The Company reported a profit in the current year, and has been consistently earning profits since inception, barring the last few years, and has a strong net worth and effective capital. The loss incurred in recent years has been essentially due to generally depressed market conditions in India and globally, production cuts at major OEM customers, the depreciation in the rupee impacting input costs and price pressure in a depressed and competitive market. With gradual stabilization in markets and the completion of significant investments, together with steps taken towards resolving non-performing assets, profitability is expected to be restored to adequate levels. Your approval is sought by special resolution as stipulated under Part II Section II Para (A) of Schedule V to the Companies Act, 2013. |
| 2 Steps taken/ proposed to be taken for improvement | |
| 3 Expected Increase in productivity and profits in measurable terms | |

IV. Disclosures:

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

Item No. 4

The Authorised Capital of the Company at present is Rs.35,00,00,000/- (Rupees Thirty Five Crores only) divided into 1,50,00,000 Equity Shares of Rs.10/- each; and 2,00,00,000 Unclassified Shares of Rs.10/- each. As the business activities of the Company are expanding, it may become necessary to raise additional capital from time to time. In order to enable the Company to issue further Equity Shares, it is proposed to reorganize the Authorised Capital of the Company by re-classifying 2,00,00,000 Unclassified Shares of Rs.10/- each forming part of the Authorised Share Capital of the Company as 2,00,00,000 Equity Shares of Rs.10/- each. In compliance with the provisions of Section 61 of the Companies Act, 2013, resolution as set out in Item No. 4 is necessary for approval of shareholders.

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.

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Item No. 5

The Board of Directors of the Company appointed M/s Sanghavi Randeria & Associates, Cost Accountants vide Circulation Resolution dated March 21, 2018 to fill the casual vacancy caused by resignation of M/s Sushil Kumar Mantri & Associates, Cost Accountants, to conduct the cost audit of the Company for the financial year ended March 31, 2018.

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 of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2017-18 as set out in the Resolution for the aforesaid services to be rendered by them.

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

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

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, 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, 2019.

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 of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2018-19 as set out in the Resolution for the aforesaid services to be rendered by them.

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

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

Item No. 7

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering to his/her office or address, or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the approval of the Members of the Company is solicited for the Resolution set out in Item no. 7.

None of the Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the said Resolution.

New Delhi
May 24, 2018

By Order of the Board

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

S.C. JAIN
Company Secretary
e-mail: cosec@xproindia.com
Tel.: +91-33-30573700
website: www.xproindia.com



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REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2018.

FINANCIAL RESULTS

| | FY 2018 | (INR Lacs) FY 2017 |
|--|---------------------|------------------------------|
| Operations for the year resulted in a | | |
| Profit before Interest and Depreciation of | 25,75.63 | 29,88.94 |
| less: Interest & other finance costs | 21,36.18 | 25,19.05 |
| Profit before Depreciation and Tax | 4,39.45 | 4,69.89 |
| less: Depreciation | 15,82.14 | 17,04.22 |
| Profit / (Loss) Before Tax | (11,42.69) | (12,34.33) |
| add : Exceptional items (<i>net</i>) | 21,88.29 | - |
| less : Tax | - | 1.85 |
| Profit / (Loss) after Tax | 10,45.60 | (12,36.18) |
| add : Other comprehensive income | 0.50 | (48.38) |
| add : Surplus brought forward | (15,21.11) | (2,36.55) |
| Balance available for appropriation | (475.01) | (15,21.11) |
| Which is appropriated as : | | |
| - Surplus carried forward | (475.01) | (15,21.11) |

The above summary reflects the outcomes of various steps to rationalize operations including by discontinuing activities, and even certain product-mixes which were assessed as unviable. While these affected results at the pre-interest level as seen above, the effect on the bottom line was essential for the long-term. Indian Accounting Standards (Ind AS) have been adopted with effect from April 1, 2017, as notified by the Ministry of Corporate Affairs. Accordingly, previous years' figures have been restated to comply with Ind AS.

The Directors believe that prudence requires the eroded surplus to be first restored and accordingly regret their inability to recommend any Dividend for the year.

REVIEW OF KEY BUSINESS MATTERS

Economic growth in 2017-18 at 6.6% continued to keep the capacity utilization across many industries sub-optimal. However stabilizing GST, addressing stressed loans and recapitalization of banks, and the prospects of a normal monsoon suggest a return to improved GDP growth in coming years.

The Company, being essentially a Business-to-Business supplier, has both its demand and output driven by the end-markets of its clients. Such demand and related pricing flexibility of the Company are severally influenced by factors such as domestic consumer sentiment, production of electrical goods of a capital nature, and competition due to pricing strategies followed by foreign suppliers facing slackness in their own markets.

A careful analysis validates the strategic decisions taken by the Company in recent years towards rationalizing capacity, ramping up capacity utilization and addressing unviable units. Concentration on these issues, during an otherwise lackluster growth period, helped achieve better performance and reduction of debt.

As stated in our Report for the previous year, the Management had commenced discussions with the consortium of Banks as well as with BKB Bank, Germany, to (in essence) reset the timing of repayments of term loans. Following the ultimate receipt of all approvals, the revised schedule became fully effective in the second-half of the year.

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Following necessary approvals sale transactions were concluded and monies received in respect of the land and buildings of Faridabad unit and of non-core property at Kolkata. The proceeds helped to prepay borrowings and also supported operational needs.

During the year Rs. 42.74 crores of loans were repaid; reported indebtedness however decreased by Rs. 34.55 Crores due to exchange rate variation of Rs. 8.19 Crores capitalized.

Shareholders had approved the sale, transfer or disposal otherwise of the Company's Pithampur Unit where production has remained suspended since July 2015, even as overhauling/upgrading the plant was also evaluated. Finally, a conditional term sheet has been concluded for the sale/transfer of Pithampur unit, subject to necessary approvals and definitive agreement. The transaction can crystallize only after completion of agreed trial runs, and the financials and cash flows will then be accounted for. We expect a reduction in standing costs will support the bottom line, and the net proceeds will help reduce borrowings.

For the sake of clarity, after the steps taken during the year (and assuming resolution of the Pithampur Unit) the Company's industrial operations will remain situated at Barjora (West Bengal) - the largest investment base of the Company, Greater Noida (Uttar Pradesh), and Ranjangaon (Maharashtra).

Performance details are to be found in the annexed Managements' Discussion & Analysis Report. The Management is confident of maintaining its track record of meeting rated outputs, the competitiveness and quality of product offerings, and the robustness of its business model. Under typical and reasonable conditions operational capability is not expected to be a constraining factor to improved financial performance.

The Dielectric film line (Biax Division Barjora Unit II), has seen healthy volumes on sales and production build up. Capacity utilisation of Barjora Unit I (manufacturing mostly non-dielectric products) was deliberately restricted to servicing remunerative orders, thereby reflecting significantly lower production. The operating outcome of this unit depresses positive results from other units and the management is evaluating all curative long-term options.

Consumer durables, including refrigerators (the most significant client base for Coex Division) witnessed a marginal growth. The Company continues to be the leading supplier of sheets and liners for white goods. Production levels grew nearly 9% but value addition remained under pressure in a fiercely competitive end-product market. White goods hold good and long term potential and continue to attract significant global players to India. During the year, the Company relocated one cast film line from the closed Faridabad unit to augment capacity at Ranjangaon.

In this background of various limitations and cessations, the company achieved a near flat production volume of 24,353 MT (24,926 MT in the previous year), with gross sales as reported (pre-GST gross sales till June 30, 2017 are inclusive of CENVAT) at Rs. 314 Crores against Rs. 349 Crores last year. Exports amounted to Rs. 600.02 lacs (Rs. 853.22 lacs). Interest and other finance costs at Rs. 2136.18 lacs were lower by Rs. 382.87 lacs. After accounting for net exceptional income (after certain necessary exceptional charges/provisions), Profit before Tax was Rs. 1045.60 lacs against a reported loss of Rs. 1234.34 lacs in the previous year.

The Company transitioned to the GST system satisfactorily and there have been no major hitches. Despite the initial effects and challenges a stabilized and moderated GST will help improve business prospects and trade.

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.

Sri C. Bhaskar was re-appointed by the Board on recommendation of the Remuneration & Nomination Committee as Managing Director & Chief Executive Officer, not liable to retirement by rotation under the Companies Act, 2013 for a period of three years w.e.f. January 1, 2018, (subject to necessary shareholders' approval).

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During the year, five Board Meetings were convened and held as per details in the annexed Corporate Governance Report. The Independent Directors met separately on February 2, 2018 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 extract of the Annual Return in Form MGT-9 is annexed herewith.

The Board has, on the recommendation of the Remuneration and Nominations Committee, framed a Policy for appointment and remuneration of Directors and Senior Managerial Personnel as well as criteria for determining independence and other relevant matters (policy and criteria annexed herewith; policy also available on weblink: www.xproindia.com/data/XILPolicyRemuneration.pdf). Pursuant to the provisions of the Act and SEBI Listing Regulations, 2015, the Board carried out annual evaluation of its performance, and of individual directors (including independent) as well as the evaluation of its Audit, Remuneration and Nominations, and Stakeholders Relationship Committees. The concerned Director did not participate in the meeting while he/she was being evaluated. A questionnaire was circulated to all Directors. The Remuneration and Nominations Committee also evaluated the performance 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.

Information on Conservation of Energy, Technology absorption & foreign exchange earnings and outgo is furnished in annexure hereto.

The Company has formulated a Policy for determining material subsidiaries as required under Regulation 16(1)(c) of the SEBI Listing Regulations, 2015 (weblink: www.xproindia.com/data/XILPolMatSubs.pdf). The Company has two wholly owned subsidiaries viz. Xpro Global Limited and Xpro Global Pte. Ltd., Singapore. Performance and Financial Position of the said Subsidiaries is annexed herewith in Form AOC-1 as required.

The Company has a system of review of business risks by Senior Executives at plants. The Audit Committee and the Board are informed about the identified risks, assessment thereof and minimization procedures and identification of risk elements which in the opinion of the Board 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 Chairman of the Audit Committee. During the course of internal audit the efficacy and adequacy of internal control systems of the Company is also evaluated. Based on the reports, corrective actions are taken and the controls strengthened.

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, except an inter-corporate deposit to Digjam Limited. Closing balance: Rs.33.72 lacs; previous year Rs. 11.22 lacs; maximum outstanding at any point of time during the year: Rs. 1.98 crores; previous year: Rs. 1.77 crores. Further, the Company has not invited/accepted any Fixed Deposits under Chapter V of the Act and there are none outstanding as on March 31, 2018.

Transactions with related parties during the year were in the ordinary course of business on an arm’s length basis. There are no such 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 the 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/data/XILPolRelPartyTrans.pdf.

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

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The Audit Committee meets requirements of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations, 2015; details of its composition are furnished in the Corporate Governance Report. There was no instance during the year where the Board did not accept any recommendation of the Audit Committee.

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 required 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 in respect of employees of the Company is annexed. However, in terms of Section 136 of the Act, the Annual Report is being sent to members of the Company excluding information in respect of employees of the Company pursuant to Rule 5(2) of the aforesaid Rules, which will be furnished on request. The aforesaid statement is available for inspection by shareholders at the Registered Office of the Company during business hours on working days upto the date of the ensuing Annual General Meeting.

A Committee has been set up to look into any complaints under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; no related complaint was received during the year.

The Company has constituted a Committee on Corporate Social Responsibility (CSR), details of which are furnished in the Corporate Governance Report. While statutory requirements on spending are not applicable to the Company in view of loss/inadequate profit, small steps have always been taken by the Company for social and inclusive development in its local areas; 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 CSR Policy is annexed herewith.

Employees Stock Option ("ESOP") Schemes are implemented in accordance with SEBI Guidelines. During the year, Company issued and allotted 1,54,000 Equity Shares of Rs. 10/- each to eligible employees on December 7, 2017 under the ESOP Scheme-2009. All other required particulars, are annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT

The CEO and CFO certified Financial Statements as required by Regulation 17(8) of SEBI Listing Regulations, 2015; this has been reviewed by the Audit Committee and taken on record by the Board. Having taken reasonable and bonafide care, pursuant to Section 134(3)(c) of the Act, the Directors indicate that (i) in preparation of the annual accounts, applicable accounting standards had been followed along with proper explanations relating to material departures; (ii) the Directors selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year; (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; (iv) the Directors had prepared the annual accounts on a going concern basis; (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS' OBSERVATIONS

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

AUDITORS

M/s Walker Chandio & Co LLP, Chartered Accountants, had been appointed as the Statutory Auditors of the Company at the Twentieth Annual General Meeting held on September 5, 2017 to hold office until the conclusion of the Twenty Fifth Annual General Meeting of the Company i.e. for a term of five years.

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Pursuant to the provisions of Section 204 of the Act, the Company appointed Sri K. C. Khowala, 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, 2017 was carried out by M/s Sushil Kumar Mantri & Associates, Cost Accountants. The Board, on recommendation by the Audit Committee, had appointed M/s Sushil Kumar Mantri & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the year ending March 31, 2018. However, vide their letter dated March 19, 2018 they resigned as Cost Auditors due to preoccupation. As required by Rule 3A of the Companies (Cost Records and Audit) Rules, 2014 (as amended), it was necessary for the Board to fill this casual vacancy within thirty days and accordingly, the Board appointed M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai (Firm Registration No. 00175) as Cost Auditors of the Company for the Financial Year 2017-18. In terms of Section 148 (3) of the Act their remuneration for the Financial Year 2017-18 is required to be approved at the forthcoming Annual General meeting.

The Board, on recommendation by the Audit Committee, has appointed M/s Sanghavi Randeria & Associates, Cost Accountants, to conduct audit of cost records of the Company for the year ending March 31, 2019. In terms of Section 148 (3) of the Act their remuneration has to be approved at the forthcoming Annual General meeting.

ACKNOWLEDGEMENTS

We place on record our sincere appreciation of the valuable cooperation and support received at all times by the Company from all its Bankers, particularly the lead bank, State Bank of India, all concerned Government and other authorities and Shareholders. Relations with employees were generally cordial; we record our appreciation of contributions made by employees during the year.

For and on behalf of the Board

New Delhi
May 24, 2018

Sidharth Birla
Chairman

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

THE BOARD OF DIRECTORS

Composition

The Board presently consists of 9 Directors, of whom 6 are independent, and a total of 8 are non-executive. Current regulations require that the Company should have at least one Woman Director and that at least 50% of the Directors should be independent; these criteria are met. Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. Our Board has 6 independent Directors viz. Sri Amitabha Guha, a Banker, Sri Ashok Kumar Jha (IAS retired, formerly Finance Secretary, Govt. of India), Ms Nandini Khaitan, Advocate, Sri P. Murari (IAS retired, formerly Secretary to the Govt. of India), Sri Utsav Parekh (Merchant Banker) and Sri S. Ragothaman (company director, formerly senior officer at ICICI).

Independent Directors are given a formal letter of appointment (copy available on Company's website) which, inter alia, explains their basic role, functions, duties and responsibilities. The Company has drawn up a Familiarization Program for Independent Directors with a view to familiarize them with the Company, their roles, rights and responsibilities, nature of industry where the company operates, company's business model etc. (relevant details of familiarization programs are disclosed on the Company's website at weblink: www.xproindia.com/data/XLIDFmlrznProg.pdf). The Remuneration & Nomination Committee has laid down the criteria for performance evaluation of Independent Directors (Annexed herewith) and such evaluation is done by the Board (excluding the Director being evaluated) and based on the evaluation, the Board determines the continuation/extension of the term of Independent Director. Performance evaluation of Non-Independent Directors and the Board as a whole and Chairman of the Company is also done by the Independent Directors as per relevant regulations. The Board has also formulated a plan for orderly succession of Board members and the 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 Officer are kept separate and appropriately defined. Accordingly the Chairman's position, even where whole-time, has been considered non-executive in nature as his role specified by the Board does not cover 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. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, directorships (public limited companies only) ("B"), membership and chairmanship ("M" & "Ch") of SEBI specified committees, sitting fees (including for committees) paid during the year, and shareholding in the Company as on March 31, 2018.

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 the other Directors retire every year and, when eligible, qualify for

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

| Director / Category | Attendance | B / M / Ch | Fees (Rs.) | Shareholding |
|---|------------|------------|------------|------------------|
| <u>Independent</u> | | | | |
| Sri Amitabha Guha | 5 / 5 | 5 / 6 / - | 5,20,000 | - |
| Sri Ashok Kumar Jha | 5 / 5 | 5 / 4 / 1 | 3,30,000 | - |
| Ms Nandini Khaitan | 5 / 5 | 5 / - / - | 3,00,000 | - |
| Sri P. Murari | 1 / 5 | 6 / 4 / 2 | 1,05,000 | - |
| Sri Utsav Parekh | 2 / 5 | 7 / 6 / 3 | 2,70,000 | 50,801 (0.43%) |
| Sri S. Ragothaman | 5 / 5 | 9 / 6 / 3 | 4,50,000 | 68,493 (0.58%) |
| <u>Representing Promoters</u> | | | | |
| Smt. Madhushree Birla | 4 / 5 | 3 / - / - | 2,00,000 | 125 (neg.%) |
| Sri Sidharth Birla | 5 / 5 | 5 / - / - | Nil | 2,01,875 (1.71%) |
| <u>Executive (Managing Director)</u> | | | | |
| Sri C Bhaskar | 5 / 5 | 5 / 3 / 1 | Nil | 52,581 (0.45%) |

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

Responsibilities

The Board's fundamental concentration is on strategic issues and approval, policy and control, and delegation of powers. The Board has specified a schedule of major matters (covering those required under law or regulations) that are reserved for its consideration and decision, including, inter alia, review of corporate performance, reporting to shareholders, approving annual budget including capital budget, monitoring the implementation and effectiveness of the governance practices, appointing key executives and monitoring their remuneration, monitoring and managing potential conflicts of interest, ensuring integrity of Company's accounting and financial reporting system and that appropriate systems of control are in place, 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 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, 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 President & Chief Operating Officer holds operational responsibility for day-to-day activities of the divisions under his charge. The Joint President & Chief Financial Officer, heads the finance function discharging the responsibilities entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

BOARD MEETINGS AND COMMITTEES

Board meetings are normally held at Company offices, including at plants, and are typically scheduled well in advance. The Board meets at least once after the end of each quarter to, inter-alia, review all relevant matters and consider

and approve quarterly financial results. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. Agenda for all meetings are prepared by the Secretary in consultation with the Chairman and papers are circulated to all directors in advance. Directors have access to the Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior officers are called to provide clarifications or presentations whenever required. To enable fuller and detailed attention to relevant matters, the Board from time to time delegates specified issues and matters to committees which report to it. However no matter which under law or the Articles may not be delegated by the Board, or requires its explicit approval, is left to the final decision of any committee. During the year the Board met 5 times on May 19, September 7 & November 16, 2017 and January 4 & February 2, 2018.

Independent Directors' Meeting held on February 2, 2018 to, inter alia, discuss matters prescribed under applicable company law & SEBI Regulations, was attended by Sri Amitabha Guha, Sri Ashok Kumar Jha, Ms. Nandini Khaitan, Sri Utsav Parekh and Sri S. Ragothaman.

Audit Committee

The terms of reference of the Audit committee, as specified by the Board in writing, includes the whole as specified in the Companies Act and in regulations, including review of audit procedures and techniques, financial reporting systems, 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, Sri P Murari and Sri Amitabha Guha, and is mandated to meet at least four times in a year to assess the final audited accounts and to review each quarter Un-audited Financial Results and the limited review reports before they are put up to the Board. The committee met 5 times during the year. The meetings on May 9, May 19 and September 7, 2017 were attended by Sri S. Ragothaman, and Sri Amitabha Guha, that of November 15, 2017 by all the members while the meeting of February 2, 2018 was attended by Sri S. Ragothaman, Sri Utsav Parekh and Sri Amitabha Guha. The Chairman of the Audit Committee attended the last Annual General Meeting held on September 5, 2017.

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; remuneration of the Chairman is recommended by the Committee to the Board of the Company and compensation to other non-executive Directors is a subject only for the whole Board. The Committee 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The committee comprises of Sri P. Murari, (Chairman), Sri Sidharth Birla, Sri Utsav Parekh and Sri Amitabha Guha. The committee met twice during the year; the meeting of November 16, 2017 was attended by all the members and the meeting held on February 2, 2018 was attended by Sri Sidharth Birla, Sri Utsav Parekh and Sri Amitabha Guha.

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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, 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 Committee of Directors and Rs.5,000 each per meeting of the Stakeholders Relationship Committee. No fee is paid for meetings of the CSR Committee. Members have approved payment of remuneration to Sri Sidharth Birla, Chairman, re-appointed with effect from March 1, 2017 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. The Board of Directors of the Company has approved the payment of remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, re-appointed with effect from January 1, 2018 for 3 years (subject to approval by the shareholders at the ensuing Annual General Meeting), comprising of 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 pursuant to an application to the Central Government or vide any statutory modification or re-enactment). Accordingly he is now paid a salary of Rs.6.70 lacs per month and other benefits & allowances as per rules of the Company. 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 approximately 27,000 shareholders and with a view to expedite share transfers, the Registrar and Share Transfer Agents of the Company, MCS Share Transfer Agent Limited, has been authorised to effect share transfers/transmissions, etc. Sri S.C. Jain, Secretary, is the Compliance Officer under relevant regulations. The committee is chaired by Sri Utsav Parekh and includes Sri Amitabha Guha and Sri C. Bhaskar. The Company/RTA received 29 complaints/queries during the year from shareholders (directly or through regulatory bodies); as of March 31, 2018 (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 by the Board from time to time. The Committee meets as and when required to attend to urgent matters delegated to it. The committee met once during the year on December 7, 2017 and which meeting was attended by Sri Sidharth Birla, Sri Ashok Jha and Sri C Bhaskar.

Corporate Social Responsibility ("CSR") Committee

The Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of the Companies Act, 2013 to (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the implementation of the said CSR Policy from time to time. The Committee comprises of Smt. Madhushree Birla, as Chairperson, Sri P. Murari and Sri C Bhaskar. Sri H. Bakshi, President & Chief Operating Officer of the Company is management invitee at the meetings of the CSR Committee. The Committee met twice during the year; the meeting held on May 19, 2017 was attended by Smt Madhushree Birla, Sri C Bhaskar and the management invitee, while the meeting of January 4, 2018 was attended by Smt Madhushree Birla and Sri C Bhaskar.

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SHAREHOLDER INFORMATION AND RELATIONS

The principal source of detailed information for shareholders is the Annual Report which includes, inter-alia, the Reports of the Directors and the Auditors, Audited Accounts, besides this report and Managements' Discussion & Analysis Report. The Management's statement on integrity and fair presentation of financial statements is provided to the Board as part of the accounts approval process. Shareholders are intimated through the print media about quarterly financial results, besides significant matters, within time periods stipulated from time to time by Stock Exchanges. Annual General Meetings of the Company are held at its Registered Office at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722 202, West Bengal. The last 3 AGMs were held at the Registered Office on August 14, 2015, August 4, 2016 & September 5, 2017. The next AGM shall be held at the Registered Office as per notice in this Annual Report and the Record Date will also be as per the notice. The last AGM was attended by Sri S Ragothaman and Sri C Bhaskar. Special Resolutions were passed at the AGM held on August 14, 2015 for (a) re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer of the Company with effect from January 1, 2015 and approval of Remuneration payable to him; (b) adoption of new Articles of Association of the Company; and (c) keeping of the Register of members etc. of the Company at RTA's Office and at the AGM held on September 5, 2017 for re-appointment of Sri Sidharth Birla, Chairman, in the whole time employment of the Company with effect from March 1, 2017 and approval of Remuneration payable to him. Special Resolution in respect of sell/transfer and/or otherwise dispose of the whole or substantially the whole of the Company's Faridabad Unit was passed by the Members by Postal Ballot on October 24, 2016 and Special Resolution in respect of sell/transfer and/or otherwise dispose of the whole or substantially the whole of the Company's Pithampur Unit was passed by the Members by Postal Ballot on February 23, 2018. The Company keeps shareholders informed via advertisements in appropriate newspapers of all relevant dates and items requiring notice. M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 are the Registrars and Share Transfer Agents. The general address for correspondence by shareholders is the Company Secretary (Tel. (033) 30573700; extn.1267) at Birla Building (2nd Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; designated e-mail ID for grievance redressal is scjain@xproindia.com (of Compliance Officer) and mcssta@rediffmail.com (of Registrar and Share Transfer Agents). Shareholders may also write to the Registrars directly in matters relating to transfers etc. The Company publishes its quarterly results in English (usually 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. No presentation has been made to institutional investors etc. The present financial year of the Company is April 1 to March 31. The Company's Equity Shares are listed at National Stock Exchange (Symbol: XPROINDIA, Series EQ) (necessary listing fee has been paid as due) and are also admitted for trading on the Bombay Stock Exchange under the category of "Permitted Securities" (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). 96.42% of the Company's paid up equity share capital has been dematerialized upto March 31, 2018. Of the 1,25,216 unclaimed shares held by 6,202 shareholders lying in "Xpro India Limited - Unclaimed Suspense Account" maintained in dematerialized form, as required under Listing Regulations, 8 shareholders have during the year claimed 85 shares & 1,14,090 shares pertaining to 5,640 shareholders have been transferred to IEPF Suspense A/c pursuant to section 124(6) of the Companies Act, 2013 and Rules made thereunder and the remaining 11,041 shares belonging to 554 shareholders remain unclaimed to the credit of this account. Also 1,64,512 shares held by 10,009 shareholders have been transferred to IEPF Suspense A/c as required u/s 124(6) of the Companies Act, 2013 and Rules made thereunder, making a total of 2,78,602 shares pertaining to 15,649 shareholders in the IEPF Suspense A/c. Voting rights on these shares shall remain frozen till rightful owner of such shares claims the shares. Shareholding distribution, pattern and high/low market price data are given below.

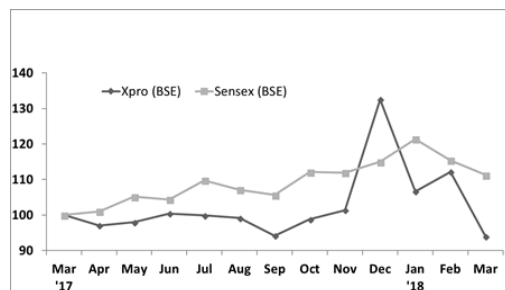
| Type of Shareholder | Nos. | In % by amount | Nominal Value of Shareholding | Nos. | In % by amount |
|----------------------------------|---------------|-------------------|-------------------------------|---------------|-------------------|
| Banks, FI's, Insurance Companies | 12 | 0.01 | | | |
| Domestic Companies | 272 | 54.17 | Upto Rs.5,000 | 25,932 | 10.84 |
| Mutual Funds (including UTI) | 5 | 0.06 | Rs.5,001 to Rs.20,000 | 774 | 6.78 |
| Non-residents | 103 | 0.43 | Rs.20,001 to Rs.1,00,000 | 225 | 7.96 |
| Resident individuals/others | 26,598 | 45.33 | Rs.1,00,001 and above | 59 | 74.42 |
| | 26,990 | 100.00 | | 26,990 | 100.00 |

Note: aggregate of Public shareholding: 49.98%

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| Share Price by Month | NSE | | BSE | |
|----------------------------------|--------------|--------------|--------------|--------------|
| | High | Low | High | Low |
| April 2017 | 55.05 | 46.10 | 54.75 | 47.10 |
| May | 53.85 | 45.70 | 53.85 | 45.95 |
| June | 53.80 | 48.40 | 53.80 | 47.20 |
| July | 53.05 | 47.35 | 53.00 | 48.00 |
| August | 54.50 | 41.45 | 51.95 | 42.20 |
| September | 56.90 | 46.30 | 56.75 | 46.10 |
| October | 51.50 | 46.30 | 51.40 | 45.65 |
| November | 58.45 | 48.40 | 57.90 | 49.05 |
| December | 80.75 | 49.15 | 80.55 | 49.10 |
| January 2018 | 67.00 | 51.50 | 67.00 | 52.05 |
| February | 62.80 | 50.25 | 62.80 | 50.00 |
| March | 57.95 | 45.65 | 58.15 | 46.00 |
| During the Financial Year | 80.75 | 41.45 | 80.55 | 42.20 |

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



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 the Rupee as a portion of the Company's payables and receivables are denominated in these currencies. The Company pro-actively manages these risks through inventory management, vendor development, tracking the currency parity scenario and suitable forward cover in consultation with the bankers to the Company. 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.

MANDATORY AND NON-MANDATORY PROVISIONS

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

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. All mandatory requirements (except where not relevant or applicable) of the SEBI regulations have been adopted. Of the non-mandatory suggestions, those relating to a Chairman's Office, separate posts of Chairman & Managing Director/CEO, audit qualifications as well as reporting by Internal Auditors directly to Audit Committee have been adopted. Sending six-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 24, 2018

Sidharth Birla
Chairman

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

I declare that the Company has received affirmation of compliance with "Code of Conduct for Directors and Senior Executives" laid down by the Board of Directors, from all the Directors and Senior Management personnel of the Company, to whom the same is applicable, for the financial year ended March 31, 2018.

New Delhi
May 24, 2018

C. Bhaskar
Managing Director & Chief Executive Officer

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 5 September, 2017.
2. We have examined the compliance of conditions of corporate governance by Xpro India Limited (the 'Company') for the year ended on 31 March 2018, 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 2018.

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's Registration No. 001076N/N500013)

per **Anamitra Das**
Partner
(Membership No.062191)

New Delhi
24 May, 2018

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 or within boundaries that in our opinion are reasonably imposed by the Company's strategic and competitive position. The financial year just ended was marked by the challenges arising from the lingering effects of demonetization and resulting liquidity constraints in the market, compounded by the teething difficulties arising from implementation of GST, particularly the high GST rate applicable to refrigerators, a key customer segment. With these temporary impacts dissipating gradually, the economy showed signs of revival in the later part of the year.

Global growth is predicted to reach 3.9% during 2018-19 – the strongest since the world economy rebounded, following the financial crisis, in 2010. A favourable trade and investment environment along with easing financial conditions would also positively impact global economic conditions. The world however also faces anti-globalization and anti-immigration waves, leaving lingering uncertainties. Indian GDP growth which has fallen to 6.6% in 2017-18, with the lingering effects of demonetisation, businesses adjusting to the new GST and subdued agriculture, is expected to rebound to 7.3% in 2018-19 and increase further to 7.6% in 2019-20 propelled by strong consumption growth, structural reforms, fading out of the transitory effects of reforms already introduced and buoyant tax revenue, reiterating India's position as the world's fastest growing large economy. Industrial production growth on the other hand stood at 4.3% for 2017-18 down from 4.6% the previous year.

Domestic demand was particularly affected during the year due general liquidity constraints in the market, impacted further by the slow recovery from impact of demonetization, and the disruptive effect on business during the transition to GST. Customers (and their downstream distribution channels) minimized pipeline stocks in the run up to GST implementation, particularly in the refrigerator segment where a reduction in effective rate was widely expected. Refrigerators, however, were classified under the highest GST rate despite being a convenience product and there was thus an effective increase rather than the expected decrease. Uncertainty continued through much of the year, with unsuccessful trade and industry representations for rate adjustment. Another impact through much of the year was of smaller lot orders, deferred deliveries and cancellations as the GST implementation progressed.

The Company successfully implemented and migrated to the GST system with effect from July 1, 2017 and required across IT systems, supply chain and operations have been made. Concerned staff have also been trained appropriately keeping in mind the sweeping changes that GST has brought in.

Global factors played their part in tempering demand. A modest improvement was witnessed in the domestic macro environment towards the latter part of the year. Polymer prices remain volatile following rising trends in crude prices. The Rupee weakened significantly vis-à-vis the Euro through the year, although it fluctuated within a narrower range against the US Dollar, impacting the company's external commercial borrowing which is Euro denominated and Euribor linked; the 6-month Euribor has been sub-zero throughout the year.

Our performance reflected the overall economic climate moderated due to the temporary disruptions. Total production during the year was marginally lower at 24,353 MT (24,926 MT previous year); net sales at Rs.304.37 Crores were correspondingly 2.2% lower. While unit sales realization improved they remain lower than expected; and production costs were controlled with productivity enhancements. Exports were lower at Rs.600.11 lacs (Rs.853.22 lacs previous year). Finance costs were lower at Rs.2136.18 lacs against Rs.2519.05 lacs in the previous year on account of repayment of loans as well as interest rate advantages. Depreciation amounted to Rs.1582.14 lacs (Rs.1704.22 lacs), and together with net exceptional income of Rs. 2188.29 lacs (previous year: nil) resulted in a profit before tax of Rs.1045.60 lacs against a loss of Rs.1234.34 lakhs in the previous year.

The year witnessed significant steps taken and successfully executed towards our strategic direction. Sale transactions were completed, following necessary approvals, in respect of land (together with buildings thereon) of the erstwhile Faridabad unit and also of non-core residential premises at Kolkata at a total consideration of Rs. 42 crores and the proceeds (net of direct and indirect associated costs) were utilized to reduce bank borrowings and to meet operational needs of the Company. Production at the Pithampur Unit had remained suspended since July 2015, while overhauling and upgrading of the plant, besides other options were being evaluated. In keeping with our strategic intent, a conditional term sheet has been entered into for sale/transfer of the Pithampur unit subject to necessary approvals, which have been sought and most obtained, and definitive agreement. The transaction is

expected to be completed shortly. The proceeds (net of costs) will also be used to reduce bank borrowings and towards operational needs of the Company.

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.

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 <i>(net of inter-unit adjustments)</i> | 2018 | | 2017 | |
|---|------------------|-------------------------|------------------|-------------------------|
| | Production MT | Net Sales Rs. Crores | Production MT | Net Sales Rs. Crores |
| Biax Division | 3,288 | 74.85 | 5,305 | 106.91 |
| Coex Division | 21,065 | 229.52 | 19,621 | 204.45 |
| | 24,353 | 304.37 | 24,926 | 311.36 |

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 Policies and Safety & Health standards at Biax Division, Barjora have been duly certified under ISO 9001:2015 and ISO 14001:2015. Similarly, Quality Systems at Coex Division manufacturing unit at Greater Noida are certified under relevant ISO 9001:2008 standards while those at Ranjangaon have been renewed under ISO 9001:2015 standards. The Environmental Management Systems at Ranjangaon and Greater Noida units are duly certified under ISO 14001:2015 standards. Manufacturing units also adopt and conform to specialised quality systems and methods as may be required by major customers.

Biax Division

Biax Division manufactures a range of coextruded Biaxially Oriented Polypropylene (“BOPP”) Films and Dielectric Films on sophisticated, automated production lines, having multipurpose use in applications ranging from food packaging to specialized films for use in electronics, besides being used for print lamination, cigarette overwraps, adhesive tape etc. Flexible packaging in India continued to exhibit healthy growth rates, driven by increasing per capita consumption in India in line with changing consumption patterns for packaged food & other convenience products and trends in retail. BOPP films constitute a significant and growing input into this space and 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 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 reasonable capacity utilization. Several customers in sophisticated segments have upgraded their processes and equipment thus requiring upgraded film products. The broad portfolio of standard grade and high temperature grade dielectric films ranging from 3.7 micron to 12 microns, developed as import substitutes conforming to international standards, have brought substantial benefits to the Indian capacitor manufacturing units, while already contributing substantially to the overall performance of the Company and enabled us maintain a domestic market share of 35-40 % through the year besides export opportunities. The dielectric film market is expected to grow at over 5% per annum over the next several years, with power convertor station segment garnering the highest market share. Growth in the electric automobile segment is expected to substantially add to the market potential. Development activities for hazy film, semi rough films and ultra-thin films are continuously undertaken. Production at the Pithampur Unit remains temporarily suspended since July 2015 following inundation and consequent damage due to heavy rainfall and flash floods. Insurance claims have been fully settled and realized. Production on Barjora Unit 1 line ("old" line) was restricted during the year to minimize unremunerative runs. Total production during the year was thus lower at 3,288 MT (against 5,305 MT last year).

Coex Division

Coex Division manufactures coextruded sheets, thermoformed refrigerator liners and coextruded cast films. Our products are usually custom-made to customer needs and based on various polymers including ABS, Polystyrene, PP and PE. Applications for our product range are wide, including sheets for refrigerator liners, disposable containers, automotive parts, etc. Cast films are high clarity films including stretch wrap and cling, specially formulated films for medical disposables, hygiene films, and others for packaging. India is expected to become one of the fastest growing consumer appliances markets globally over the coming years with higher disposable incomes, easy consumer credit and the growing working population being the key drivers of demand. The policy thrust on rural electrification would aid market expansion further. The low penetration of refrigerators, particularly in Tier 2 & 3 towns and rural India, also continues to attract more global players to the country offering us new potential markets. While consumer durables markets in India showed a marginal growth during the year, refrigerator production decreased marginally. The anticipation of GST drove markets into de-stocking in the early months of the year, followed by confusion arising from the high GST rate of 28% imposed on refrigerators resulting in price increase of 2-5%. The refrigerator manufacturers remain under price pressure (transferred on vendors), with product pricing, India-specific product customisation and new technological features shaping the competition. We continue to be the leading supplier of sheets and liners to the white goods industry through consistent focus on product quality, development and superior service, which have also been recognized by major customers. Options are being explored to overcome peak season capacity inadequacies which have led to non-acceptance of good orders. Capacity In the cast films segment, our focus has been on special films and continuous innovation. Within our major market segments for cast films, the tyre industry witnessed a de-growth across all commercial segments during the first half of the year, mainly due GST implementation and the resultant de-stocking, and rebounded only marginally in the later part of the year. The hygiene segment continues to exhibit consistent growth in excess of 20% per annum. Cast Film capacity at Ranjangaon was augmented through shifting of one cast film line from the erstwhile Faridabad site; the line is now operational although some key auxiliary equipment are in the process of being made functional. Steps are also being taken to enhance the production capabilities on available lines further. Overall volumes in cast films from Ranjangaon was about 20% higher than previous year. The time-consuming process of technical approvals, by some customers, of films from the lines now at Ranjangaon continues. Reflecting overall market circumstances, the total production of sheets, including as liners, (adjusted for inter-unit transfers) and cast films at this division at 21,065 MT during the year was about 7% higher than during the previous year (19,621 MT).

OTHER MATTERS

Environment and Safety

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

Human Resources

Employees represent our greatest asset and potential. It is only through motivated, creative and business-minded employees that we can achieve our aims. Involvement, commitment, teamwork and updating of skills and knowledge are integral to our objectives of advancing a professional, productive culture. Permanent employment is 298, of which officers and staff account for 234 and workmen for the balance (last year 307 and 227 respectively).

Others

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 in general, foreseeable at this time. Our primary manufacturing processes (including extrusion) are well established and our focus remains on process and efficiency improvements, and product & application development to provide a competitive edge. Internal control systems have been found to be adequate and are continuously reviewed for improvements. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence. We have taken all care to comply with applicable laws and regulations. Overall financial performance due to the various circumstances described could not fully reflect the acceptable operational performance. The Company continues its initiatives towards operational improvements with a special emphasis on quality, control of overheads and broad-basing of markets, while focusing on managing uncertainties in a proactive manner. Positive policy actions towards growth, control on inflation and ease in doing business together with the largely expected rebound and early forecasts of normal monsoon are expected to translate into improved market sentiment boosting domestic consumption while improving export competitiveness. However, the external environment, including tightening of bank credit, pressures generated by imports competing with some products, potential crude and polymer price volatility and a weakening rupee, for the time being 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 in this Report which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable securities laws or regulations. Actual 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 demand-supply conditions, effects of any extraordinary policy actions, 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 24, 2018

C. Bhaskar
Managing Director & Chief Executive Officer

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Annexure to the Directors' Report

FORM NO. MGT - 9: EXTRACT OF ANNUAL RETURN

Financial Year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|------|---|---|
| i) | CIN | L25209WB1997PLC085972 |
| ii) | Registration Date | November 26, 1997 |
| iii) | Name of the Company | XPRO INDIA LIMITED |
| iv) | Category / Sub-Category of the Company | Company having Share Capital |
| v) | Address of the Registered Office and contact details | Barjora - Mejia Road, P.O - Ghutgoria, Tehsil : Barjora, Dist.: Bankura 722 202, West Bengal e-mail: cosec@xproindia.com Tel.:+91-9775301701 |
| vi) | Whether listed Yes/No | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata 700 026 e-mail: mcssta@rediffmail.com Tel.: +91-33-4072 4051/2/3 |

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 | Thermoplastic Films / Sheets / Liners (manufacture of semi-finished plastic products) | 222 2220 22201 | 98.7 % |

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 Global Limited "Birla Building", 2 nd Floor, 9/1, R N Mukherjee Road, Kolkata - 700 001, West Bengal | U36900WB2001PLC093098 | Subsidiary Company | 100% | 2(87) |
| 2 | Xpro Global Pte. Ltd. 4 Shenton Way, #28-01, SGX Centre II, Singapore - 68807 | 201103090K | Subsidiary Company | 100% | 2(87) |

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 | | | | | | | | | |
| a. Indian | | | | | | | | | |
| a) Individual/HUF | 204236 | - | 204236 | 1.75 | 204236 | - | 204236 | 1.73 | (0.02) |
| b) Central Govt. | | | | | | | | | |
| c) State Govt.(s) | | | | | | | | | |
| d) Bodies Corporate | 5630050 | - | 5630050 | 48.29 | 5705050 | - | 5705050 | 48.29 | Nil |
| e) Bank(s)/FI | | | | | | | | | |
| f) Any other | | | | | | | | | |
| Sub-total (A)(1): | 5834286 | - | 5834286 | 50.04 | 5909286 | - | 5909286 | 50.02 | (0.02) |

XPRO INDIA LIMITED : ANNUAL REPORT 2017/18

| 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 | |
| b. 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)] | 5834286 | - | 5834286 | 50.04 | 5909286 | - | 5909286 | 50.02 | (0.02) |
| B. Public Shareholding | | | | | | | | | |
| (1)Institutions | | | | | | | | | |
| a) Mutual Funds/UTI | 6953 | 2730 | 9683 | 0.08 | 6953 | - | 6953 | 0.06 | (0.02) |
| b) Banks/FI | 805 | 2391 | 3196 | 0.03 | 740 | 776 | 1516 | 0.01 | (0.02) |
| 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): | 7758 | 5121 | 12879 | 0.11 | 7693 | 776 | 8469 | 0.07 | (0.04) |
| (2)Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| i) Indian | 511606 | 36987 | 548593 | 4.71 | 664031 | 30349 | 694380 | 5.88 | 1.17 |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual share- holders holding nominal share capital upto Rs.1 Lac | 2606333 | 540995 | 3147328 | 26.99 | 2400530 | 377069 | 2777599 | 23.51 | (3.48) |
| ii) Individual share- holders holding nominal share capital in excess of Rs.1 Lac | 1514164 | 15000 | 1529164 | 13.12 | 1662526 | 15000 | 1677526 | 14.20 | 1.08 |
| c) Others | | | | | | | | | |
| i) Directors & Relatives | 369210 | - | 369210 | 3.17 | 403011 | - | 403011 | 3.41 | 0.24 |
| ii) NRIs | 88722 | 64 | 88786 | 0.76 | 51224 | 24 | 51248 | 0.44 | (0.32) |
| iii) Trust | 133 | 3905 | 4038 | 0.03 | 2388 | - | 2388 | 0.02 | (0.01) |
| iv) Xpro India Limited Unclaimed Suspense Account | 125216 | - | 125216 | 1.07 | 11041 | - | 11041 | 0.09 | (0.98) |
| v) IEPF Suspense Account | - | - | - | - | 278602 | - | 278602 | 2.36 | 2.36 |
| Sub-total (B)(2): | 5215384 | 596951 | 5812335 | 49.85 | 5473303 | 422442 | 5895745 | 49.91 | 0.06 |
| Total Public Shareholding [B=(B)(1)+(B)(2)] | 5223142 | 602072 | 5825214 | 49.96 | 5480996 | 423218 | 5904214 | 49.98 | (0.02) |
| C. Held by Custodian for GDRs & ADRs | | | | | | | | | |
| Grand Total (A+B+C) | 11057428 | 602072 | 11659500 | 100.00 | 11390282 | 423218 | 11813500 | 100.00 | Nil |

(ii) Shareholding of Promoters:

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|--------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares pledged / encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares pledged / encumbered to total shares | |
| 1 | Sri Sidharth Kumar Birla | 201875 | 1.73 | Nil | 201875 | 1.71 | Nil | (0.02) |
| 2 | Smt. Madhushree Birla | 125 | 0.00 | Nil | 125 | 0.00 | Nil | Nil |
| 3 | Sri Sudarshan Kumar Birla | 553 | 0.01 | Nil | 553 | 0.00 | Nil | (0.01) |
| 4 | Sri Sudarshan Kumar Birla (HUF) | 156 | 0.00 | Nil | 156 | 0.00 | Nil | Nil |
| 5 | Smt. Sumangala Birla | 1527 | 0.01 | Nil | 1527 | 0.01 | Nil | Nil |
| 6 | Birla Eastern Limited | 18400 | 0.16 | Nil | 18400 | 0.16 | Nil | Nil |
| 7 | Birla Holdings Ltd. | 166650 | 1.43 | Nil | 166650 | 1.41 | Nil | (0.02) |
| 8 | Central India General Agents Limited | 275000 | 2.36 | Nil | 275000 | 2.33 | Nil | (0.03) |
| 9 | Intellipro Finance Pvt Ltd | 2270000 | 19.47 | Nil | 2305000 | 19.51 | Nil | 0.04 |
| 10 | iPro Capital Limited | 2900000 | 24.87 | Nil | 2940000 | 24.89 | Nil | 0.02 |
| 11 | Mineral Oriental Ltd. | - | - | - | - | - | - | - |
| 12 | Nathdwara Investment Co Ltd | - | - | - | - | - | - | - |
| 13 | Janardhan Trading Co. Ltd. | - | - | - | - | - | - | - |

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(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 | iPro Capital Limited | | | | | |
| | At the beginning of the year | | 2900000 | 24.87 | | |
| | Changes during the year: | | | | | |
| | Date | | Reason | | | |
| | 07/02/2018 | Market Purchase | 3606 | 0.03 | 2903606 | 24.58 |
| | 08/02/2018 | Market Purchase | 2925 | 0.02 | 2906531 | 24.60 |
| | 09/02/2018 | Market Purchase | 7769 | 0.07 | 2914300 | 24.67 |
| | 12/02/2018 | Market Purchase | 10700 | 0.09 | 2925000 | 24.76 |
| | 14/02/2018 | Market Purchase | 5500 | 0.05 | 2930500 | 24.81 |
| | 15/02/2018 | Market Purchase | 9500 | 0.08 | 2940000 | 24.89 |
| At the end of the year | | | | 2940000 | 24.89 | |
| 2 | Intellipro Finance Private Limited | | | | | |
| | At the beginning of the year | | 2270000 | 19.47 | | |
| | Changes during the year: | | | | | |
| | Date | | Reason | | | |
| | 28/02/2018 | Market Purchase | 15188 | 0.13 | 2285188 | 19.34 |
| | 05/03/2018 | Market Purchase | 19812 | 0.17 | 2305000 | 19.51 |
| At the end of the year | | | | 2305000 | 19.51 | |

(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 | Sharad Kanayalal Shah | | | | | |
| | At the beginning of the year | | 275000 | 2.36 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 275000 | 2.33 | |
| 2 | Nirmala Devi Jammur | | | | | |
| | At the beginning of the year | | 212000 | 1.82 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 212000 | 1.79 | |
| 3 | Anil Jain | | | | | |
| | At the beginning of the year | | 185550 | 1.59 | | |
| | Changes during the year: | | | | | |
| Market Purchase | | 451 | | | | |
| At the end of the year | | | | 186001 | 1.57 | |
| 4 | Meenakshi Birla | | | | | |
| | At the beginning of the year | | 175000 | 1.50 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 175000 | 1.48 | |
| 5 | Mita Dipak Shah | | | | | |
| | At the beginning of the year | | 155000 | 1.33 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 155000 | 1.31 | |
| 6 | Roopa Corporate Services Pvt. Ltd. | | | | | |
| | At the beginning of the year | | 117588 | 1.01 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 117588 | 1.00 | |
| 7 | Anna Mary Mathew | | | | | |
| | At the beginning of the year | | 107065 | 0.92 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 107065 | 0.91 | |
| 8 | JM Financial Services Limited | | | | | |
| | At the beginning of the year | | 30353 | 0.26 | | |
| | Changes during the year: | | | | | |
| Market Purchase | | 58097 | | | | |
| At the end of the year | | | | 88450 | 0.75 | |
| 9 | Jagdish Amritlal Shah | | | | | |
| | At the beginning of the year | | 81674 | 0.70 | | |
| | Changes during the year: No Change during the year | | | | | |
| At the end of the year | | | | 81674 | 0.69 | |
| 10 | Raviraj Developers Ltd. | | | | | |
| | At the beginning of the year | | 1051 | 0.01 | | |
| | Changes during the year: | | | | | |
| Market Purchase | | 74181 | | | | |
| At the end of the year | | | | 75232 | 0.64 | |

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(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 | Sri Sidharth Kumar Birla | | | | |
| | At the beginning of the year | 201875 | 1.73 | | |
| | Changes during the year: | No Change during the year | | | |
| 2 | Smt. Madhushree Birla | | | | |
| | At the beginning of the year | 125 | 0.00 | | |
| | Changes during the year: | No Change during the year | | | |
| 3 | Sri Utsav Parekh | | | | |
| | At the beginning of the year | 51000 | 0.44 | | |
| | Changes during the year: | No Change during the year | | | |
| | Date | Reason | | | |
| | 24/05/2017 | Market Sale | -2768 | | |
| | 25/05/2017 | Market Sale | -1332 | | |
| | 26/05/2017 | Market Sale | -10000 | | |
| | 29/05/2017 | Market Sale | -99 | | |
| | 07/12/2017 | ESOP | 14000 | | |
| | At the end of the year | | | 50801 | 0.43 |
| 4 | Sri S. Ragothaman | | | | |
| | At the beginning of the year | 54493 | 0.47 | | |
| | Changes during the year: | No Change during the year | | | |
| | Date | Reason | | | |
| 07/12/2017 | ESOP | 15000 | | | |
| At the end of the year | | | 68493 | 0.58 | |
| 5 | Sri C. Bhaskar | | | | |
| | At the beginning of the year | 32581 | 0.28 | | |
| | Changes during the year: | No Change during the year | | | |
| | Date | Reason | | | |
| 07/12/2017 | ESOP | 20000 | | | |
| At the end of the year | | | 52581 | 0.45 | |
| 6 | Sri Vinay Kumar Agarwal | | | | |
| | At the beginning of the year | 100 | 0.00 | | |
| | Changes during the year: | No Change during the year | | | |
| | Date | Reason | | | |
| 07/12/2017 | ESOP | 10000 | | | |
| At the end of the year | | | 10100 | 0.09 | |
| 7 | Sri Sayar Chand Jain | | | | |
| | At the beginning of the year | 5 | 0.00 | | |
| | Changes during the year: | No Change during the year | | | |
| | Date | Reason | | | |
| | 07/12/2017 | ESOP | 10000 | | |
| 14/02/2018 | Market Sale | -1000 | | | |
| 05/03/2018 | Market Sale | -8000 | | | |
| At the end of the year | | | 1005 | 0.01 | |

V. INDEBTEDNESS

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

(Rs.)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 2,15,90,96,206 | - | - | |
| ii) Interest due but not paid | 8,91,49,659 | - | - | |
| iii) Interest accrued but not due | 65,18,938 | - | - | |
| Total (i+ii+iii) | 2,25,47,64,803 | 2,00,00,000 | - | 2,27,47,64,803 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 11,14,72,343 | 7,20,00,000 | - | |
| - Reduction | 43,69,98,261 | 9,20,00,000 | - | |
| Net Change | (32,55,25,918) | (2,00,00,000) | - | (34,55,25,918) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 1,91,54,15,767 | - | - | |
| ii) Interest due but not paid | 1,02,53,099 | - | - | |
| iii) Interest accrued but not due | 35,70,019 | - | - | |
| Total (i+ii+iii) | 1,92,92,38,885 | - | - | 1,92,92,38,885 |

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(1) Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | Total Amount |
|---------|--|--------------------------|---------------------------|--------------|
| | | Sri Sidharth Birla (WTD) | Sri C. Bhaskar (MD & CEO) | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 96,00,000 | 1,00,54,000 | 1,96,54,000 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (excluding perquisite value of stock options exercised included in Sl. 2 herein) | 11,07,750 | 84,316 | 11,92,066 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Options | - | 4,23,000 | 4,23,000 |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit | - | - | - |
| | - others | - | - | - |
| 5. | Others - tax exempt Medical Reimbursement / Leave Travel Assistance | - | 35,000 | 35,000 |
| | Total (A) | 1,07,07,750 | 1,05,96,316 | 2,13,04,066 |
| | Ceiling as per the Act | | | 4,80,00,000 |

(Note: Excludes contribution to Provident and Superannuation Funds in accordance with Schedule V to the Act)

(2) Remuneration to other directors:

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | Total Amount |
|---------|--|----------------------|---------------------|---------------------|---------------|------------------|-------------------|--------------|
| | | Sri Amitabha Guha | Sri Ashok Kumar Jha | Ms. Nandini Khaitan | Sri P. Murari | Sri Utsav Parekh | Sri S. Ragothaman | |
| 1. | Independent Directors | | | | | | | |
| | Fee for attending Board / Committee Meetings | 5,20,000 | 3,30,000 | 3,00,000 | 1,05,000 | 2,70,000 | 4,50,000 | 19,75,000 |
| | Commission | - | - | - | - | - | - | - |
| | Others | - | - | - | - | - | - | - |
| | Total B (1) | | | | | | | 19,75,000 |
| 2. | Other Non-Executive Directors | Smt Madhushree Birla | | | | | | |
| | Fee for attending Board / Committee Meetings | 2,00,000 | | | | | | 2,00,000 |
| | Commission | - | | | | | | - |
| | Others | - | | | | | | - |
| | Total B (2) | | | | | | | 2,00,000 |
| | Total (B) = (1+2) | | | | | | | 21,75,000 |
| | Total Managerial Remuneration (A+B) | | | | | | | 2,34,79,066 |
| | Overall Ceiling as per the Act | | | | | | | 5,55,00,000 |

(note: excludes perquisite value of stock options granted to Sri Utsav Parekh & Sri S Ragothaman in 2009 and exercised during the year)

(3) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

| Sl. No. | Particulars of Remuneration | Name of Key Managerial Personnel | | Total Amount |
|---------|--|----------------------------------|-----------------------|--------------|
| | | Sri S C Jain (Company Secretary) | Sri V K Agarwal (CFO) | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 31,97,900 | 44,67,900 | 76,65,800 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 (excluding perquisite value of stock options exercised included in Sl. 2 herein) | 36,043 | 37,290 | 73,333 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2. | Stock Options | 2,11,500 | 2,11,500 | 4,23,000 |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission - as % of profit | - | - | - |
| | - others | - | - | - |
| 5. | Others - Tax exempt Medical Reimbursement / Leave Travel Assistance | 15,000 | 55,000 | 70,000 |
| | Total (C) | 34,60,443 | 47,71,690 | 82,32,133 |

(Note: Excludes tax-exempt contribution to Provident and Superannuation Funds)

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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 | | | | | |

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 & Nominations 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 Remunerations & Nominations Committee:

The Remuneration & Nominations 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 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) monitoring and evaluating programs for variable remuneration;
- e) monitoring and evaluating the application of this Policy; and
- f) monitoring and evaluating current remuneration structures and levels in the Company.

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

d) Authority to decide on deviations from this Policy:

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

e) Amendment

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

Annexure to the Directors' Report

Criteria for Evaluation of Independent Directors and the Board

The Company's Governance Code provides for review of the overall functioning of the Board and which has been regularly carried out by the Board. The Companies Act, 2013 mandates performance evaluation of the Independent Directors by the Board, inter alia, to determine renewal/extension of tenure. The Act also provides for the Remuneration & Nominations Committee to evaluate every director's performance.

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 is carried out anonymously in order to ensure objectivity.

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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; Replacing of conventional lamps with energy efficient lighting
 - 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
- ii) The steps taken by the Company for utilising alternate sources of energy:
Use of Solar energy sources for general lighting applications is being evaluated
- iii) The capital investment on energy conservation equipment:
Financial impact not separately quantified

B. TECHNOLOGY ABSORPTION :

- 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>2017-2018</u> | <u>2016-2017</u> |
|-------------------------------|-------------------------|-------------------------|
| Total foreign exchange used | 42,42,13,601 | 50,97,33,114 |
| Total foreign exchange earned | 6,00,01,655 | 8,53,22,035 |

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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, 2018 | Year ended March 31, 2017 | Year ended March 31, 2018 | Year ended March 31, 2017 |
| 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 \$ |
| 5. | Share capital | 52.50 | 52.50 | 18.39 | 18.39 |
| 6. | Reserves & surplus | 25.93 | 22.17 | 6.62 | 4.21 |
| 7. | Total assets | 1,92.26 | 3,94.38 | 25.54 | 23.10 |
| 8. | Total Liabilities | 1,13.83 | 3,19.71 | 0.53 | 0.50 |
| 9. | Investments | - | - | - | - |
| 10. | Turnover | 3,08.29 | 8,04.44 | - | - |
| 11. | Profit before taxation | 5.29 | 13.99 | 0.89 | (3.07) |
| 12. | Provision for taxation | 1.52 | 4.78 | - | 0.01 |
| 13. | Profit after taxation | 3.77 | 9.21 | 0.89 | (3.08) |
| 14. | Proposed Dividend | Nil | Nil | Nil | Nil |
| 15. | % of shareholding | 100 | 100 | 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: None

For and on behalf of the Board

Sidharth Birla
Chairman

New Delhi
May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

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.

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.

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- j. Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.
- k. The investigation shall be completed normally within 60 days of the receipt of the Protected Disclosure.

8. Protection

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

- 7. 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).
- 8. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 9. 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 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>) | : | 40 : 1 |
| ii) C. Bhaskar (<i>Managing Director & CEO</i>) | : | 36 : 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>) | : | 35.14 |
| ii) C. Bhaskar (<i>Managing Director & CEO</i>) | : | 9.53 |
| iii) V. K. Agarwal (<i>Chief Financial Officer</i>) | : | 10.01 |
| iv) S. C. Jain (<i>Company Secretary</i>) | : | 8.57 |
- c) The percentage increase in the median remuneration of employees in the financial year : -7.8
- d) The number of permanent employees on the rolls of company: 298 (as on March 31, 2018)
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:
- Average increase in remuneration during the last financial year for employees other than managerial personnel is 8.3% and 17.8% for managerial personnel. Percentile increase in remuneration paid to Sri Sidharth Birla was higher as there was no revision during the previous three years.
- 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, leave encashment and perquisite value of ESOPs have not been considered as remuneration)

Annexure to the Directors' Report

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board of Directors, 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 P. Murari (Independent Director) and Sri C Bhaskar as Members. Sri H. Bakshi, 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.

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

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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;
- 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 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. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. rural development projects;
- xi. slum area development.

Annexure to the Directors' Report

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

| Sl | Description | ESOP - 2009 |
|-----------|---|---|
| a. | Options Granted | 457500 |
| b. | Date of Grant | 1/4/2010 |
| c. | Exercise Price per option (Rs.) <i>(Each option is equivalent to one equity share of the face value of Rs.10/- each)</i> | 30.85 |
| d. | Pricing Formula | The Exercise Price, as approved by the shareholders, shall be the average closing price of the Company's shares on the National Stock Exchange in the immediate preceding 7-day period prior to the date of grant discounted by such percentage not exceeding 75% to be determined by the Compensation Committee subject to a minimum exercise price of Rs.10 per share |

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| SI | Description | ESOP - 2009 |
|----|--|---|
| e. | Vesting Period | 30% of entitlement on expiry of 1 year from grant of Option; Further 30% of entitlement on expiry of 2 years from grant of Option; and the balance 40% of entitlement on expiry of 3 years from grant of Option |
| f. | Options vested | 457500 |
| g. | Options exercised | 406000 |
| h. | Options lapsed/surrendered/forfeited | 51500 |
| i. | Variations of terms of options | None |
| j. | Money realized by exercise | Rs.1,25,25,100 |
| k. | Options in force | |
| | - Vested | Nil |
| | - Unvested | Nil |
| l. | Details of options granted to Senior Management Personnel: | |
| | Sri Amitabha Ghosh | * 35,000 |
| | Sri Haigreve Khaitan | * 35,000 |
| | Sri P. Murari | * 35,000 |
| | Sri Utsav Parekh | * 35,000 |
| | Sri S. Ragothaman | * 35,000 |
| | Sri C. Bhaskar | * 50,000 |
| | Sri H. Bakshi | * 40,000 |
| | Sri Vinay Agarwal | * 25,000 |
| | Sri S.C. Jain | * 25,000 |
| | Sri Anil Jain | * 25,000 |
| | Sri Manmohan Krishan | * 25,000 |
| | Sri N. Ravindran | * 25,000 |
| | Sri U.K. Saraf | * 25,000 |
| | Sri Sunil Mehta | 10,000 |
| | <i>* denotes employee granted options amounting to 5% or more of total options granted during respective year; None of the employees were granted Options equal to or exceeding 1% of the Issued Capital of the Company</i> | |
| m. | Diluted EPS | Rs. 8.93 |
| n. | Fair value of the options | Rs. 17.00 |
| o. | The employee compensation cost has been calculated using the intrinsic value-based method of accounting for options granted and amounted to Rs. Nil for the financial year 2017-18. Had the compensation cost been determined in the manner consistent with the fair value approach, the Company's Net Profit for the year would be unchanged and proforma basic and diluted earnings per share would remain Rs.8.93 and Rs.8.93. (ESOP-2009 issued at the market price prevailing on the date of the grant plus applicable taxes) | |
| p. | Description of the method and significant assumptions used during the year to estimate the fair values of the options | The fair value of each option is estimated using the Black Scholes Option Pricing Model after applying the following key assumptions on a weighted average basis: a) Risk-free interest rate: 6.6% b) Expected Life: 7.1 years c) Expected volatility: 0.40 d) The Price of the underlying share in market at the time option grant Rs. 30.85 |

For and on behalf of the Board

New Delhi
May 24, 2018

Sidharth Birla
Chairman

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Annexure to the Directors' Report

SECRETARIAL AUDIT REPORT

FORM NO. MR - 3

For the Financial Year ended March 31, 2018

[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, 2018 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, 2018 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, 2009 (There were no events / instances during the Audit Period which attract the applicability of the Regulations);
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (There were no events / instances during the Audit Period which attract the applicability of the Regulations);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (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, 1998 (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. There was no change in the composition of the Board of Directors during the period under review.
- 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 audit period, members have accorded their consent to the Board of Directors by passing a Special Resolution pursuant to the provisions of Sections 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, through Postal Ballot to sell/transfer and/or otherwise dispose of the whole or substantially the whole of the Company's Pithampur Unit together with the infrastructure facilities, auxiliaries and utilities attached thereto, in whole or in parts, on a going concern basis or otherwise.

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: May 2, 2018

K. C. Khowala
Company Secretary in practice
ACS No. 4695
CP No. 2421

XPRO INDIA LIMITED : ANNUAL REPORT 2017/18

“Annexure A”

(To the Secretarial Audit Report of M/s Xpro India Limited for the financial year ended March 31, 2018)

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, 2018 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: May 2, 2018

K. C. Khowala
Company Secretary in practice
ACS No. 4695
CP No. 2421

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

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

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

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Other Matter

9. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these standalone financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2017 and 31 March 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 19 May 2017 and 5 May 2016 respectively expressed unmodified opinion on those standalone financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 May 2018 as per Annexure II expressed unmodified opinion;
 - 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 39 to the standalone financial statements, has disclosed the impact of pending litigations on 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

per **Anamitra Das**
Partner
(Membership No.062191)

New Delhi
24 May, 2018

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Annexure I 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 2018

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:

| Nature of property | Total Number of Cases | Whether leasehold / freehold | Gross block as on 31 March 2018 (Rs. in lakhs) | Net block on 31 March 2018 (Rs. in lakhs) | Remarks |
|--------------------|-----------------------|------------------------------|---|--|--|
| Land | 1 | Leasehold | 31.24 | 31.24 | Refer note 4 of the financial statements |

- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted interest free unsecured loans to a company covered in the register maintained under Section 189 of the Act; and with respect to the same:
- (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
- (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular; and
- (c) there is no overdue amount in respect of loans granted to such company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) 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 under sub-section (1) of Section 148 of the Act in respect of Company's products 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) The Company is regular in depositing undisputed statutory dues including 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, to the appropriate authorities. Further, no undisputed

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amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

| Name of the statute | Nature of dues | Amount (Rs. in lakhs) | Amount paid under Protest (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---------------------|------------------|-----------------------|--|------------------------------------|--|-----------------|
| Central Excise Act | Excise duty | 89.48 | 8.00 | 1991-96 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 171.27 | Nil | 1992-94 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 48.76 | Nil | 2004-07 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 19.92 | Nil | 2012-14 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 19.38 | Nil | 2008-09 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 11.20 | Nil | 2009-10 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 11.73 | Nil | 2010-11 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 11.17 | 0.83 | 2011-12 | Commissioner of Central excise Appeals, Kolkata | None |
| Central Excise Act | Excise duty | 10.59 | Nil | 2010-11 | Commissioner of Central excise Appeals, Kolkata | None |
| Sales Tax Act | UP Trade Tax | 4.26 | 3.41 | 2004-05 | Commissioner of sales tax | None |
| Sales Tax Act | Sales tax demand | 35.07 | 3.89 | 1996-2011 | Deputy commissioner (Appeals), Durgapur | None |
| Sales Tax Act | Sales tax demand | 1.57 | 0.43 | 2010-11 | Madhya Pradesh Commercial Tax Appeal Board, Bhopal | None |
| Sales Tax Act | Sales tax demand | 0.91 | 0.23 | 2013-14 | Office of Appealate, Commercial tax Department, Madhya Pradesh | None |
| Central Excise Act | Excise Duty | 22.62 | Nil | 2013-15 | Directorate General of Central Excise Intelligence | None |
| Central Excise Act | Excise Duty | 21.45 | Nil | 2007-09 | Commissioner of Central Excise Appeals, Kolkata | None |
| Central Excise Act | Excise Duty | 12.79 | Nil | 2013-15 | Commissioner of Central Excise Appeals, Kolkata | None |

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| Name of the statute | Nature of dues | Amount (Rs. in lakhs) | Amount paid under Protest (Rs. in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks, if any |
|---------------------|----------------|-----------------------|--|------------------------------------|---|-----------------|
| Central Excise Act | Excise Duty | 6.64 | Nil | 2014-16 | Commissioner of Central Excise Appeals, Kolkata | None |
| Central Excise Act | Excise Duty | 4.09 | Nil | 2015-16 | Commissioner of Central Excise Appeals, Kolkata | None |
| Central Excise Act | Excise Duty | 9.88 | Nil | 2016-18 | Superintendent Central Excise, Kolkata | None |
| Central Excise Act | Excise Duty | 15.54 | 1.86 | 2013-15 | Commissioner of Central Excise Appeals, Kolkata | None |
| Central Excise Act | Excise Duty | 9.32 | Nil | 2014-16 | Commissioner of Central Excise Appeals, Kolkata | None |
| Central Excise Act | Excise Duty | 4.58 | 0.34 | 2015-16 | Assistant Commissioner of Central Excise Appeals, Kolkata | None |

- (viii) The Company has not defaulted in repayment of any loans or borrowings payable to banks during the year. The Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture-holders during the year.
- (ix) In our opinion, the Company has applied the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

New Delhi
24 May, 2018

per **Anamitra Das**
Partner
(Membership No.062191)

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Annexure II 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 2018

Annexure II

Independent Auditor's Report on the Internal Financial Controls 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 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (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

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

New Delhi
24 May, 2018

per **Anamitra Das**
Partner
(Membership No.062191)

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| <u>BALANCE SHEET as at March 31, 2018</u> | | | | (Rs. in lakhs) |
|---|-------------|--------------------------|--------------------------|--------------------------|
| | <u>Note</u> | As at | As at | As at |
| | <u>No.</u> | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| ASSETS | | | | |
| Non-Current assets | | | | |
| a. Property, plant and equipment | 4 | 2,01,83.21 | 2,23,96.97 | 2,46,08.62 |
| b. Capital work-in-progress | 4 | 61.62 | 40.47 | 48.41 |
| c. Intangible assets | 5 | - | 1,75.08 | 1,87.64 |
| d. Financial assets | | | | |
| Investments | 6 | 70.89 | 70.89 | 70.89 |
| Loans | 7 | 2,59.46 | 2,32.84 | 2,47.00 |
| Other financial assets | 8 | 73.51 | 1,93.47 | 1,36.88 |
| e. Deferred tax assets (net) | | 4,67.58 | 2,42.27 | 2,42.27 |
| f. Non-current tax assets (net) | 9 | 2,50.37 | 78.10 | 2,37.18 |
| g. Other non-current assets | 10 | 2,86.72 | 10,72.18 | 8,68.68 |
| | | <u>2,16,53.36</u> | <u>2,45,02.27</u> | <u>2,66,47.57</u> |
| Current assets | | | | |
| a. Inventories | 11 | 38,01.05 | 30,88.75 | 29,30.36 |
| b. Financial assets | | | | |
| Trade receivables | 12 | 49,22.43 | 54,71.05 | 36,93.43 |
| Cash and cash equivalents | 13 | 1,94.12 | 2,14.91 | 1,24.74 |
| Other Bank balances | 14 | 16,13.39 | 4,66.95 | 4,20.43 |
| Loans | 15 | 16.63 | 16.01 | 22.20 |
| Other financial assets | 16 | 1,31.78 | 1,22.37 | 1,63.34 |
| c. Other current assets | 17 | 15,49.00 | 10,00.38 | 14,19.44 |
| Assets held for disposal | 18 | 9,19.38 | 2,22.69 | - |
| | | <u>1,31,47.78</u> | <u>1,06,03.11</u> | <u>87,73.94</u> |
| Total Assets | | <u>3,48,01.14</u> | <u>3,51,05.38</u> | <u>3,54,21.51</u> |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| a. Equity share capital | 19 | 11,81.35 | 11,65.95 | 11,65.95 |
| b. Other equity | 20 | 67,42.07 | 56,63.87 | 69,48.43 |
| Total equity | | <u>79,23.42</u> | <u>68,29.82</u> | <u>81,14.38</u> |
| Liabilities | | | | |
| Non-Current liabilities | | | | |
| a. Financial liabilities | | | | |
| Borrowings | 21 | 1,38,37.03 | 1,50,64.95 | 1,32,21.19 |
| Other financial liabilities | 22 | 6.57 | 6.57 | 6.57 |
| b. Provisions | 23 | 3,87.19 | 3,36.65 | 2,42.96 |
| | | <u>1,42,30.79</u> | <u>1,54,08.17</u> | <u>1,34,70.72</u> |
| Current liabilities | | | | |
| a. Financial liabilities | | | | |
| Borrowings | 25 | 34,87.50 | 43,76.06 | 45,20.81 |
| Trade payables | 26 | 55,21.40 | 46,66.75 | 39,72.14 |
| Other financial liabilities | 27 | 18,27.27 | 32,22.66 | 49,79.79 |
| b. Other current liabilities | 28 | 15,85.45 | 6,01.92 | 3,63.67 |
| c. Provisions | 23 | 2,25.31 | - | - |
| | | <u>1,26,46.93</u> | <u>1,28,67.39</u> | <u>1,38,36.41</u> |
| Total liabilities | | <u>2,68,77.72</u> | <u>2,82,75.56</u> | <u>2,73,07.13</u> |
| Total Equity and liabilities | | <u>3,48,01.14</u> | <u>3,51,05.38</u> | <u>3,54,21.51</u> |

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

In terms of our report of even date attached
For Walker Chandiook & Co LLP
Chartered Accountants

For and on behalf of the Board

Sidharth Birla
Chairman

per Anamitra Das
Partner
New Delhi
May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

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STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2018

| | Note No. | Year ended March 31, 2018 | (Rs. in lakhs) Year ended March 31, 2017 |
|---|----------|------------------------------|--|
| Income | | | |
| - Revenue from operations | 29 | 3,14,46.58 | 3,48,87.98 |
| - Other income | 30 | 4,92.34 | 3,89.09 |
| Total income | | 3,19,38.92 | 3,52,77.07 |
| Expenses | | | |
| - Cost of materials consumed | 31 | 2,14,94.01 | 2,10,83.04 |
| - Changes in inventories of finished goods & work-in-progress | 32 | 1,60.26 | 1,74.94 |
| - Excise Duty | | 10,09.37 | 37,52.32 |
| - Employee benefits expense | 33 | 23,17.17 | 24,67.26 |
| - Finance costs | 34 | 21,36.18 | 25,19.05 |
| - Depreciation and amortisation expense | 35 | 15,82.14 | 17,04.22 |
| - Other expenses | 36 | 43,82.48 | 48,10.57 |
| Total expenses | | 3,30,81.61 | 3,65,11.40 |
| Profit/(Loss) before exceptional items and tax | | (11,42.69) | (12,34.33) |
| Exceptional items | | 21,88.29 | - |
| Profit/(Loss) before tax | | 10,45.60 | (12,34.33) |
| Tax expense | | | |
| - Current tax | | 2,25.31 | 1.85 |
| - Deferred Tax | | (2,25.31) | - |
| Total Tax expense | | - | 1.85 |
| Profit/(Loss) for the year | | 10,45.60 | (12,36.18) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | | 0.50 | (48.38) |
| - Income tax relating to these items | | - | - |
| Other comprehensive income, net of tax | | 0.50 | (48.38) |
| Total comprehensive income for the year | | 10,46.10 | (12,84.56) |
| Earnings per equity share (of Rs.10/- each) | 37 | | |
| - Basic (Rs.) | | 8.93 | (10.60) |
| - Diluted (Rs.) | | 8.93 | (10.60) |

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

For and on behalf of the Board

Sidharth Birla
Chairman

per **Anamitra Das**
Partner
New Delhi
May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

XPRO INDIA LIMITED : ANNUAL REPORT 2017/18

STATEMENT OF CASH FLOWS

For the Year ended March 31, 2018

| | Year ended March 31, 2018 | (Rs. in lakhs) Year ended March 31, 2017 |
|---|------------------------------|--|
| A. Cash flow from Operating Activities | | |
| Profit/(Loss) before tax | 10,45.60 | (12,34.34) |
| Adjustments for: | | |
| Depreciation and amortization expense | 15,74.00 | 17,04.22 |
| Remeasurement gain/(loss) on defined benefit plans | 0.50 | (48.38) |
| Exceptional items | (21,88.29) | - |
| Finance Costs | 21,36.18 | 25,19.05 |
| Interest income | (64.34) | (64.59) |
| Bad & doubtful Debts (net of provisions) | 33.08 | 4.80 |
| Liability/Provisions no longer required written back | (1,07.77) | (24.09) |
| Profit/(Loss) on Sale/Discard of Fixed Assets | (2.40) | (1.48) |
| Foreign currency translations (net) | (26.92) | (33.60) |
| Interest on income tax refund | - | (22.94) |
| Operating Profit/(Loss) before Working Capital changes | 23,99.64 | 27,98.65 |
| Adjustments for movement in Working Capital: | | |
| Trade & other receivables | 5,42.46 | (17,48.82) |
| Loans & advances and other assets | 4,32.50 | 2,18.20 |
| Inventories | (7,12.30) | (1,58.39) |
| Financial liabilities | 9,83.28 | 7,07.66 |
| Trade payables, other liabilities and provisions | (46.43) | 3,31.95 |
| Cash Generated from Operations | 35,99.15 | 21,49.25 |
| Direct Taxes paid (net of refunds) | (172.27) | 1,80.17 |
| Net Cash Flow from/(used in) Operating activities (A) | 34,26.88 | 23,29.42 |
| B. Cash flow from Investing Activities | | |
| Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors) | (4,79.68) | (2,19.16) |
| Movement in deposit accounts | (11,46.44) | (46.52) |
| Proceeds from sale of property, plant and equipment | 44,01.34 | 6.28 |
| Interest Received | 68.04 | 66.69 |
| Net Cash Flow from/(used in) Investing Activities (B) | 28,43.26 | (1,92.71) |
| C. Cash flow from Financing Activities | | |
| Proceeds from issue of shares | 47.51 | - |
| Repayments of long term borrowings | (24,87.52) | (1,69.32) |
| Net proceeds/(repayment) of short term borrowings | (8,88.57) | (1,44.75) |
| Finance Costs | (29,54.63) | (17,27.40) |
| Unclaimed Dividend Paid | (7.72) | (5.07) |
| Net Cash Flow from/(used in) Financing activities | (62,90.93) | (20,46.54) |
| Net increase/(decrease) in Cash and Cash equivalents (A+B+C) | (20.79) | 90.17 |
| Cash and Cash Equivalents at the beginning of the year | 2,14.91 | 1,24.74 |
| Cash and Cash Equivalents at the end of the year (refer Note 13) | 1,94.12 | 2,14.91 |

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

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

In terms of our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

per Anamitra Das

Partner

New Delhi

May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla
Chairman

C. Bhaskar
Managing Director &
Chief Executive Officer

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STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2018

(Rs. in lakhs)

A. Equity Share Capital

| <u>Particulars</u> | <u>Number of shares</u> | <u>Amount</u> |
|--|-------------------------|---------------|
| Balance as at April 1, 2016 | 1,16,59,500 | 11,65.95 |
| Changes in equity share capital during the year | - | |
| Balance as at March 31, 2017 | 1,16,59,500 | 11,65.95 |
| Changes in equity share capital during the year | | |
| Add: Employee Stock Option Plan (ESOP) exercised during the year | 1,54,000 | 15.40 |
| Balance as at March 31, 2018 | 1,18,13,500 | 11,81.35 |

B. Other equity

| Particulars | Reserves and surplus | | | | Total |
|--|-------------------------------|-----------------------|--------------------|----------------------|-----------------|
| | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | |
| Balance as at April 1, 2016 | 60.50 | 3,74.48 | 67,50.00 | (2,36.55) | 69,48.43 |
| Profit for the year | - | - | - | (12,36.18) | (12,36.18) |
| Remeasurement of defined benefit plans | - | - | - | (48.38) | (48.38) |
| Balance as at March 31, 2017 | 60.50 | 3,74.48 | 67,50.00 | (15,21.11) | 56,63.87 |
| Profit for the year | - | - | - | 10,45.60 | 10,45.60 |
| Remeasurement of defined benefit plans | - | - | - | 0.50 | 0.50 |
| Shares (ESOP) issued and allotted | - | 32.10 | - | - | 32.10 |
| Balance as at March 31, 2018 | 60.50 | 4,06.58 | 67,50.00 | (4,75.01) | 67,42.07 |

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

In terms of our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

For and on behalf of the Board

Sidharth Birla

Chairman

per **Anamitra Das**

Partner

New Delhi

May 24, 2018

S. C. Jain

Company Secretary

V. K. Agarwal

*Joint President &
Chief Financial Officer*

C. Bhaskar

*Managing Director &
Chief Executive Officer*

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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. Basis for Preparation:

a. Statement of compliance

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

Financial statements for the year ended March 31, 2018 are the first to have been prepared in accordance with Ind AS. For all the periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the generally accepted accounting principles in India, including accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The date of transition to Ind AS is April 1, 2016. The opening Balance Sheet as at April 1, 2016 and the financial statements for the year ended March 31, 2017 have been restated in accordance with Ind AS for comparative information. The Company followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's financial statements are provided in note 47.

b. Basis of measurement

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

c. Functional and presentation currency

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

d. Current and non-current classification

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. 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 3(q) - Financial Instruments.

3. 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 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. 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.

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Depreciation on property, plant and equipment is provided over the useful lives of assets as specified in Schedule II to the Act except where the management, based on independent technical assessment, depreciates certain assets over estimated useful lives which are different from the useful lives prescribed in the Schedule to the Act. The Company has used the remaining useful lives to compute depreciation on its property, plant and equipment, acquired under the business transfer agreement based on external technical evaluation.

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.

Transition to Ind AS

The Company has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continuing to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Accordingly, the carrying amount of property, plant and equipment as per the previous GAAP as at 1 April 2016, i.e. the Company's date of transition to Ind AS, was maintained on transition to Ind AS.

b. Intangible assets

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

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

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the 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. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

Transition to Ind AS

The Company has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continuing to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Accordingly, the carrying amount of property, plant and equipment as per the previous GAAP as at 1 April 2016, i.e. the Company's date of transition to Ind AS, was maintained on transition to Ind AS.

c. Borrowing Costs

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

d. Impairment of non-financial assets

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the 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. Inventories

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

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

f. 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.

g. 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.

h. 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.

i. 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.

j. Revenue recognition

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

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

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

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

Other 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.

k. 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.

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.

i. Leases

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

m. 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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.

n. 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.

o. 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.

p. Equity investment

Equity investments in joint ventures and 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.

q. Financial instruments

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

1. Financial assets

Initial recognition and measurement

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

Subsequent measurement:

Debt instruments at amortised cost

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

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

Derecognition

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

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

Impairment of financial assets

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

- (a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves 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.

r. 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 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:

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. 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.

3. 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.

4. 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.

| 4. Property, plant and equipment | Particulars | (Rs. in lakhs) | | | | | | | | | |
|----------------------------------|-------------------------------------|----------------|----------------|-----------|-------------------|----------------------|----------|----------------------|---------|--------------------------|--------|
| | | Freehold land | Leasehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Computers & fittings | Total | Capital work In-progress | |
| Gross Block | | | | | | | | | | | |
| | Balance as at April 1, 2016 | 77.76 | 9,33.49 | 48,87.84 | 3,17,26.69 | 3,16.47 | 3,23.43 | 1,57.69 | 1,08.17 | 3,85,31.54 | 48.41 |
| | Additions | - | - | 9.14 | 34.79 | 3.35 | 79.20 | 6.62 | 4.65 | 1,37.75 | - |
| | Less: Transferred to disposal group | 77.76 | - | 2,75.31 | - | - | - | - | - | 3,53.07 | - |
| | Less: Disposals/Adjustments | - | - | - | 4,30.24 | - | 31.54 | 0.10 | - | 4,61.88 | (7.94) |
| | Balance as at March 31, 2017 | - | 9,33.49 | 46,21.67 | 3,13,31.24 | 3,19.82 | 3,71.09 | 1,64.21 | 1,12.82 | 37,854.34 | 40.47 |
| | Additions | - | - | 36.04 | 10,49.67 | 72.11 | 57.09 | 9.79 | 18.13 | 12,42.83 | 21.15 |
| | Less: Transferred to disposal group | - | 88.79 | 2,27.76 | 36,82.31 | 26.76 | - | 9.41 | 5.42 | 40,40.45 | - |
| | Less: Disposals/Adjustments | - | - | 0.48 | 4,62.19 | - | 96.44 | - | 0.49 | 5,59.60 | - |
| | Balance as at March 31, 2018 | - | 8,44.70 | 44,29.47 | 2,82,36.41 | 3,65.17 | 3,31.74 | 1,64.59 | 1,25.04 | 3,44,97.12 | 61.62 |
| Accumulated Depreciation | | | | | | | | | | | |
| | Balance as on April 1, 2016 | - | 1,52.65 | 7,03.91 | 1,25,29.19 | 1,86.04 | 1,31.24 | 1,36.30 | 83.59 | 1,39,22.92 | - |
| | Add: depreciation for the year | - | 16.32 | 1,47.71 | 14,50.15 | 17.61 | 42.03 | 10.26 | 7.59 | 16,91.67 | - |
| | Less: Transferred to disposal group | - | - | 1,30.39 | - | - | - | - | - | 1,30.39 | - |
| | Less: Disposals/Adjustments | - | - | - | - | - | 26.74 | 0.09 | - | 26.83 | - |
| | Balance as on March 31, 2017 | - | 1,68.97 | 7,21.23 | 1,39,79.34 | 2,03.65 | 1,46.53 | 1,46.47 | 91.18 | 1,54,57.37 | - |
| | Add: depreciation for the year | - | 10.89 | 1,44.41 | 13,41.26 | 22.78 | 35.82 | 6.84 | 12.01 | 15,74.01 | - |
| | Add: additional depreciation | - | - | - | 9,03.74 | - | - | - | - | 9,03.74 | - |
| | Less: Transferred to disposal group | - | 88.79 | 90.99 | 29,08.90 | 18.11 | - | 9.09 | 5.19 | 31,21.07 | - |
| | Less: Disposals/Adjustments | - | - | 0.14 | 4,30.88 | - | 68.66 | - | 0.46 | 5,00.14 | - |
| | Balance as on March 31, 2018 | - | 91.07 | 7,74.51 | 1,28,84.56 | 2,08.32 | 1,13.69 | 1,44.22 | 97.54 | 1,43,13.91 | - |
| | Balance as on March 31, 2018 | - | 7,53.63 | 36,54.96 | 1,53,51.85 | 1,56.85 | 2,18.05 | 20.37 | 27.50 | 2,01,83.21 | - |
| | Balance as on March 31, 2017 | - | 7,64.52 | 39,00.44 | 1,73,51.90 | 1,16.17 | 2,24.56 | 17.74 | 21.64 | 2,23,96.97 | - |
| | Balance as on April 1, 2016* | 77.76 | 7,80.84 | 41,83.93 | 1,91,97.50 | 1,30.43 | 1,92.19 | 21.39 | 24.58 | 2,46,08.62 | - |

*Represents deemed cost on the date of transmission to Ind AS. Gross block and accumulated depreciation from previous GAAP presented herein for clarity

Notes:

- Refer Note 21 for information on property, plant and equipment pledged as security by the Company;
- Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Some assets of which the Company is the beneficial owner are pending for transfer in the name of the Company and for which necessary steps are being taken;
- Additional depreciation includes Rs. 9,03.74 lakhs has been provided, on the basis of external valuation conducted by management, to reflect realisable value assessed as reasonable and fair on plant and equipment at the Pithampur and Faridabad units respectively;
- 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;
- Para D13AA of Appendix D - Exemptions from Ind AS 101 allows a first-time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly exchange differences on all long term monetary items resulted in an addition of Rs. 813.47 lakhs (March 31, 2017: deletion of Rs. 430.24 lakhs; April 1, 2016: addition of Rs.592.80 lakhs) to Gross Block of fixed assets, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

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5. Intangible Assets

| | <u>Computer Software</u> | <u>Technical knowhow</u> | (Rs. in lakhs) <u>Total</u> |
|--------------------------------------|--------------------------|--------------------------|--------------------------------|
| Gross Block | | | |
| Balance as at April 1, 2016 | 28.32 | 3,48.38 | 3,76.70 |
| Additions | - | - | - |
| Balance as at March 31, 2017 | 28.32 | 3,48.38 | 3,76.70 |
| Additions | - | - | - |
| Balance as at March 31, 2018 | 28.32 | 3,48.38 | 3,76.70 |
| Accumulated amortisation | | | |
| Balance as at April 1, 2016 | 27.05 | 1,62.02 | 1,89.07 |
| Add: Amortisation during the year | 1.27 | 11.28 | 12.55 |
| Balance as at March 31, 2017 | 28.32 | 1,73.30 | 2,01.62 |
| Add: Amortisation during the year | - | 8.13 | 8.13 |
| Add: additional amortisation | - | 1,66.95 | 1,66.95 |
| Balance as at March 31, 2018 | 28.32 | 3,48.38 | 3,76.70 |
| Balance as at April 1, 2016 * | 1.27 | 1,86.37 | 1,87.64 |
| Balance as at March 31, 2017 | - | 1,75.08 | 1,75.08 |
| Balance as at March 31, 2018 | - | - | - |

* Represents deemed cost on the date of transmission to Ind AS. Gross block and accumulated depreciation from previous GAAP presented herein for clarity;

Note: Additional amortisation includes Rs. 1,66.95 lakhs which has been provided, on the basis of external valuation conducted by management, to reflect realisable value assessed as reasonable and fair on technical knowhow at the Pithampur unit;

6. Investments (Non-current)

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|---|--------------------------------|--------------------------------|---|
| Investments in equity shares of wholly owned subsidiaries: | | | |
| Unquoted (valued at cost - non-trade) | | | |
| 10,00,000 equity shares (March 31, 2017: 10,00,000 equity shares; April 1, 2016: 10,00,000) of Rs.10 each in Xpro Global Limited (out of which 950,000 equity shares (March 31, 2017: 9,50,000 equity shares; April 1, 2016: 9,50,000) partly paid up of Rs.5 each) | 52.50 | 52.50 | 52.50 |
| 50,000 equity shares (March 31, 2017: 50,000 equity shares; April 1, 2016: 50,000 equity shares) at SGD 1 each fully paid up in Xpro Global Pte Ltd | 18.39 | 18.39 | 18.39 |
| Aggregate amount of Unquoted investments | 70.89 | 70.89 | 70.89 |

7. Loans (Non-current)

(Unsecured, considered good)

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|--------------------|--------------------------------|--------------------------------|---|
| Security deposits | 2,41.58 | 2,14.50 | 2,17.30 |
| Loans to employees | 17.88 | 18.34 | 29.70 |
| Total | 2,59.46 | 2,32.84 | 2,47.00 |

8. Other financial assets (Non-current)

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|--|--------------------------------|--------------------------------|---|
| VAT Subsidy (under Maharashtra Package Scheme of Incentives) | 73.51 | 1,93.47 | 1,36.88 |
| Total | 73.51 | 1,93.47 | 1,36.88 |

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9. Non-current tax assets (net)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|---|-------------------------|-------------------------|--|
| Pre-paid taxes (net of provision for tax) | 2,50.37 | 78.10 | 2,37.18 |
| Total | 2,50.37 | 78.10 | 2,37.18 |

10. Other Non-current assets (Unsecured, considered good)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|-------------------------------------|-------------------------|-------------------------|--|
| Capital advances | 1,37.18 | 21.12 | 16.05 |
| Pre-paid expenses | 1.16 | 2.61 | 2.60 |
| Balances with statutory authorities | 1,48.38 | 10,48.45 | 8,50.03 |
| Total | 2,86.72 | 10,72.18 | 8,68.68 |

11. Inventories

(valued at lower of cost and net realisable value)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|-------------------|-------------------------|-------------------------|--|
| Raw material | 23,18.68 | 15,65.07 | 12,82.83 |
| Work-in-progress | 5,55.57 | 5,69.35 | 5,66.68 |
| Finished products | 5,48.49 | 6,94.97 | 8,72.58 |
| Stores and spares | 3,78.31 | 2,59.36 | 2,08.27 |
| Total | 38,01.05 | 30,88.75 | 29,30.36 |

Note: Inventory items have been valued as per accounting policy

12. Trade Receivables

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|--|-------------------------|-------------------------|--|
| Unsecured, considered good | 49,22.43 | 54,71.05 | 36,93.43 |
| Doubtful | - | - | - |
| | 49,22.43 | 54,71.05 | 36,93.43 |
| Less: allowance for doubtful receivables | - | - | - |
| Total | 49,22.43 | 54,71.05 | 36,93.43 |

13. Cash and cash equivalents

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|--|-------------------------|-------------------------|--|
| Balance with Banks in current accounts | 1,87.53 | 2,10.54 | 1,17.15 |
| Cash on hand | 6.59 | 4.37 | 7.59 |
| Total | 1,94.12 | 2,14.91 | 1,24.74 |

14. Other bank balances

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|---|-------------------------|-------------------------|--|
| Deposit accounts with original maturity of more than 3 months and less than 12 months * | 13,42.48 | 3,75.11 | 3,73.67 |
| Unclaimed dividend accounts ** | 25.06 | 32.79 | 37.85 |
| Earmarked balances with bank (held as margin money) | 2,45.85 | 59.05 | 8.91 |
| Total | 16,13.39 | 4,66.95 | 4,20.43 |

*includes restricted deposit of Rs.10,00.00 lakhs (March 31, 2017: Nil; April 1, 2016: Nil) in escrow account

** not due for deposit in Investor Education and Protection Fund

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| | | | |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| 15. Loans (Current) | | | (Rs. in lakhs) |
| <i>(Unsecured, considered good)</i> | | | |
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Security deposits | 4.29 | 1.10 | - |
| Loans to employees | 12.34 | 14.91 | 22.20 |
| Total | 16.63 | 16.01 | 22.20 |

| | | | |
|--|-----------------------|-----------------------|----------------------|
| 16. Other Current Financial Assets | | | (Rs. in lakhs) |
| <i>(Unsecured, considered good)</i> | | | |
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| VAT refund due <i>(under Maharashtra Package Scheme of Incentives)</i> | 1,20.00 | 1,06.88 | 1,45.74 |
| Interest accrued on fixed deposits | 11.78 | 15.49 | 17.60 |
| Total | 1,31.78 | 1,22.37 | 1,63.34 |

| | | | |
|-------------------------------------|-----------------------|-----------------------|----------------------|
| 17. Other current assets | | | (Rs. in lakhs) |
| <i>(Unsecured, considered good)</i> | | | |
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Advance to suppliers | 17.02 | 72.62 | 1,18.59 |
| Prepaid expenses | 78.57 | 55.61 | 58.74 |
| Balance with government authorities | 12,59.31 | 7,77.36 | 12,19.54 |
| Other receivable | 1,94.10 | 94.79 | 22.57 |
| Total | 15,49.00 | 10,00.38 | 14,19.44 |

Notes:

(a) The management assesses the fair value of these financial assets not to be materially different from the amounts recognised in the financial statements;

(b) Balance with government authorities represents good and service tax (earlier cenvat and service tax) paid on capital goods and inputs (earlier capital goods and input materials and services) utilized/consumed by the company and eligible for utilisation towards discharge of goods and service tax (earlier cenvat and service tax liability) in respect of supplies and 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.

| | | | |
|---------------------------------|-----------------------|-----------------------|----------------------|
| 18. Assets held for sale | | | (Rs. in lakhs) |
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Property, plant and equipment | 9,19.38 | 2,22.69 | - |
| Total | 9,19.38 | 2,22.69 | - |

The management decided, during the year ended March 31, 2018, to sell or otherwise dispose non-core asset being Pithampur Unit of the Company, and obtained necessary shareholder and bank approvals. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Pithampur Unit (March 31, 2017 Faridabad Unit) are presented as 'Assets held for sale' separately from other assets in the balance sheet. These assets are expected to be sold during 2018-19. Assets classified as held for sale as at March 31, 2017 have been sold during the year. Under previous GAAP, the Company disclosed the property, plant and equipment held for sale under 'Other current assets' in accordance with AS 10 - Accounting for fixed assets.

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19. Equity Share Capital

| Particulars | (Rs.in lacs) | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Authorised Share Capital | | | |
| 1,50,00,000 (March 31, 2017: 1,50,00,000; April 1, 2016: 1,50,00,000) Equity shares of Rs.10 each | 15,00.00 | 15,00.00 | 15,00.00 |
| 2,00,00,000 (March 31, 2017: 2,00,00,000; April 1, 2016: 2,00,00,000) Unclassified shares of Rs.10 each | 20,00.00 | 20,00.00 | 20,00.00 |
| Issued, Subscribed & Paid-up | | | |
| 1,18,13,487 (March 31, 2017: 1,16,59,487; April 1, 2016: 1,16,59,487) equity shares of Rs.10 each fully paid | 11,81.35 | 11,65.95 | 11,65.95 |
| Share Capital Suspense | | | |
| 13 (March 31, 2017:13; April 1, 2016: 13) equity shares of Rs.10 each fully paid | - | - | - |
| | 11,81.35 | 11,65.95 | 11,65.95 |

- 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 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:

| | For the year ended March 31, 2018 | | For the year ended March 31, 2017 | |
|--|-----------------------------------|------------------------|-----------------------------------|------------------------|
| | Number of equity shares | Amount (Rs.in lacs) | Number of equity shares | Amount (Rs.in lacs) |
| At the beginning of the year | 1,16,59,500 | 11,65.95 | 1,16,59,500 | 11,65.95 |
| Add: allotted on exercise of ESOPs during the year | 1,54,000 | 15.40 | - | - |
| At the end of the year | 1,18,13,500 | 11,81.35 | 1,16,59,500 | 11,65.95 |

- 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. 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, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|----------------------------|---------------------------------------|-------------------------|------------------------|
| | i) Intellipro Finance Private Limited | | |
| - No. of shares | 23,05,000 | 22,70,000 | 22,70,000 |
| - % of shares held | 19.51 | 19.47 | 19.47 |
| ii) iPro Capital Limited | | | |
| - No. of shares | 29,40,000 | 29,00,000 | 29,00,000 |
| - % of shares held | 24.89 | 24.87 | 24.87 |

- e) 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.

- f) **Employees' Stock Option Scheme(s)**

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

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

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Information about options outstanding:

| | Year ending | |
|--|----------------|----------------|
| | March 31, 2018 | March 31, 2017 |
| Options outstanding, beginning of the year | 1,70,500 | 1,70,500 |
| Weighted average exercise price (Rs./share) | 30.85 | 30.85 |
| Options Exercised | 1,54,000 | - |
| Options lapsed/surrendered/forfeited | 16,500 | - |
| Options outstanding, end of the year | - | 1,70,500 |
| Of which: | | |
| Vested but not exercised | - | 1,70,500 |
| Not vested | - | - |
| Weighted average share price on date of exercise (Rs./share) | 49.95 | - |
| Weighted average remaining contractual life (years) | - | 1 |

The employee compensation costs has been calculated using the intrinsic value-based method of accounting for options granted and amounted to Rs. Nil for the financial year 2017-18. The Company has availed the option available under Ind AS 101 considering that the vesting period has elapsed on the transition date.

The fair value of each option is estimated using the Black Scholes Option Pricing Model after applying the following key assumptions on a weighted average basis:

| | |
|---|-----------|
| a) Risk-free interest rate: | 6.6 % |
| b) Expected Life: | 7.1 years |
| c) Expected volatility: | 0.40 |
| d) The Price of the underlying share in market at the time option grant | Rs.30.85 |

20. Other Equity

| Particulars | Reserves and surplus | | | | (Rs.in lacs) |
|--|-------------------------------|-----------------------|--------------------|----------------------|-----------------|
| | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Total |
| Balance as at April 1, 2016 | 60.50 | 3,74.48 | 67,50.00 | (2,36.55) | 69,48.43 |
| Profit for the year | - | - | - | (12,36.18) | (12,36.18) |
| Remeasurement of defined benefit plans | - | - | - | (48.38) | (48.38) |
| Balance as at March 31, 2017 | 60.50 | 3,74.48 | 67,50.00 | (15,21.11) | 56,63.87 |
| Profit for the year | - | - | - | 10,45.60 | 10,45.60 |
| Remeasurement of defined benefit plans | - | - | - | 0.50 | 0.50 |
| Shares (ESOP) issued and allotted | - | 32.10 | - | - | 32.10 |
| Balance as at March 31, 2018 | 60.50 | 4,06.58 | 67,50.00 | (4,75.01) | 67,42.07 |

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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21. Non-current financial liabilities - Borrowings

| | (Rs. in lakhs) | | |
|-----------------------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| <u>Loans from banks - Secured</u> | | | |
| Term loans | 91,98.46 | 1,02,52.34 | 84,70.06 |
| Foreign currency borrowings | 46,23.90 | 47,87.31 | 47,26.41 |
| Vehicle loans | 14.67 | 25.30 | 24.72 |
| Total | 1,38,37.03 | 1,50,64.95 | 1,32,21.19 |

- a. Term loan from State Bank of India, outstanding Rs.3,71.00 lakhs (previous year: Rs.3,95.66 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.3.00 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.10.00 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.12.00 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12.50 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.13.00 lakhs had been paid in advance;
- b. Term Loan from Punjab National Bank, outstanding Rs.6,65.75 lakhs (previous year: Rs.9,50.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.7.25 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.24.00 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.28.75 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30.00 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.2,55.25 lakhs had been paid in advance;
- c. ECB from Bremer Kreditbank AG ('BKB Bank') (formerly known as KBC Bank Deutschland AG), in the nature of term loan, outstanding €6,804,016.00; equivalent to Rs.55,48.66 lakhs (previous year: €7,938,018.72; equivalent to Rs.55,85.19 lakhs), carrying interest linked to Euribor has been rescheduled, is now 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;
- d. Term Loan from State Bank of India, outstanding Rs.19,19.75 lakhs (previous year: Rs.20,49.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.15.50 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.51.75 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.62.00 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64.75 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.67.25 lakhs had been paid in advance;
- e. Term Loan from State Bank of India, outstanding Rs.14,05.06 lakhs (previous year: Rs.15,84.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.12.00 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.40.00 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.48.00 lakhs each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50.00 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.1,30.94 lakhs had been paid in advance;
- f. Term Loan from State Bank of India, outstanding Rs.15,36.00 lakhs (previous year: Rs.16,40.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.12.50 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.41.50 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.49.75 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51.75 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.54.00 lakhs had been paid in advance;

- g. Term Loan from Allahabad Bank, outstanding Rs.14,39.76 lakhs (previous year: Rs.15,00.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 2 quarterly instalments of Rs.7.50 lakhs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.11.25 lakhs each starting from April 2017; (iii) 4 quarterly instalments of Rs.37.50 lakhs each starting from April 2018 (iv) 12 quarterly instalments of Rs.44.50 lakhs each starting from April 2019 & (v) 16 quarterly instalments of Rs.47.25 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.0.24 lakhs had been paid in advance;
- h. Corporate Loan from State Bank of India outstanding Rs.1,73.29 lakhs (previous year: Rs.5,21.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.4.00 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.13.25 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.15.75 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16.50 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.3,31.71 lakhs had been paid in advance;
- i. Corporate Loan from State Bank of India, outstanding Rs.13,32.59 lakhs (previous year: Rs.14,85.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.11.25 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.37.50 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.45.00 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47.00 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.1,07.41 lakhs had been paid in advance;
- j. Corporate Loan from State Bank of India, outstanding Rs.3,38.00 lakhs (previous year: Rs.3,61.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.2.75 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.9.25 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.11.00 lakhs each starting from April 2019 & (v) 16 quarterly instalments of Rs.11.50 lakhs 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 BKB Bank) of the Company & second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.12.00 lakhs had been paid in advance;
- k. Corporate Loan from Allahabad Bank, outstanding Rs.4,07.00 lakhs (previous year: Rs.9,70.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 2 quarterly instalments of Rs.4.45 lakhs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.6.65 lakhs each starting from April 2017; (iii) 4 quarterly instalments of Rs.22.15 lakhs each starting from April 2018 (iv) 12 quarterly instalments of Rs.26.30 lakhs each starting from April 2019 & (v) 16 quarterly instalments of Rs.27.90 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.4,43.50 lakhs had been paid in advance;
- l. Working Capital Term Loan from State Bank of India, outstanding Rs.1,25.50 lakhs (previous year: Rs. 1,50.00 lakhs), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3.75 lakhs each starting from April 2017; (ii) 8 quarterly instalments of Rs.5.75 lakhs each starting from April 2018; (iii) 4 quarterly instalments of Rs.6.75 lakhs each starting from April 2020; & (iii) 8 quarterly instalments of Rs.7.75 lakhs each starting from April 2021, 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.9.50 lakhs had been paid in advance;
- m. Working Capital Term Loan from State Bank of India, outstanding Rs.1,04.38 lakhs (previous year: Rs. 1,37.48 lakhs), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3.53 lakhs each starting from April 2017 (ii) 8 quarterly instalments of Rs.5.29 lakhs each starting from April 2018; (iii) 4 quarterly instalments of Rs.6.17 lakhs each starting from April 2020 & (iv) 8 quarterly instalments of Rs.7.05 lakhs each starting from April 2021 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 BKB Bank) of the Company and second

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charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.18.99 lakhs had been paid in advance;

- n. Working Capital Term Loan from Punjab National Bank, outstanding Rs.23.97 lakhs (previous year: Rs. 28.28 lakhs), carrying interest linked to the bank's MCLR is now repayable in (i) 4 quarterly instalments of Rs.0.73 lakhs each starting from April 2017; (ii) 8 quarterly instalments of Rs.1.09 lakhs each starting from April 2018; (iii) 4 quarterly instalments of Rs.1.27 lakhs each starting from April 2020 & (iv) 8 quarterly instalments of Rs.1.45 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.1.41 lakhs had been paid in advance;
- o. Working Capital Term Loan from State Bank of India, outstanding Rs.82.02 lakhs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i) 2 quarterly instalments of Rs.1.50 lakhs each starting from October, 2016 (ii) 4 quarterly instalments of Rs.2.50 lakhs each starting from April 2017; (iii) 8 quarterly instalments of Rs.4.00 lakhs each starting from April 2018 (iv) 4 quarterly instalments of Rs.4.75 lakhs starting from April, 2020 & (v) 8 quarterly instalments of Rs.5.50 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.12.98 lakhs had been paid in advance;
- p. Working Capital Term Loan from Allahabad Bank, outstanding Rs.1,42.60 lakhs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i) 2 quarterly instalments of Rs.2.00 lakhs each starting from October, 2016 (ii) 4 quarterly instalments of Rs.4.00 lakhs each starting from April 2017; (iii) 8 quarterly instalments of Rs.6.00 lakhs each starting from April 2018 (iv) 4 quarterly instalments of Rs.7.25 lakhs each starting from April 2020 & (v) 8 quarterly instalments of Rs.8.25 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.0.40 lakhs had been paid in advance;
- q. Vehicle Loan(s) of Rs.51.33 lakhs (previous year: Rs.58.30 lakhs) carrying interest linked to the bank's Base Rate, repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles;
- r. Lenders retain the right to recompense for NPV loss amount of Rs. 3,65.00 lakhs arising on rescheduling of term loans;
- s. There has been no default in servicing of loans as at the end of the year.
- t. Rs.3,06.87 lakhs, (March 31, 2017: Rs.2,66.06 lakhs; April 1, 2016: Rs.3,27.57 lakhs) has been adjusted against long term borrowings being adjustments on account of adoption of Ind AS (refer Note 47).

22. Non-current financial liabilities - Others

| | (Rs. in lakhs) | | |
|-------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Security Deposits | 6.57 | 6.57 | 6.57 |
| Total | 6.57 | 6.57 | 6.57 |

23. Provisions

| | (Rs. in lakhs) | | |
|--|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Non-current | | | |
| Gratuity - Non-current (refer Note 38 A) | 3,87.19 | 3,36.65 | 2,38.68 |
| Leave encashment - Non-current | - | - | 4.28 |
| | 3,87.19 | 3,36.65 | 2,42.96 |
| Current | | | |
| Provision for taxation | 2,25.31 | - | - |
| | 2,25.31 | - | - |

24. Deferred tax liabilities (net)

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. The Company has taken strategic steps to rationalize and improve operations including through

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discontinuing un-economic activities and impact of these steps have started bearing positive results. However, as a matter of abundant caution, deferred tax assets have been recognized only to the extent of deferred tax liability.

| Unrecognised deferred tax assets/liabilities (net): | (Rs. in lakhs) | | |
|--|--------------------------------|--------------------------------|-------------------------------|
| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
| Deferred tax liability | | | |
| Fixed assets: | 7,47.00 | 10,34.00 | 8,99.00 |
| Impact of difference between Book and Tax Depreciation | <u>7,47.00</u> | <u>10,34.00</u> | <u>8,99.00</u> |
| Gross deferred tax liability | | | |
| Deferred tax assets | | | |
| Carried forward of losses | 31,16.00 | 30,85.82 | 26,11.75 |
| Expenses deductible on payment basis | <u>1,13.00</u> | <u>1,04.00</u> | <u>74.00</u> |
| Gross deferred tax assets | 32,29.00 | 31,89.82 | 26,85.75 |
| Deferred tax assets recognized | <u>7,47.00</u> | <u>10,34.00</u> | <u>8,99.00</u> |
| Net deferred tax liability | - | - | - |

The carry forward tax losses as at March 31, 2018, March 31, 2017 and April 1, 2016 expire as follows:-

| Loss for the tax Assessment year ended | Losses with expiry | | Losses with no expiry |
|--|----------------------|----------------|-------------------------------------|
| | Tax loss Rs.Lakhs | Expires on | Unabsorbed depreciation Rs.Lakhs |
| 2013-14 | - | - | 2,41.04 |
| 2014-15 | 3,73.87 | March 31, 2023 | 9,18.52 |
| 2015-16 | - | - | 33,27.42 |
| 2016-17 | 6,43.72 | March 31, 2025 | 28,47.70 |
| 2017-18 | - | - | 15,34.20 |

| Reconciliation of tax and book profit | (Rs. in lakhs) | |
|---|-------------------------------------|-------------------------------------|
| | Year ended <u>March 31, 2018</u> | Year ended <u>March 31, 2017</u> |
| Profit before tax | 10,45.60 | (12,34.34) |
| Tax rate (%) | 34.61 | 34.61 |
| Tax expense at above rate | 3,61.88 | Nil |
| Tax impact of utilisation of brought forward losses | <u>(3,61.88)</u> | - |
| Tax expense | -- | -- |

Tax effects of amounts which are not deductible (taxable) in calculating taxable income

| | | |
|----------------------------|------------------|---|
| MAT payable | 2,25.31 | - |
| Less : MAT credit utilised | <u>(2,25.31)</u> | - |
| Income tax expense | - | - |

25. Current financial liabilities - Borrowings

| | (Rs. in lakhs) | | |
|--|--------------------------------|--------------------------------|-------------------------------|
| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
| Secured | | | |
| Working capital loan from banks | 34,87.50 | 41,76.06 | 45,20.81 |
| Unsecured | | | |
| Loans from related parties (<i>iPro Capital Limited</i>) | - | 1,00.00 | - |
| Loans from others | - | <u>1,00.00</u> | - |
| Total | <u>34,87.50</u> | <u>43,76.06</u> | <u>45,20.81</u> |

- a) Working Capital loans, repayable on demand, 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 and carry interest linked to Bank's MCLR;

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- b) Loan from related party carries interest at 10 % per annum and is repayable on demand;
c) Loan from others carries interest at 12 % per annum and is repayable on demand.

26. Current financial liabilities – Trade payables

| | (Rs. in lakhs) | | |
|--|-----------------------|-----------------------|----------------------|
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Trade payables | | | |
| Dues to Micro and Small Enterprises | - | - | - |
| Dues to creditors other than micro and small enterprises | 34,78.14 | 31,41.84 | 26,77.30 |
| Acceptances | 20,43.26 | 15,24.91 | 12,94.84 |
| Total | 55,21.40 | 46,66.75 | 39,72.14 |

a) There are no dues to Micro and Small Enterprises, determined to the extent such parties have been identified on the basis of information available with the Company, as at March 31, 2018, March 31, 2017 and April 1, 2016 which require disclosure under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the Auditors. Refer Note 46 for information about credit risk and market risk of Trade payables.

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 41.

27. Current financial liabilities – Others

| | (Rs. in lakhs) | | |
|--|-----------------------|-----------------------|----------------------|
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Current maturities of long-term borrowings (refer note 21) | 15,22.76 | 20,83.89 | 45,27.21 |
| Creditors for capital expenditure | 10.52 | 39.47 | 1,28.82 |
| Interest accrued and due | 1,02.53 | 8,91.50 | 1,32.94 |
| Interest accrued but not due | 35.70 | 65.19 | 32.09 |
| Unclaimed dividend * | 25.06 | 32.78 | 37.85 |
| Employees payables | 1,15.96 | 1,02.51 | 1,00.48 |
| Security deposit received | 5.73 | 6.17 | 20.40 |
| Others | 9.01 | 1.15 | - |
| Total | 18,27.27 | 32,22.66 | 49,79.79 |

* does not include any sum due to be transferred to Investor Education & Protection Fund

28. Other current liabilities

| | (Rs. in lakhs) | | |
|---|-----------------------|-----------------------|----------------------|
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Advance from customer | 19.43 | 56.10 | 49.60 |
| Statutory dues payable | 2,26.02 | 2,86.32 | 3,14.07 |
| Advance against sale of plant & machinery | 13,40.00 | 2,59.50 | - |
| Total | 15,85.45 | 6,01.92 | 3,63.67 |

29. Revenue from operations

| | (Rs. in lakhs) | |
|---------------------------------|-----------------------|-----------------------|
| | Year ended | Year ended |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> |
| Sale of products | | |
| - Finished goods | 3,10,36.83 | 3,41,57.94 |
| Other operating income | | |
| - Scrap sale | 4,05.01 | 6,73.17 |
| - Export incentives and margins | 4.74 | 6.05 |
| - Processing charges | - | 50.82 |
| Total | 3,14,46.58 | 3,48,87.98 |

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30. Other income

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|--|------------------------------|---|
| Interest on | | |
| - Fixed deposits | 28.75 | 29.06 |
| - Others | 35.59 | 35.52 |
| - Income tax refund | - | 22.94 |
| Other non-operating income | | |
| - Insurance claim received | 1,05.14 | 80.47 |
| - Foreign currency transactions (net) | 26.92 | 33.60 |
| - Excess provision written back | 1,07.77 | 24.09 |
| - Profit on sale of other fixed assets | 2.40 | 1.48 |
| - Refund of sales tax | - | 1,41.19 |
| - Miscellaneous income | 1,85.77 | 20.74 |
| Total | 4,92.34 | 3,89.09 |

31. Cost of materials consumed

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|---|------------------------------|---|
| Inventories at the beginning of the year | 15,65.07 | 12,82.83 |
| add: Purchases during the year | 2,24,66.55 | 2,15,79.37 |
| less: Discounts received | 2,18.93 | 2,14.09 |
| less: Inventories at the end of the year | 23,18.68 | 15,65.07 |
| Cost of Materials Consumed | 2,14,94.01 | 2,10,83.04 |
| <u>Details of Materials Consumed</u> | | |
| Thermoplastic Resins | 2,14,54.57 | 2,09,77.70 |
| Others | 39.44 | 1,05.34 |

32. Changes in inventories of finished and work-in-progress

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|--|------------------------------|---|
| Inventories at the beginning of the year | | |
| Finished goods | 6,94.96 | 8,72.57 |
| Work-in-progress | 5,69.35 | 5,66.68 |
| | 12,64.31 | 14,39.25 |
| Inventories at the end of the year | | |
| Finished goods | 5,48.49 | 6,94.96 |
| Work-in-progress | 5,55.56 | 5,69.35 |
| | 11,04.05 | 12,64.31 |
| Net decrease | 1,60.26 | 1,74.94 |

33. Employees benefits expense

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|---|------------------------------|---|
| Salaries, Wages & Bonus | 19,38.96 | 20,11.78 |
| Contribution to provident and other funds | 2,33.89 | 2,88.12 |
| Staff welfare expenses | 1,44.32 | 1,67.36 |
| Total | 23,17.17 | 24,67.26 |

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 38

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34. Finance costs

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|---|------------------------------|---|
| Interest expense on borrowings measured at amortised cost | 12,99.37 | 16,91.03 |
| Interest expense on defined benefit obligation | 76.83 | 68.65 |
| Other borrowing costs | 5,83.81 | 5,77.38 |
| Other charges | 1,76.17 | 1,81.99 |
| Total | 21,36.18 | 25,19.05 |

35. Depreciation and amortization expenses

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|-----------------------------------|------------------------------|---|
| Depreciation on tangible assets | 15,74.01 | 16,91.67 |
| Amortisation of intangible assets | 8.13 | 12.55 |
| Total | 15,82.14 | 17,04.22 |

36. Other expenses

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|---|------------------------------|---|
| Consumption of Stores, Spares and Packing Material | 7,03.86 | 7,04.41 |
| (Increase)/decrease of Excise Duty on inventory | (87.18) | 18.59 |
| Processing charges | 86.20 | 67.00 |
| Power & Fuel | 21,28.05 | 24,42.23 |
| Rent | 59.71 | 53.12 |
| Repairs to: | | |
| - Buildings | 11.97 | 26.68 |
| - Plant & Machinery | 1,78.69 | 1,88.89 |
| - Others | 28.75 | 39.68 |
| Communication | 30.76 | 32.51 |
| Director's Fees | 21.75 | 19.70 |
| Insurance | 55.24 | 65.44 |
| Professional & Legal | 69.60 | 44.19 |
| Rates & Taxes | 42.62 | 47.62 |
| Freight outward | 3,99.88 | 4,48.29 |
| Travelling and conveyance | 1,14.25 | 1,12.46 |
| Rebate and commission | 62.60 | 62.38 |
| Payment to Auditors (<i>refer note 'a' below</i>) | 18.95 | 17.84 |
| Other selling expenses | 24.59 | 12.61 |
| Claims for damage | - | 1.61 |
| Bad debts | 33.08 | 4.80 |
| Miscellaneous expenses | 3,99.11 | 4,00.52 |
| Total | 43,82.48 | 48,10.57 |

a) Payment to auditors

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|-----------------------------|------------------------------|---|
| To Statutory Auditors | | |
| - As Auditors | 13.00 | 8.50 |
| - For other services | - | 4.50 |
| - Reimbursement of expenses | 5.95 | 4.84 |
| | 18.95 | 17.84 |

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37. Earnings per share (EPS)

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| | | (Rs.in lakhs) |
| a) Profit/(loss) for the year attributable to equity shareholders (A) | 1045.60 | (1236.18) |
| b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS | 1,17,08,008 | 1,16,59,500 |
| Dilutive impact of stock options | - | 1,54,000 |
| Weighted average number of equity shares outstanding during the year for computation of Diluted EPS | 1,17,08,008 | 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.) | 8.93 | (10.60) |
| Dilutive earnings per equity share (face value Rs.10 each) (A/B) (Rs.) | 8.93 | (10.60) |

Note: there are no dilutive shares as on March 31, 2018; In the previous year, the potential dilutive shares were non-dilutive in nature.

38. Employee benefits

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

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| | | (Rs.in lakhs) |
| (i) Asset/(Liability) recognised in Balance Sheet | | |
| Present value of the obligation at end of the year | 8,09.09 | 7,43.01 |
| Fair value of plan assets | 4,21.90 | 4,06.36 |
| Net assets/(liability) recognised in balance sheet as provision | 3,87.19 | 3,36.65 |
| (ii) Amount recognised in the statement of profit and loss is as under: | | |
| Current service cost | 41.41 | 40.87 |
| Net interest cost | 24.81 | 21.73 |
| Expense recognised in the income statement | 66.22 | 62.60 |
| (iii) Amount recognised in other comprehensive income is as under: | | |
| Actuarial gain/(loss) for the year on defined benefit obligation | 2.10 | 60.72 |
| Actuarial gain/(loss) for the year on plan assets | (2.60) | (12.34) |
| Total actuarial gain/(loss) for the year | (0.50) | 48.38 |
| (iv) Movement in the liability recognised in the balance sheet is as under: | | |
| Present value of defined obligation as at start of the year | 743.01 | 786.67 |
| Current service cost | 41.41 | 40.87 |
| Interest cost | 53.50 | 51.13 |
| Actuarial loss/(gain) recognised during the year | 2.10 | 60.72 |
| Benefits paid | (30.93) | (1,96.38) |
| Present value of defined benefit obligation as at the end of the year | 8,09.09 | 7,43.01 |
| (v) Movement in the plan assets recognised in the balance sheet is as under: | | |
| Fair value of plan assets at beginning the year | 4,06.36 | 5,47.98 |
| Expected return on plan assets | 28.69 | 37.32 |
| Employer's contribution | 8.70 | 3.65 |
| Benefits paid | (24.45) | (1,94.93) |
| Actuarial gain/(loss) on plan assets | 2.60 | 12.34 |
| Fair value of plan assets at the end of the year | 4,21.90 | 4,06.36 |
| Actual return on plan assets | 31.29 | 49.66 |
| (vi) Breakup of actuarial (gain)/loss on defined benefit obligation: | | |
| Actuarial (gain)/loss on arising from change in financial assumption | (16.76) | 44.72 |
| Actuarial (gain)/loss on arising from experience adjustment | 18.86 | 16.00 |
| Total actuarial (gain)/loss for the year | 2.10 | 60.72 |

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| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|--|------------------------------|---|
| (vii) Actuarial assumptions: | | |
| Discount rate (%) | 7.20 | 6.50 |
| Future salary increase (%) | 6.00 | 6.00 |
| Expected average remaining working lives of employees (years) | 4.50 | 5.50 |
| <p>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 (2006-08) Ultimate table.</p> <p>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.</p> | | |
| (viii) Sensitivity analysis for gratuity liability | | |
| Impact of the change in discount rate | | |
| Effect on present value of gratuity obligation | | |
| - Impact due to increase of 1 % | (24.09) | (27.22) |
| - Impact due to decrease of 1 % | 27.11 | 30.73 |
| Impact of the change in salary increase | | |
| Effect on present value of gratuity obligation | | |
| - Impact due to increase of 1 % | 27.16 | 30.57 |
| - Impact due to decrease of 1 % | (24.57) | (27.59) |
| (ix) Expected (undiscounted) benefit payments in future years | | |
| Projections are for current members and their currently accumulated benefits | | |
| Year- 1 | 1,13.33 | 95.45 |
| Year- 2 | 11.31 | 32.56 |
| Year- 3 | 12.43 | 7.06 |
| Year- 4 | 12.55 | 11.40 |
| Year- 5 | 28.61 | 11.23 |
| Year- 6 to Year- 10 | 17.50 | 26.67 |
| (x) Category of plan assets | | |
| LIC managed fund | 100 % | 100 % |

B. Compensated absence:

The leave obligations cover the Company's liability for earned leave. The liability towards compensated absences for the year ended March 31, 2018 based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution in the plan assets has resulted in a net asset of Rs.54.20 lakhs (as on March 31, 2018) and Rs.24.91 lakhs (as on March 31, 2017) which has been shown under financial assets under Financial Statements.

39. Contingent Liabilities and Commitments (to the extent not provided for)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|---|-------------------------|-------------------------|--|
| Contingent Liabilities | | | |
| Claims against the Company, not acknowledged as debt | 2.50 | 2.50 | 2.50 |
| Sales tax, Excise & Customs matters under appeal | 5,42.22 | 5,54.22 | 4,68.35 |
| Entry tax under appeal | - | 1,91.59 | 1,35.21 |
| Others | 36.68 | 15.77 | 20.43 |
| Bills discounted | 3,41.32 | 1,99.36 | 3,53.86 |
| (In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote) | | | |

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| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|---|-------------------------|-------------------------|--|
| Commitments | | | |
| Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) | 3,22.46 | 46.22 | 17.00 |
| Unpaid portion of subscribed Equity Capital in subsidiary | 47.50 | 47.50 | 47.50 |

40. Leases

The Company has entered into various agreements of cancellable operating lease for factory premises, and offices; rent amounting to Rs. 59.71 lakhs (Rs. 53.12 lakhs for the year ending March 31, 2017) has been debited to statement of profit and loss for the year ending 31 March 2018.

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. Subsidiary companies (wholly owned)
 - a) Xpro Global Limited;
 - b) Xpro Global Pte. Ltd., Singapore;
2. Promoter companies
 - 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) Market Café Foods Limited;
 - c) Prosperous Healthy Life Pvt. Ltd.;
 - d) 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
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) Ms Nandini Khaitan;
 - (iv) Sri P Murari;
 - (v) Sri Utsav Parekh;
 - (vi) Sri S Ragothaman
 - c) Non-executive Non-Independent Directors:
 - (i) Smt Madhushree Birla
 - d) (i) Sri V K Agarwal, *Jt. President & CFO*
(ii) Sri S C Jain, *Company Secretary*

B. Transactions with Related Parties:

| | | (Rs.in lakhs) | |
|----------------------|------------------------------|-----------------------|-----------------------|
| <u>Related Party</u> | <u>Nature of transaction</u> | <u>Year ended</u> | |
| | | <u>March 31, 2018</u> | <u>March 31, 2017</u> |
| Xpro Global Limited | Expenses recovered | 10.62 | 30.10 |
| | Amount due at year-end | 39.01 | 30.10 |

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| Related Party | Nature of transaction | (Rs.in lakhs) | |
|--|---|----------------|----------------|
| | | Year ended | |
| | | March 31, 2018 | March 31, 2017 |
| iPro Capital Limited | Aggregate of short-term inter-corporate deposits received from time to time | 3.00 | 2.00 |
| | Aggregate ICD repayments | 4.00 | 1.00 |
| | Outstanding amount at year end | - | 1.00 |
| | Interest paid on inter-corporate deposits | 12.05 | 2.61 |
| Xpro India Limited Employees Provident Fund Trust | Employer's contribution to post employment benefit fund | 54.44 | 43.75 |
| Xpro India Limited Senior Officers Superannuation Fund | Contribution to post employment benefit fund (with LIC) | 38.20 | 39.71 |
| Xpro India Limited Employees Gratuity Fund | Contribution to post employment benefit fund (with LIC) | - | 2.04 |
| Market Café Foods Limited | Purchase of property, plant and equipment | - | 2.04 |
| Xpro India Limited Employees Provident Fund Trust | P F Contribution | 54.44 | 43.75 |
| Sri Sidharth Birla | Remuneration (including leave encashment) | 1,18.60 | 89.56 |
| Sri C Bhaskar | Remuneration (including leave encashment) | 1,16.57 | 88.98 |
| Sri Amitabha Guha | Sitting Fees | 5.20 | 3.30 |
| Sri Ashok Kumar Jha | Sitting Fees | 3.30 | 3.60 |
| Ms Nandini Khaitan | Sitting Fees | 3.00 | 2.50 |
| Sri P Murari | Sitting Fees | 1.05 | 2.35 |
| Sri Utsav Parekh | Sitting Fees | 2.70 | 2.55 |
| Sri S Ragothaman | Sitting Fees | 4.50 | 2.90 |
| Smt Madhushree Birla | Sitting Fees | 2.00 | 2.50 |
| Sri V K Agarwal | Remuneration | 53.31 | 45.73 |
| Sri S C Jain | Remuneration | 37.30 | 30.85 |

- 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. Exceptional items

Exceptional items of Rs.2188.29 lacs represents gain of Rs.3258.98 Lacs on sale of non-core assets located at Kolkata and Faridabad, net of additional depreciation/write-down on fixed assets (to reflect realisable value assessed as reasonable and fair) of Rs.824.99 lacs and Rs.245.70 lacs at Pithampur and Faridabad unit respectively.

43. Segment Information

The Company operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India. There are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker. Revenue of Rs. 1,89,54.61 lakhs (previous year; Rs. 1,69,32.66 lakhs) was derived from external customers each accounting for over ten percent of the revenue.

44. CSR Expenditure

Gross amount required to be spent by the Company (i.e. 2% of Average Net Profits u/s 198 of Companies Act. 2013 of last three years): Nil

45. 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.

46. Financial risk management

i) Financial instrument by category

(Rs. in lakhs)

| Particulars | March 31, 2018 | | | March 31, 2017 | | | April 1, 2016 | | |
|-------------------------------|----------------|-------|----------------|----------------|-------|----------------|---------------|-------|----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | | | | |
| - Trade receivable | | | 49,22.43 | | | 54,71.05 | | | 36,93.43 |
| - Cash and cash equivalent | | | 1,94.12 | | | 2,14.91 | | | 1,24.74 |
| - Other Bank balances | | | 16,13.39 | | | 4,66.95 | | | 4,20.43 |
| - Loans | | | 2,76.09 | | | 2,48.85 | | | 2,69.20 |
| - Other financial assets | | | 2,05.29 | | | 3,15.84 | | | 3,00.22 |
| Total | | | 72,11.32 | | | 67,17.60 | | | 48,08.02 |
| Financial liabilities | | | | | | | | | |
| - Borrowings | | | 1,73,24.53 | | | 1,94,41.01 | | | 1,77,42.00 |
| - Trade payables | | | 55,21.40 | | | 46,66.75 | | | 39,72.14 |
| - Other financial liabilities | | | 18,33.84 | | | 32,29.23 | | | 49,86.36 |
| Total | | | 2,46,79.77 | | | 2,73,36.99 | | | 2,67,00.50 |

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

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.

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Assets are written off when there is no reasonable expectation of recovery, such as 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 lakhs) | | |
|----------------------|---|--------------------------------|--------------------------------|-------------------------------|
| | | <u>As at</u> March 31, 2018 | <u>As at</u> March 31, 2017 | <u>As at</u> April 1, 2016 |
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 72,11.32 | 67,17.60 | 48,08.02 |

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

| <u>Particulars</u> | (Rs. In lakhs) | | | |
|--------------------------------|---|--|---|--|
| | <u>Estimated gross carrying</u> <u>amount at default</u> | <u>Expected</u> <u>probability of</u> <u>default</u> | <u>Expected credit</u> <u>losses</u> | <u>Carrying amount net</u> <u>of impairment</u> <u>provision</u> |
| <u>March 31, 2018</u> | | | | |
| Investments | 70.89 | 0 % | - | 70.89 |
| Loans | 2,76.09 | 0 % | - | 2,76.09 |
| Trade receivables | 49,22.43 | 0 % | - | 49,22.43 |
| Cash and cash equivalents | 1,94.12 | 0 % | - | 1,94.12 |
| Bank balances other than above | 16,13.39 | 0 % | - | 16,13.39 |
| Other financial assets | 2,05.29 | 0 % | - | 2,05.29 |
| <u>March 31, 2017</u> | | | | |
| Investments | 70.89 | 0 % | - | 70.89 |
| Loans | 2,48.85 | 0 % | - | 2,48.85 |
| Trade receivables | 54,71.05 | 0 % | - | 54,71.05 |
| Cash and cash equivalents | 2,14.91 | 0 % | - | 2,14.91 |
| Bank balances other than above | 4,66.95 | 0 % | - | 4,66.95 |
| Other financial assets | 3,15.84 | 0 % | - | 3,15.84 |
| <u>April 1, 2016</u> | | | | |
| Investments | 70.89 | 0 % | - | 70.89 |
| Loans | 2,69.20 | 0 % | - | 2,69.20 |
| Trade receivables | 36,93.43 | 0 % | - | 36,93.43 |
| Cash and cash equivalents | 1,24.74 | 0 % | - | 1,24.74 |
| Bank balances other than above | 4,20.43 | 0 % | - | 4,20.43 |
| Other financial assets | 3,00.22 | 0 % | - | 3,00.22 |

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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.

| <u>Particulars</u> | (Rs.in lakhs) | | | |
|-----------------------------|--------------------------|--------------------------|--------------------|--------------------------|
| | <u>< 1 year</u> | <u>1 – 5 years *</u> | <u>>5 years</u> | <u>Total</u> |
| As at March 31, 2018 | | | | |
| Borrowings | 34,87.49 | 1,38,37.04 | - | 1,73,24.53 |
| Trade payables | 55,21.40 | - | - | 55,21.40 |
| Financial Liabilities | <u>18,27.27</u> | <u>6.57</u> | - | <u>18,33.84</u> |
| Total | <u>1,08,36.16</u> | <u>1,38,43.61</u> | - | <u>2,46,79.77</u> |
| As at March 31, 2017 | | | | |
| Borrowings | 43,76.06 | 1,50,64.95 | - | 1,94,41.01 |
| Trade payables | 46,66.75 | - | - | 46,66.75 |
| Financial Liabilities | <u>32,22.66</u> | <u>6.57</u> | - | <u>32,29.23</u> |
| Total | <u>1,22,65.47</u> | <u>1,50,71.52</u> | - | <u>2,73,36.99</u> |
| As at April 1, 2016 | | | | |
| Borrowings | 45,20.81 | 1,32,21.19 | - | 1,77,42.00 |
| Trade payables | 39,72.14 | - | - | 39,72.14 |
| Financial Liabilities | <u>49,79.79</u> | <u>6.57</u> | - | <u>49,86.36</u> |
| Total | <u>1,34,72.74</u> | <u>1,32,27.76</u> | - | <u>2,67,00.50</u> |

*interest outflow of the said liabilities has not been considered

C. Market risk

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Company's exposure to foreign currency at each reporting date is disclosed herein.

Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

| Particulars | (Rs.in lakhs) | | |
|------------------------------|--------------------------------|--------------------------------|-------------------------------|
| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
| Financial liabilities | | | |
| Payable on imports | | | |
| - USD | 1,137,100 | 2,01,860 | 665,733 |
| - Euro | - | 2,356 | - |
| Borrowings | | | |
| - Euro | 6,855,804 | 8,057,020 | 7,979,811 |
| Financial assets | | | |
| Receivables on export | | | |
| - USD | 55,761 | 177,639 | - |
| - Euro | 108,718 | 111,156 | 60,791 |

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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 lakhs) | | |
|----------------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| USD sensitivity | | | |
| INR/USD – increase by 2 % | (14.10) | (0.37) | (8.89) |
| INR/USD – decrease by 1 % | 7.05 | 0.19 | 4.45 |
| Euro sensitivity | | | |
| INR/Euro – increase by 2 % | (1,08.36) | (1,11.90) | (1,20.04) |
| INR/Euro – decrease by 1 % | 54.18 | 55.95 | 60.02 |

Interest rate risk

Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2017, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

The Company's overall exposure to interest rate risk is as under:

| Particulars | (Rs. In lakhs) | | |
|--------------------------|-------------------------|-------------------------|------------------------|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| Variable rate borrowings | 1,88,47.29 | 2,15,24.90 | 2,22,69.21 |
| Fixed rate borrowings | - | - | - |
| Total borrowings | 1,88,47.29 | 2,15,24.90 | 2,22,69.21 |

Sensitivity

The sensitivity of profit or loss before tax to interest rate is:

| Particulars | (Rs. In lakhs) | |
|----------------------------------|-------------------------------|-------------------------------|
| | Year ending March 31, 2018 | Year ending March 31, 2017 |
| Interest sensitivity | | |
| Interest rates - increase by 1 % | 1,88.47 | 2,15.25 |
| Interest rates - decrease by 1 % | (1,88.47) | (2,15.25) |

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, instruments entirely equity in nature 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.

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| Particulars | (Rs. in lakhs) | | |
|--|-----------------------|-----------------------|----------------------|
| | As at | As at | As at |
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Long-term borrowings | 1,38,37.03 | 1,50,64.95 | 1,32,21.19 |
| Current maturities of long-term borrowings | 15,22.76 | 20,83.89 | 45,27.21 |
| Short-term borrowings | 34,87.50 | 43,76.06 | 45,20.81 |
| Trade payable | 55,21.40 | 46,66.75 | 39,72.14 |
| Interest accrued but due | 1,02.53 | 8,91.50 | 1,32.94 |
| Interest accrued but not due on borrowings | 35.70 | 65.19 | 32.09 |
| Total borrowings | 2,45,06.92 | 2,71,48.34 | 2,64,06.38 |
| Less: Cash and cash equivalents | 1,94.12 | 2,14.91 | 1,24.74 |
| Bank balance other than above | 16,13.39 | 4,66.95 | 4,20.43 |
| Net debts | 2,26,99.41 | 2,64,66.48 | 2,58,61.21 |
| Total equity * | 79,23.42 | 68,29.82 | 81,14.38 |
| Net debts to equity ratio | 286.49 % | 387.51 % | 318.71 % |

* Equity includes equity share capital, instruments entirely in nature of equity and other equity of the Company that are managed as capital

47. First time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set in the following tables and notes.

A. Optional exemption availed:

Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Deemed cost of investments in subsidiaries

The Company has elected to carry the investment in subsidiary and associates at its actual cost determined as per Ind AS 27 "Separate financial statements" as its carrying value in these financial statements on the date of transition.

Exchange differences arising on long-term monetary assets

The Company has elected to continue the policy adopted for accounting for exchange differences arising from transition of long-term foreign currency monetary items recognised in the financial statements.

B. Mandatory exemptions:

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

- Provision for doubtful debts as per expected credit loss model.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and

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circumstances existing at the date of transition and if it is impracticable to assess elements of time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transition.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

(i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

| Particulars | (Rs. in lakhs) | |
|--|-------------------------|------------------------|
| | As at March 31, 2017 | As at April 1, 2016 |
| Total equity (shareholder's funds) as per previous GAAP [A] | 69,33.54 | 81,48.55 |
| Ind AS adjustments: | | |
| EIR adjustment on borrowings | (80.22) | (34.17) |
| Depreciation on capitalisation of stores and spares | (23.50) | - |
| Total adjustments {B} | (1,03.72) | (34.17) |
| Total equity as per Ind AS {A+B} | 68,29.82 | 81,14.38 |

(ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

| Particulars | (Rs. in lakhs) |
|--|------------------------------|
| | Year ended March 31, 2017 |
| Profit after tax as per previous GAAP [A] | (12,15.01) |
| Ind AS adjustments: | |
| Re-measurement gains on defined benefit plans | 48.38 |
| EIR adjustment on borrowings | (46.05) |
| Depreciation on capitalisation of stores and spares | (23.50) |
| Total adjustments {B} | (21.17) |
| Profit after tax as per Ind AS {A+B} | (12,36.18) |
| Other comprehensive income | |
| Re-measurement gain on Post-employment defined benefit plans | (48.38) |
| Total comprehensive profit as per Ind AS | (12,84.56) |

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(iii) Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and April 1, 2016

(Rs. in lakhs)

| Particulars | As at March 31, 2017 | | | As at April 1, 2016 | | |
|--------------------------------------|------------------------------------|--------------------------------|-----------------------------|----------------------|--------------------------------|-----------------------------|
| | End of last period presented under | | | (date of transition) | | |
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Property, plant & equipment | 2,27,12.09 | (3,15.12) | 2,23,96.97 | 2,49,15.69 | (3,07.07) | 2,46,08.62 |
| Capital work-in-progress | 40.47 | - | 40.47 | 48.41 | - | 48.41 |
| Other intangible assets | 1,75.08 | - | 1,75.08 | 1,87.64 | - | 1,87.64 |
| Deferred tax assets | - | 2,42.27 | 2,42.27 | - | 2,42.27 | 2,42.27 |
| Financial assets | | | | | | |
| - Investments | 70.89 | - | 70.89 | 70.89 | - | 70.89 |
| - Loans | 2,32.84 | - | 2,32.84 | 2,47.00 | - | 2,47.00 |
| - Other financial assets | 1,93.47 | - | 1,93.47 | 1,36.88 | - | 1,36.88 |
| - Income-tax assets (net) | 78.10 | - | 78.10 | 2,37.18 | - | 2,37.18 |
| Other non-current assets | 13,14.45 | (2,42.27) | 10,72.18 | 11,10.95 | (2,42.27) | 8,68.68 |
| Total non-current assets | 2,48,17.39 | (3,15.12) | 2,45,02.27 | 2,69,54.64 | (3,07.07) | 2,66,47.57 |
| Current Assets | | | | | | |
| Inventories | 31,43.41 | (54.66) | 30,88.75 | 29,85.02 | (54.66) | 29,30.36 |
| Financial assets | | | | | | |
| - Trade receivables | 54,71.05 | - | 54,71.05 | 36,93.43 | - | 36,93.43 |
| - Cash and cash equivalents | 2,14.91 | - | 2,14.91 | 1,24.74 | - | 1,24.74 |
| Other Bank balances | 4,66.95 | - | 4,66.95 | 4,20.43 | - | 4,20.43 |
| Loans | 16.01 | - | 16.01 | 22.20 | - | 22.20 |
| Other financial assets | 1,06.88 | 15.49 | 1,22.37 | 1,45.74 | 17.60 | 1,63.34 |
| Assets held for disposal | 2,22.69 | - | 2,22.69 | - | - | - |
| Other current assets | 10,15.87 | (15.49) | 10,00.38 | 14,37.04 | (17.60) | 14,19.45 |
| Total current assets | 1,06,57.77 | (54.66) | 1,06,03.11 | 88,28.60 | (54.66) | 87,73.94 |
| Total assets | 3,54,75.16 | (3,69.78) | 3,51,05.38 | 3,57,83.25 | (3,61.74) | 3,54,21.51 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| Equity share capital | 11,65.95 | -- | 11,65.95 | 11,65.95 | - | 11,65.95 |
| Other equity | 57,67.59 | (1,03.72) | 56,63.87 | 69,82.60 | (34.17) | 69,48.43 |
| Total equity | 69,33.54 | (1,03.72) | 68,29.82 | 81,48.55 | (34.17) | 81,14.38 |
| Liabilities | | | | | | |
| Non-current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| - Borrowings | 1,53,31.01 | (2,66.06) | 1,50,64.95 | 1,35,48.76 | (3,27.57) | 1,32,21.19 |
| - Other financial liabilities | 6.57 | - | 6.57 | 6.57 | - | 6.57 |
| Provisions | 3,36.65 | - | 3,36.65 | 2,42.96 | - | 2,42.96 |
| Deferred tax liabilities (net) | - | - | - | - | - | - |
| Total non-current liabilities | 1,56,74.23 | (2,66.06) | 1,54,08.17 | 1,37,98.29 | (3,27.57) | 1,34,70.72 |
| Current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| - Borrowings | 43,76.06 | - | 43,76.06 | 45,20.81 | - | 45,20.81 |
| - Trade Payables | 46,66.75 | - | 46,66.75 | 39,72.14 | - | 39,72.14 |
| - Other financial liabilities | 32,22.66 | - | 32,22.66 | 49,79.79 | - | 49,79.79 |
| Other current liabilities | 6,01.92 | - | 6,01.92 | 3,63.67 | - | 3,63.67 |
| Total current liabilities | 1,28,67.39 | - | 1,28,67.39 | 1,38,36.42 | - | 1,38,36.42 |
| Total liabilities | 2,85,41.62 | (2,66.06) | 2,82,75.56 | 2,76,34.70 | (3,27.57) | 2,73,07.13 |
| Total Equity and Liabilities | 3,54,75.16 | (3,69.78) | 3,51,05.38 | 3,57,83.25 | (3,61.74) | 3,54,21.51 |

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

| Particulars | (Rs. in lakhs) | | |
|---|--|-----------------------------------|-------------------|
| | Year ended March 31, 2017 | | |
| | End of last period presented under previous GAPP | | |
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS |
| Income | | | |
| Revenue from Operations | 3,11,35.66 | 37,52.32 | 3,48,87.98 |
| Other income | 3,89.09 | - | 3,89.09 |
| Total Income | 3,15,24.75 | 37,52.32 | 3,52,77.07 |
| Expenses | | | |
| Cost of material consumed | 2,10,83.04 | - | 2,10,83.04 |
| Changes in inventories of finished goods and work-in-progress | 1,74.94 | | 1,74.94 |
| Excise duty | - | 37,52.32 | 37,52.32 |
| Employee benefits expense | 25,84.29 | (1,17.03) | 24,67.26 |
| Finance costs | 23,88.89 | 1,30.16 | 25,19.05 |
| Depreciation and amortisation expense | 16,96.17 | 8.05 | 17,04.22 |
| Other expenses | 48,10.57 | - | 48,10.57 |
| Total Expenses | 3,27,37.90 | 37,73.50 | 3,65,11.40 |
| Profit before tax and exceptional items | (12,13.15) | (21.18) | (12,34.33) |
| Tax expense | | | |
| Current tax | 1.85 | - | 1.85 |
| Total tax expense | 1.85 | - | 1.85 |
| Profit for the year | (12,15.00) | (21.18) | (12,36.18) |
| Other comprehensive income | - | (48.38) | (48.38) |
| Total comprehensive income for the year | (12,15.00) | (69.56) | (12,84.56) |

Note 1

Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost

Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial assets and liabilities, the fair value of the financial instruments at the date of transition to Ind AS has been considered as the new amortised cost of those financial instrument at the date of transition to Ind AS.

The aforesaid adjustment has been made for following categories of financial assets and financial liabilities:

- (i) Security deposits paid
- (ii) Long term borrowings

Note 2

Re-measurement gains on defined benefit plans

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

Note 3

Stores and Spares

Stores and spares having a useful life for more than 1 year has been capitalised in property, plant and equipment and depreciated accordingly.

Note 4

Transaction costs (like loan origination or processing fees, issue expenses) are adjusted in proceeds of borrowings initially and recognised over the tenor using effective interest rate method.

Note 5

Revenue has been shown as gross of excise duty and net of GST.

- (v) There are no material adjustments made to the Statement of Cash Flows on adoption of Ind AS.

48. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transition for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach – Under this approach the standard will be applied retrospective to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying that standard recognised at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS is expected to be insignificant.

49. The standalone financial statements were approved for issue by the Board of Directors on May 24, 2018.

In terms of our report attached
For Walker Chandiook & Co LLP
Chartered Accountants

For and on behalf of the Board

Sidharth Birla
Chairman

per **Anamitra Das**
Partner
New Delhi
May 24, 2018

S. C. Jain
Company Secretary

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

C. Bhaskar
*Managing Director &
Chief Executive Officer*

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

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Xpro India Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (the 'Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the 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.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs (consolidated financial position) of the Group, as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

9. We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 2,17.81 lakhs and net assets of ₹ 1,03.45 lakhs as at 31 March 2018, total revenues of ₹ 3,06.65 lakhs and net cash outflows amounting to ₹ 22.02 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Further, of these subsidiaries, one subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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 auditors.

10. The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 prepared in accordance with Ind AS included in these consolidated financial statements, are based on the previously issued statutory consolidated financial statements for the year ended 31 March 2017 and 31 March 2016 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose reports dated 19 May 2017 and 5 May 2016 respectively expressed unmodified opinion on those consolidated financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report(s) of the other auditor(s) on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

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- 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 auditors;
- 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;
- 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 reports of the other statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, companies covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I'; 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 Auditor's) 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 auditors on separate financial statements as also the other financial information of the subsidiaries:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 37 to the consolidated financial statements.
 - (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act; and
 - (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

per **Anamitra Das**
Partner
(Membership No.062191)

New Delhi
24 May, 2018

Annexure I 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 2018

Annexure I

Independent Auditor's Report on the Internal Financial Controls 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 subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company are 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 (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

3. Our responsibility is to express an opinion on the IFCoFR 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 and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, 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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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

XPRO INDIA LIMITED : ANNUAL REPORT 2017/18

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

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

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on IFCoFR of the subsidiary company, the Holding Company and its subsidiary company, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the IFCoFR in so far as it relates to one subsidiary company, whose financial statements reflect total assets of ₹ 1,92.27 lakhs and net assets of ₹ 78.44 lakhs as at 31 March 2018, total revenues of ₹ 3,02.77 lakhs and net cash outflows amounting to ₹ 24.47 lakhs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary company, have been audited by other auditor whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR 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 Chandio & Co LLP**
Chartered Accountants
(Firm's Registration No. 001076N/N500013)

per **Anamitra Das**
Partner
(Membership No.062191)

New Delhi
24 May, 2018

XPRO INDIA LIMITED : ANNUAL REPORT 2017/18

CONSOLIDATED BALANCE SHEET as at March 31, 2018

| | Note | As at | As at | (Rs. in lakhs) |
|---|------|--------------------------|--------------------------|--------------------------|
| | No. | March 31, 2018 | March 31, 2017 | As at April 1, 2016 |
| ASSETS | | | | |
| Non-Current assets | | | | |
| a. Property, plant and equipment | 4 | 2,01,83.21 | 2,23,96.97 | 2,46,08.62 |
| b. Capital work-in-progress | 4 | 61.62 | 40.47 | 48.41 |
| c. Intangible assets | 5 | - | 1,75.08 | 1,87.64 |
| d. Financial assets | | | | |
| Loans | 6 | 2,59.46 | 2,32.84 | 2,47.00 |
| Other financial assets | 7 | 73.51 | 1,93.47 | 1,36.88 |
| e. Deferred tax assets (net) | | 4,67.58 | 2,42.27 | 2,42.27 |
| f. Non-current tax assets (net) | 8 | 2,50.37 | 78.10 | 2,37.18 |
| g. Other non-current assets | 9 | 2,86.72 | 10,72.18 | 8,68.68 |
| | | <u>2,15,82.47</u> | <u>2,44,31.38</u> | <u>2,65,76.68</u> |
| Current assets | | | | |
| a. Inventories | 10 | 38,04.02 | 30,91.17 | 29,30.57 |
| b. Financial assets | | | | |
| Trade receivables | 11 | 49,93.42 | 57,49.32 | 37,29.38 |
| Cash and cash equivalents | 12 | 2,40.26 | 2,83.08 | 1,58.86 |
| Other Bank balances | 13 | 16,90.77 | 5,35.35 | 4,96.98 |
| Loans | 14 | 16.63 | 16.01 | 22.20 |
| Other financial assets | 15 | 1,31.79 | 1,22.36 | 1,64.08 |
| c. Other current assets | 16 | 15,30.32 | 9,70.51 | 14,19.45 |
| Assets held for disposal | 17 | 9,19.38 | 2,22.69 | - |
| | | <u>1,33,26.59</u> | <u>1,09,90.49</u> | <u>89,21.52</u> |
| Total Assets | | <u>3,49,09.06</u> | <u>3,54,21.87</u> | <u>3,54,98.20</u> |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| a. Equity share capital | | 11,81.35 | 11,65.95 | 11,65.95 |
| b. Other equity | 18 | 67,74.63 | 56,90.25 | 69,70.03 |
| Equity attributable to owners of the Company | | <u>79,55.98</u> | <u>68,56.20</u> | <u>81,35.98</u> |
| Liabilities | | | | |
| Non-Current liabilities | | | | |
| a. Financial liabilities | | | | |
| Borrowings | 19 | 1,38,37.03 | 1,50,64.95 | 1,32,21.19 |
| Other financial liabilities | 20 | 6.57 | 6.57 | 6.57 |
| b. Provisions | 21 | 3,87.19 | 3,36.65 | 2,42.96 |
| | | <u>1,42,30.79</u> | <u>1,54,08.17</u> | <u>1,34,70.72</u> |
| Current liabilities | | | | |
| a. Financial liabilities | | | | |
| Borrowings | 23 | 34,97.34 | 43,76.07 | 45,20.81 |
| Trade payables | 24 | 55,84.62 | 48,87.10 | 39,94.33 |
| Other financial liabilities | 25 | 18,27.80 | 32,87.71 | 50,11.46 |
| b. Other current liabilities | 26 | 15,85.45 | 6,01.92 | 3,63.67 |
| c. Provisions | 21 | 2,27.08 | 4.70 | 1.23 |
| | | <u>1,27,22.29</u> | <u>1,31,57.50</u> | <u>1,38,91.50</u> |
| Total liabilities | | <u>2,69,53.08</u> | <u>2,85,65.67</u> | <u>2,73,62.22</u> |
| Total Equity and liabilities | | <u>3,49,09.06</u> | <u>3,54,21.87</u> | <u>3,54,98.20</u> |

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

In terms of our report of even date attached

For Walker Chandio & Co LLP

Chartered Accountants

For and on behalf of the Board

Sidharth Birla

Chairman

per Anamitra Das

Partner

New Delhi

May 24, 2018

S. C. Jain

Company Secretary

V. K. Agarwal

Joint President &
Chief Financial Officer

C. Bhaskar

Managing Director &
Chief Executive Officer

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the Year ended March 31, 2018

| | | Year ended March 31, 2018 | (Rs. in lakhs) Year ended March 31, 2017 |
|--|----|------------------------------|--|
| Income | | | |
| - Revenue from operations | 27 | 3,17,53.23 | 3,56,87.16 |
| - Other income | 28 | 4,97.86 | 3,94.31 |
| Total income | | 3,22,51.09 | 3,60,81.47 |
| Expenses | | | |
| - Cost of materials consumed | 29 | 2,14,94.01 | 2,10,83.04 |
| - Purchase of stock-in-trade | 29 | 2,50.80 | 6,32.96 |
| - Changes in inventories of finished goods & work-in-progress | 30 | 1,59.71 | 1,72.73 |
| - Excise Duty | | 10,09.37 | 37,52.33 |
| - Employee benefits expense | 31 | 23,28.59 | 24,87.99 |
| - Finance costs | 32 | 21,38.84 | 25,20.47 |
| - Depreciation and amortisation expense | 33 | 15,82.14 | 17,04.22 |
| - Other expenses | 34 | 44,24.14 | 49,51.14 |
| Total expenses | | 3,33,87.60 | 3,73,04.88 |
| (Loss) before exceptional items and tax | | (11,36.51) | (12,23.41) |
| Exceptional items | | 21,88.29 | - |
| Profit/(Loss) before tax | | 10,51.78 | (12,23.41) |
| Tax expense | | | |
| - Current tax | | 2,26.83 | 6.64 |
| - Deferred Tax | | (2,25.31) | - |
| Total Tax expense | | 1.52 | 6.64 |
| Profit/(Loss) for the year | | 10,50.26 | (12,30.05) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| - Remeasurement of defined benefit plans | | 0.50 | (48.38) |
| - Income tax relating to these items | | - | - |
| Other comprehensive income, net of tax | | 0.50 | (48.38) |
| Total comprehensive income for the year comprising Profit/(Loss) and other comprehensive income | | 10,50.76 | (12,78.43) |
| Profit/(Loss) for the year attributable to | | | |
| - Owners of the Company | | 10,50.26 | (12,30.05) |
| - Non-controlling interest | | - | - |
| Other comprehensive income for the year attributable to | | | |
| - Owners of the Company | | 0.50 | (48.38) |
| - Non-controlling interest | | - | - |
| Total comprehensive income for the year attributable to | | | |
| - Owners of the Company | | 10,50.76 | (12,78.43) |
| - Non-controlling interest | | - | - |
| Earnings per equity share (of Rs.10/- each) | 35 | | |
| - Basic (Rs.) | | 8.97 | (10.55) |
| - Diluted (Rs.) | | 8.97 | (10.55) |

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

In terms of our report of even date attached
For Walker Chandio & Co LLP
Chartered Accountants

For and on behalf of the Board

per **Anamitra Das**
Partner
New Delhi
May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

Sidharth Birla
Chairman

C. Bhaskar
Managing Director &
Chief Executive Officer

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STATEMENT OF CONSOLIDATED CASH FLOWS

For the Year ended March 31, 2018

| | Year ended March 31, 2018 | (Rs. in lakhs) Year ended March 31, 2017 |
|---|------------------------------|--|
| A. Cash flow from Operating Activities | | |
| Profit/(Loss) before tax | 10,51.78 | (12,23.41) |
| Adjustments for: | | |
| Depreciation and amortization expense | 15,82.14 | 17,04.22 |
| Remeasurement gain/(loss) on defined benefit plans | 0.50 | (48.38) |
| Exceptional items | (21,88.29) | - |
| Finance Costs | 21,38.84 | 25,20.47 |
| Interest income | (69.58) | (68.22) |
| Bad Debts | 33.08 | 4.80 |
| Liability/Provisions no longer required written back | (1,07.77) | (24.09) |
| Profit/(Loss) on Sale/Discard of Fixed Assets | (2.41) | (1.48) |
| Foreign currency translations (net) | (26.92) | (33.56) |
| Interest on income tax refund | - | (22.94) |
| Operating Profit/(Loss) before Working Capital changes | 24,11.37 | 28,07.41 |
| Adjustments for movement in Working Capital: | | |
| Trade & other receivables | 7,49.75 | (19,91.19) |
| Loans & advances and other assets | (27.25) | 20.36 |
| Inventories | (7,12.85) | (1,60.59) |
| Financial liabilities | 7,61.62 | 9,39.21 |
| Trade payables, other liabilities and provisions | (46.42) | 3,31.93 |
| Decrease/(increase) in other assets | 4,48.56 | 2,28.46 |
| Cash Generated from Operations | 35,84.78 | 21,75.59 |
| Direct Taxes paid (net of refunds) | (1,75.20) | 1,78.97 |
| Net Cash Flow from/(used in) Operating activities | 34,09.58 | 23,54.56 |
| B. Cash flow from Investing Activities | | |
| Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors) | (4,87.83) | (2,20.63) |
| Movement in deposit accounts | (11,55.42) | (38.36) |
| Proceeds from sale of property, plant and equipment | 44,01.34 | 6.28 |
| Interest Received | 73.28 | 70.32 |
| Net Cash Flow from/(used in) Investing Activities | 28,31.37 | (1,82.39) |
| C. Cash flow from Financing Activities | | |
| Proceeds from issue of shares | 47.51 | - |
| Proceeds from long term borrowings | (24,87.52) | (1,69.32) |
| Net proceeds/(repayment) of short term borrowings | (8,78.74) | (1,44.74) |
| Finance Costs | (29,57.29) | (17,28.81) |
| Unclaimed Dividend Paid | (7.73) | (5.07) |
| Net Cash Flow from/(used in) Financing activities | (62,83.77) | (20,47.94) |
| Net increase/(decrease) in Cash and Cash equivalents | (42.82) | 1,24.23 |
| Cash and Cash Equivalents at the beginning of the year | 2,83.08 | 1,58.85 |
| Cash and Cash Equivalents at the end of the year (refer Note 12) | 2,40.26 | 2,83.08 |

Notes: The Consolidated Cash Flow Statement has been prepared as per the "indirect method" set out in Ind AS 7 on Statement of Cash Flow.
The accompanying notes are an integral part of the consolidated financial statements.

In terms of our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

per Anamitra Das

Partner

New Delhi

May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

For and on behalf of the Board

Sidharth Birla
Chairman

C. Bhaskar
Managing Director &
Chief Executive Officer

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STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2018

(Rs. in lakhs)

A. Equity Share Capital

| Particulars | Number of shares | Amount |
|--|---------------------|----------|
| Balance as at April 1, 2016 | 1,16,59,500 | 11,65.95 |
| Changes in equity share capital during the year | - | |
| Balance as at March 31, 2017 | 1,16,59,500 | 11,65.95 |
| Changes in equity share capital during the year | | |
| Add: Employee Stock Option Plan (ESOP) exercised during the year | 1,54,000 | 15.40 |
| Balance as at March 31, 2018 | 1,18,13,500 | 11,81.35 |

B. Other equity

| Particulars | Reserves and surplus | | | | | Total |
|--|-------------------------------|-----------------------|--------------------|----------------------|---|------------|
| | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Foreign currency translation reserve | |
| Balance as at April 1, 2016 | 60.50 | 3,74.48 | 67,50.00 | (2,14.95) | - | 69,70.03 |
| Profit for the year | - | - | - | (12,30.05) | - | (12,30.05) |
| Remeasurement of defined benefit plans | - | - | - | (48.38) | - | (48.38) |
| Currency fluctuation on translation | - | - | - | - | (1.35) | (1.35) |
| Balance as at March 31, 2017 | 60.50 | 3,74.48 | 67,50.00 | (14,93.38) | (1.35) | 56,90.25 |
| Profit for the year | - | - | - | 10,50.26 | - | 10,50.26 |
| Remeasurement of defined benefit plans | - | - | - | 0.50 | - | 0.50 |
| Currency fluctuation on translation | - | - | - | - | 1.52 | 1.52 |
| Shares (ESOP) issued and allotted | - | 32.10 | - | - | - | 32.10 |
| Balance as at March 31, 2018 | 60.50 | 4,06.58 | 67,50.00 | (4,42.62) | (0.17) | 67,74.63 |

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

In terms of our report of even date attached

For Walker Chandiook & Co LLP

Chartered Accountants

For and on behalf of the Board

Sidharth Birla
Chairman

per Anamitra Das
Partner
New Delhi
May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

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Notes to the Consolidated 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, 2018

| <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, 2018, March 31, 2017 and March 31, 2016).

2. **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**

These financial statements have been prepared to comply with the Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. Financial statements for the year ended March 31, 2018 are the first to have been prepared in accordance with Ind AS. For all the periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the generally accepted accounting principles in India, including accounting standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The date of transition to Ind AS is April 1, 2016. The opening Balance Sheet as at April 1, 2016 and the financial statements for the year ended March 31, 2017 have been restated in accordance with Ind AS for comparative information. The Group followed the provisions of Ind AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's financial statements are provided in note 44.

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.

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 3(q) - Financial Instruments.

3. 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 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. 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 over the useful lives of assets as specified in Schedule II to the Act except where the management, based on independent technical assessment, depreciates certain assets over estimated useful lives which are different from the useful lives prescribed in the Schedule to the Act. The Group has used the remaining useful lives to compute depreciation on its property, plant and equipment, acquired under the business transfer agreement based on external technical evaluation.

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.

Transition to Ind AS

The Group has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continuing to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Accordingly, the carrying amount of property, plant and equipment as per the previous GAAP as at 1 April 2016, i.e. the Group's date of transition to Ind AS, was maintained on transition to Ind AS.

b. Intangible assets

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

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

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the 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. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

Transition to Ind AS

The Group has elected to avail the option under Ind AS 101 by not applying the provisions of Ind AS 16 retrospectively and continuing to use the previous GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Accordingly, the carrying amount of property, plant and equipment as per the previous GAAP as at 1 April 2016, i.e. the Group's date of transition to Ind AS, was maintained on transition to Ind AS.

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. Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on a FIFO basis. The cost of purchase consists of the purchase price including duties & taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition. Stock in Transit is valued at lower of cost and net realisable value. Scrap is valued at estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

f. 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 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.

g. 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.

h. 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.

i. 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.

j. Revenue recognition

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

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

Dividend Income: Dividend Income is recognized when the 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.

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.

k. 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.

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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 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.

i. Leases

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

m. 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

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.

n. 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.

o. 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.

p. Equity investment

Equity investments in joint ventures and 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.

q. 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 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.

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; and (b) Trade receivables under Ind AS 18.

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 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.

r. 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:

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. 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.

3. 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.

4. 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.

| 4. Property, plant and equipment | Particulars | (Rs. in lakhs) | | | | | | | | | |
|----------------------------------|-------------------------------------|----------------|----------------|-----------------|-------------------|----------------------|----------------|----------------------|----------------------|-------------------|--------------------------|
| | | Freehold land | Leasehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Computers & fittings | Equipment & fittings | Total | Capital work In-progress |
| Gross Block | | | | | | | | | | | |
| | Balance as at April 1, 2016 | 77.76 | 9.33.49 | 48,87.84 | 3,17,26.69 | 3,16.47 | 3,23.43 | 1,57.69 | 1,08.17 | 3,85,31.54 | 48.41 |
| | Additions | - | - | 9.14 | 34.79 | 3.35 | 79.20 | 6.62 | 4.65 | 1,37.75 | - |
| | Less: Transferred to disposal group | 77.76 | - | 2,75.31 | - | - | - | - | - | 3,53.07 | - |
| | Less: Disposals/Adjustments | - | - | 4,30.24 | - | - | 31.54 | 0.10 | - | 4,61.88 | (7.94) |
| | Balance as at March 31, 2017 | - | 9,33.49 | 46,21.67 | 3,13,31.24 | 3,19.82 | 3,71.09 | 1,64.21 | 1,12.82 | 37,854.34 | 40.47 |
| | Additions | - | - | 36.04 | 10,49.67 | 72.11 | 57.09 | 9.79 | 18.13 | 12,42.83 | 21.15 |
| | Less: Transferred to disposal group | - | 88.79 | 2,27.76 | 36,82.31 | 26.76 | - | 9.41 | 5.42 | 40,40.45 | - |
| | Less: Disposals/Adjustments | - | - | 0.48 | 4,62.19 | - | 96.44 | - | 0.49 | 5,59.60 | - |
| | Balance as at March 31, 2018 | - | 8,44.70 | 44,29.47 | 2,82,36.41 | 3,65.17 | 3,31.74 | 1,64.59 | 1,25.04 | 3,44,97.12 | 61.62 |
| Accumulated Depreciation | | | | | | | | | | | |
| | Balance as on April 1, 2016 | - | 1,52.65 | 7,03.91 | 1,25,29.19 | 1,86.04 | 1,31.24 | 1,36.30 | 83.59 | 1,39,22.92 | - |
| | Add: depreciation for the year | - | 16.32 | 1,47.71 | 14,50.15 | 17.61 | 42.03 | 10.26 | 7.59 | 16,91.67 | - |
| | Less: Transferred to disposal group | - | - | 1,30.39 | - | - | - | - | - | 1,30.39 | - |
| | Less: Disposals/Adjustments | - | - | - | - | - | 26.74 | 0.09 | - | 26.83 | - |
| | Balance as on March 31, 2017 | - | 1,68.97 | 7,21.23 | 1,39,79.34 | 2,03.65 | 1,46.53 | 1,46.47 | 91.18 | 1,54,57.37 | - |
| | Add: depreciation for the year | - | 10.89 | 1,44.41 | 13,41.26 | 22.78 | 35.82 | 6.84 | 12.01 | 15,74.01 | - |
| | Add: additional depreciation | - | - | - | 9,03.74 | - | - | - | - | 9,03.74 | - |
| | Less: Transferred to disposal group | - | 88.79 | 90.99 | 29,08.90 | 18.11 | - | 9.09 | 5.19 | 31,21.07 | - |
| | Less: Disposals/Adjustments | - | - | 0.14 | 4,30.88 | - | 68.66 | - | 0.46 | 5,00.14 | - |
| | Balance as on March 31, 2018 | - | 91.07 | 7,74.51 | 1,28,84.56 | 2,08.32 | 1,13.69 | 1,44.22 | 97.54 | 1,43,13.91 | - |
| | Balance as on March 31, 2018 | - | 7,53.63 | 36,54.96 | 1,53,51.85 | 1,56.85 | 2,18.05 | 20.37 | 27.50 | 2,01,83.21 | - |
| | Balance as on March 31, 2017 | - | 7,64.52 | 39,00.44 | 1,73,51.90 | 1,16.17 | 2,24.56 | 17.74 | 21.64 | 2,23,96.97 | - |
| | Balance as on April 1, 2016* | 77.76 | 7,80.84 | 41,83.93 | 1,91,97.50 | 1,30.43 | 1,92.19 | 21.39 | 24.58 | 2,46,08.62 | - |

*Represents deemed cost on the date of transmission to Ind AS. Gross block and accumulated depreciation from previous GAAP presented herein for clarity

Notes:

- Refer Note 19 for information on property, plant and equipment pledged as security by the Group;
- Refer note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Additional depreciation includes Rs.9,03.74 lakhs has been provided, on the basis of external valuation conducted by management, to reflect realisable value assessed as reasonable and fair on plant and equipment at the Pithampur and Faridabad units respectively;
- 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;
- Para D13AA of Appendix D - Exemptions from Ind AS of Ind AS 101 allows a first-time adopter to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly exchange differences on all long term monetary items resulted in an addition of Rs. 813.47 lakhs (March 31, 2017: deletion of Rs. 430.24 lakhs; April 1, 2016: addition of Rs.592.80 lakhs) to Gross Block of fixed assets; being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

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5. Intangible Assets

| | Computer Software | Technical knowhow | (Rs. in lakhs) Total |
|-----------------------------------|-------------------|-------------------|-------------------------|
| Gross Block | | | |
| Balance as at April 1, 2016 | 28.32 | 3,48.38 | 3,76.70 |
| Additions | - | - | - |
| Balance as at March 31, 2017 | 28.32 | 3,48.38 | 3,76.70 |
| Additions | - | - | - |
| Balance as at March 31, 2018 | 28.32 | 3,48.38 | 3,76.70 |
| Accumulated amortisation | | | |
| Balance as at April 1, 2016 | 27.05 | 1,62.02 | 1,89.07 |
| Add: Amortisation during the year | 1.27 | 11.28 | 12.55 |
| Balance as at March 31, 2017 | 28.32 | 1,73.30 | 2,01.62 |
| Add: Amortisation during the year | - | 8.13 | 8.13 |
| Add: additional amortisation | - | 1,66.95 | 1,66.95 |
| Balance as at March 31, 2018 | 28.32 | 3,48.38 | 3,76.70 |
| Balance as at April 1, 2016 * | 1.27 | 1,86.37 | 1,87.64 |
| Balance as at March 31, 2017 | - | 1,75.08 | 1,75.08 |
| Balance as at March 31, 2018 | - | - | - |

* Represents deemed cost on the date of transmission to Ind AS. Gross block and accumulated depreciation from previous GAAP presented herein for clarity;

Note: Additional amortisation includes Rs. 1,66.95 lakhs which has been provided, on the basis of external valuation conducted by management, to reflect realisable value assessed as reasonable and fair on technical knowhow at the Pithampur unit;

6. Loans (Non-current)

(Unsecured, considered good)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|--------------------|-------------------------|-------------------------|--|
| Security deposits | 2,41.58 | 2,14.50 | 2,17.30 |
| Loans to employees | 17.88 | 18.34 | 29.70 |
| Total | 2,59.46 | 2,32.84 | 2,47.00 |

7. Other financial assets (Non-current)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|--|-------------------------|-------------------------|--|
| VAT Subsidy (under Maharashtra Package Scheme of Incentives) | 73.51 | 1,93.47 | 1,36.88 |
| Total | 73.51 | 1,93.47 | 1,36.88 |

8. Non-current tax assets (net)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|---|-------------------------|-------------------------|--|
| Pre-paid taxes (net of provision for tax) | 2,50.37 | 78.10 | 2,37.18 |
| Total | 2,50.37 | 78.10 | 2,37.18 |

9. Other Non-current assets

(Unsecured, considered good)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|-------------------------------------|-------------------------|-------------------------|--|
| Capital advances | 1,37.18 | 21.12 | 16.05 |
| Pre-paid expenses | 1.16 | 2.61 | 2.60 |
| Balances with statutory authorities | 1,48.38 | 10,48.45 | 8,50.03 |
| Total | 2,86.72 | 10,72.18 | 8,68.68 |

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10. Inventories

(valued at lower of cost and net realisable value)

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
|-------------------|--------------------------------|--------------------------------|-------------------------------|
| Raw material | 23,18.68 | 15,65.08 | 12,82.83 |
| Work-in-progress | 5,55.57 | 5,69.35 | 5,66.68 |
| Finished products | 5,48.49 | 6,94.96 | 8,72.57 |
| Stores and spares | 3,78.31 | 2,59.35 | 2,08.26 |
| Stock-in-trade | 2.97 | 2.43 | 0.23 |
| Total | 38,04.02 | 30,91.17 | 29,30.57 |

Note: Inventory items have been valued as per accounting policy

11. Trade Receivables

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
|--|--------------------------------|--------------------------------|-------------------------------|
| Unsecured, considered good | 49,93.42 | 57,49.32 | 37,29.38 |
| Doubtful | - | - | - |
| | 49,93.42 | 57,49.32 | 37,29.38 |
| Less: allowance for doubtful receivables | - | - | - |
| Total | 49,93.42 | 57,49.32 | 37,29.38 |

12. Cash and cash equivalents

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
|--|--------------------------------|--------------------------------|-------------------------------|
| Balance with Banks in current accounts | 2,33.53 | 2,78.49 | 1,51.15 |
| Cash on hand | 6.73 | 4.59 | 7.71 |
| Total | 2,40.26 | 2,83.08 | 1,58.86 |

13. Other bank balances

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
|---|--------------------------------|--------------------------------|-------------------------------|
| Deposit accounts with original maturity of more than 3 months and less than 12 months * | 14,15.10 | 4,43.51 | 4,50.22 |
| Unclaimed dividend accounts ** | 25.06 | 32.79 | 37.85 |
| Earmarked balances with bank (held as margin money) | 2,50.61 | 59.05 | 8.91 |
| Total | 16,90.77 | 5,35.35 | 4,96.98 |

*includes restricted deposit of Rs.10,00.00 lakhs (March 31, 2017: Nil; April 1, 2016: Nil) in escrow account

** not due for deposit in Investor Education and Protection Fund

14. Loans (Current)

(Unsecured, considered good)

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
|--------------------|--------------------------------|--------------------------------|-------------------------------|
| Security deposits | 4.29 | 1.10 | - |
| Loans to employees | 12.34 | 14.91 | 22.20 |
| Total | 16.63 | 16.01 | 22.20 |

15. Other Current Financial Assets

(Unsecured, considered good)

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
|---|--------------------------------|--------------------------------|-------------------------------|
| VAT refund due (under Maharashtra Package Scheme of Incentives) | 1,20.00 | 1,06.88 | 1,45.74 |
| Interest accrued on fixed deposits | 11.79 | 15.48 | 18.34 |
| Total | 1,31.79 | 1,22.36 | 1,64.08 |

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16. Other current assets

(Unsecured, considered good)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|-------------------------------------|-------------------------|-------------------------|--|
| Advance to suppliers | 17.02 | 72.62 | 1,18.59 |
| Prepaid expenses | 78.57 | 55.61 | 58.75 |
| Balance with government authorities | 12,59.98 | 7,77.59 | 12,19.54 |
| Other receivable | 1,74.75 | 64.69 | 22.57 |
| Total | 15,30.32 | 9,70.51 | 14,19.45 |

Notes:

(a) The management assesses the fair value of these financial assets not to be materially different from the amounts recognised in the financial statements;

(b) Balance with government authorities represents good and service tax (earlier cenvat and service tax) paid on capital goods and inputs (earlier capital goods and input materials and services) utilized/consumed by the company and eligible for utilisation towards discharge of goods and service tax (earlier cenvat and service tax liability) in respect of supplies and 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.

17. Assets held for sale

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|-------------------------------|-------------------------|-------------------------|--|
| Property, plant and equipment | 9,19.38 | 2,22.69 | - |
| Total | 9,19.38 | 2,22.69 | - |

The management decided, during the year ended March 31, 2018, to sell or otherwise dispose non-core asset being Pithampur Unit of the Group, and obtained necessary shareholder and bank approvals. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Pithampur Unit (March 31, 2017 Faridabad Unit) are presented as 'Assets held for sale' separately from other assets in the balance sheet. These assets are expected to be sold during 2018-19. Assets classified as held for sale as at March 31, 2017 have been sold during the year. Under previous GAAP, the Group disclosed the property, plant and equipment held for sale under 'Other current assets' in accordance with AS 10 - Accounting for fixed assets.

18. a) Equity Share Capital

For disclosures please refer Notes to standalone financial statements

b) Other Equity

| Particulars | Reserves and surplus | | | | | Total |
|--|-------------------------|--------------------|-----------------|-------------------|--------------------------------------|-----------------|
| | Capital subsidy reserve | Securities premium | General reserve | Retained earnings | Foreign currency translation reserve | |
| Balance as at April 1, 2016 | 60.50 | 3,74.48 | 67,50.00 | (2,14.95) | - | 69,70.03 |
| Profit for the year | - | - | - | (12,30.05) | - | (12,30.05) |
| Remeasurement of defined benefit plans | - | - | - | (48.38) | - | (48.38) |
| Currency fluctuation on translation | - | - | - | - | (1.35) | (1.35) |
| Balance as at March 31, 2017 | 60.50 | 3,74.48 | 67,50.00 | (14,93.38) | (1.35) | 56,90.25 |
| Profit for the year | - | - | - | 10,50.26 | - | 10,50.26 |
| Remeasurement of defined benefit plans | - | - | - | 0.50 | - | 0.50 |
| Currency fluctuation on translation | - | - | - | - | 1.52 | 1.52 |
| Shares (ESOP) issued and allotted | - | 32.10 | - | - | - | 32.10 |
| Balance as at March 31, 2018 | 60.50 | 4,06.58 | 67,50.00 | (4,42.62) | (0.17) | 67,74.63 |

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Nature and purpose of reserves

a) Capital subsidy reserve

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

b) Securities premium 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;

e) Foreign currency translation reserve

Represents currency fluctuation on translation over the years;

19. Non-current financial liabilities - Borrowings

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|-----------------------------------|-------------------------|-------------------------|--|
| <u>Loans from banks - Secured</u> | | | |
| Term loans | 91,98.46 | 1,02,52.34 | 84,70.06 |
| Foreign currency borrowings | 46,23.90 | 47,87.31 | 47,26.41 |
| Vehicle loans | 14.67 | 25.30 | 24.72 |
| Total | 1,38,37.03 | 1,50,64.95 | 1,32,21.19 |

- a. Term loan from State Bank of India, outstanding Rs.3,71.00 lakhs (previous year: Rs.3,95.66 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.3.00 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.10.00 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.12.00 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12.50 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.13.00 lakhs had been paid in advance;
- b. Term Loan from Punjab National Bank, outstanding Rs.6,65.75 lakhs (previous year: Rs.9,50.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.7.25 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.24.00 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.28.75 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30.00 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.2,55.25 lakhs had been paid in advance;
- c. ECB from Bremer Kreditbank AG ('BKB Bank') (formerly known as KBC Bank Deutschland AG), in the nature of term loan, outstanding €6,804,016.00; equivalent to Rs.55,48.66 lakhs (previous year: €7,938,018.72; equivalent to Rs.55,85.19 lakhs), carrying interest linked to Euribor has been rescheduled, is now 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;
- d. Term Loan from State Bank of India, outstanding Rs.19,19.75 lakhs (previous year: Rs.20,49.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.15.50 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.51.75 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.62.00 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64.75 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.67.25 lakhs had been paid in advance;
- e. Term Loan from State Bank of India, outstanding Rs.14,05.06 lakhs (previous year: Rs.15,84.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.12.00 lakhs each

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- starting from April 2017; (ii) 4 quarterly instalments of Rs.40.00 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.48.00 lakhs each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50.00 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.1,30.94 lakhs had been paid in advance;
- f. Term Loan from State Bank of India, outstanding Rs.15,36.00 lakhs (previous year: Rs.16,40.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.12.50 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.41.50 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.49.75 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51.75 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.54.00 lakhs had been paid in advance;
- g. Term Loan from Allahabad Bank, outstanding Rs.14,39.76 lakhs (previous year: Rs.15,00.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 2 quarterly instalments of Rs.7.50 lakhs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.11.25 lakhs each starting from April 2017; (iii) 4 quarterly instalments of Rs.37.50 lakhs each starting from April 2018 (iv) 12 quarterly instalments of Rs.44.50 lakhs each starting from April 2019 & (v) 16 quarterly instalments of Rs.47.25 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.0.24 lakhs had been paid in advance;
- h. Corporate Loan from State Bank of India outstanding Rs.1,73.29 lakhs (previous year: Rs.5,21.00 lakhs) carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.4.00 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.13.25 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.15.75 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16.50 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.3,31.71 lakhs had been paid in advance;
- i. Corporate Loan from State Bank of India, outstanding Rs.13,32.59 lakhs (previous year: Rs.14,85.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.11.25 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.37.50 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.45.00 lakhs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47.00 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.1,07.41 lakhs had been paid in advance;
- j. Corporate Loan from State Bank of India, outstanding Rs.3,38.00 lakhs (previous year: Rs.3,61.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 4 quarterly instalments of Rs.2.75 lakhs each starting from April 2017; (ii) 4 quarterly instalments of Rs.9.25 lakhs each starting from April 2018; (iii) 12 quarterly instalments of Rs.11.00 lakhs each starting from April 2019 & (v) 16 quarterly instalments of Rs.11.50 lakhs 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 BKB Bank) of the Company & second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.12.00 lakhs had been paid in advance;
- k. Corporate Loan from Allahabad Bank, outstanding Rs.4,07.00 lakhs (previous year: Rs.9,70.00 lakhs), carrying interest linked to the bank's MCLR, has been rescheduled, is now repayable in (i) 2 quarterly instalments of Rs.4.45 lakhs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.6.65 lakhs each starting from April 2017; (iii) 4 quarterly instalments of Rs.22.15 lakhs each starting from April 2018 (iv) 12 quarterly instalments of Rs.26.30 lakhs each starting from April 2019 & (v) 16 quarterly instalments of Rs.27.90 lakhs 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.4,43.50 lakhs had been paid in advance;

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- l. Working Capital Term Loan from State Bank of India, outstanding Rs.1,25.50 lakhs (previous year: Rs. 1,50.00 lakhs), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3.75 lakhs each starting from April 2017; (ii) 8 quarterly instalments of Rs.5.75 lakhs each starting from April 2018; (iii) 4 quarterly instalments of Rs.6.75 lakhs each starting from April 2020; & (iii) 8 quarterly instalments of Rs.7.75 lakhs each starting from April 2021, 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.9.50 lakhs had been paid in advance;
- m. Working Capital Term Loan from State Bank of India, outstanding Rs.1,04.38 lakhs (previous year: Rs. 1,37.48 lakhs), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3.53 lakhs each starting from April 2017 (ii) 8 quarterly instalments of Rs.5.29 lakhs each starting from April 2018; (iii) 4 quarterly instalments of Rs.6.17 lakhs each starting from April 2020 & (iv) 8 quarterly instalments of Rs.7.05 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.18.99 lakhs had been paid in advance;
- n. Working Capital Term Loan from Punjab National Bank, outstanding Rs.23.97 lakhs (previous year: Rs. 28.28 lakhs), carrying interest linked to the bank's MCLR is now repayable in (i) 4 quarterly instalments of Rs.0.73 lakhs each starting from April 2017; (ii)8 quarterly instalments of Rs.1.09 lakhs each starting from April 2018; (iii) 4 quarterly instalments of Rs.1.27 lakhs each starting from April 2020 & (iv) 8 quarterly instalments of Rs.1.45 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.1.41 lakhs had been paid in advance;
- o. Working Capital Term Loan from State Bank of India, outstanding Rs.82.02 lakhs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i)2 quarterly instalments of Rs.1.50 lakhs each starting from October, 2016 (ii) 4 quarterly instalments of Rs.2.50 lakhs each starting from April 2017; (iii) 8 quarterly instalments of Rs.4.00 lakhs each starting from April 2018 (iv) 4 quarterly instalments of Rs.4.75 lakhs starting from April, 2020 & (v) 8 quarterly instalments of Rs.5.50 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.12.98 lakhs had been paid in advance;
- p. Working Capital Term Loan from Allahabad Bank, outstanding Rs.1,42.60 lakhs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i)2 quarterly instalments of Rs.2.00 lakhs each starting from October, 2016 (ii) 4 quarterly instalments of Rs.4.00 lakhs each starting from April 2017; (iii) 8 quarterly instalments of Rs.6.00 lakhs each starting from April 2018 (iv) 4 quarterly instalments of Rs.7.25 lakhs each starting from April 2020 & (v) 8 quarterly instalments of Rs.8.25 lakhs each starting from April 2021 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 BKB Bank) of the Company and second charge on all the current assets of the Company ranking pari-passu with other term lenders. As on March 31, 2018, Rs.0.40 lakhs had been paid in advance;
- q. Vehicle Loan(s) of Rs.51.33 lakhs (previous year: Rs.58.30 lakhs) carrying interest linked to the bank's Base Rate, repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles;
- r. Lenders retain the right to recompense for NPV loss amount of Rs. 3,65.00 lakhs arising on rescheduling of term loans;
- s. There has been no default in servicing of loans as at the end of the year.
- t. Rs.3,06.87 lakhs, (March 31, 2017: Rs.2,66.06 lakhs; April 1, 2016: Rs.3,27.57 lakhs) has been adjusted against long term borrowings being adjustments on account of adoption of Ind AS (refer Note 47).

20. Non-current financial liabilities - Others

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|-------------------|--------------------------------|--------------------------------|---|
| Security Deposits | 6.57 | 6.57 | 6.57 |
| Total | 6.57 | 6.57 | 6.57 |

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21. Provisions

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|--|-------------------------|-------------------------|--|
| Non-current | | | |
| Gratuity - Non-current (refer Note 36 A) | 3,87.19 | 3,36.65 | 2,38.68 |
| Leave encashment - Non-current | - | - | 4.28 |
| | 3,87.19 | 3,36.65 | 2,42.96 |
| Current | | | |
| Provision for taxation | 2,27.08 | 4.70 | 1.23 |
| | 2,27.08 | 4.70 | 1.23 |

22. Deferred tax liabilities (net)

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. The Group has taken strategic steps to rationalize and improve operations including through discontinuing un-economic activities and impact of these steps have started bearing positive results. However, as a matter of abundant caution, deferred tax assets have been recognized only to the extent of deferred tax liability.

Unrecognised deferred tax assets/liabilities (net) :

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|--|-------------------------|-------------------------|--|
| Deferred tax liability | | | |
| Fixed assets: | 7,47.00 | 10,34.00 | 8,99.00 |
| Impact of difference between Book and Tax Depreciation | - | - | - |
| Gross deferred tax liability | 7,47.00 | 10,34.00 | 8,99.00 |
| Deferred tax assets | | | |
| Carried forward of losses | 31,16.00 | 30,85.82 | 26,11.75 |
| Expenses deductible on payment basis | 1,13.00 | 1,04.00 | 74.00 |
| Gross deferred tax assets | 32,29.00 | 31,89.82 | 26,85.75 |
| Deferred tax assets recognized | 7,47.00 | 10,34.00 | 8,99.00 |
| Net deferred tax liability | - | - | - |

The carry forward tax losses as at March 31, 2018, March 31, 2017 and April 1, 2016 expire as follows:-

| Loss for the tax Assessment year ended | Losses with expiry | | Losses with no expiry |
|--|----------------------|----------------|-------------------------------------|
| | Tax loss Rs.Lakhs | Expires on | Unabsorbed depreciation Rs.Lakhs |
| 2013-14 | - | - | 2,41.04 |
| 2014-15 | 3,73.87 | March 31, 2023 | 9,18.52 |
| 2015-16 | - | - | 33,27.42 |
| 2016-17 | 6,43.72 | March 31, 2025 | 28,47.70 |
| 2017-18 | - | - | 15,34.20 |

Reconciliation of tax and book profit

| | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Profit before tax | 10,51.78 | (12,23.41) |
| Tax rate (%) | 34.61 | 34.61 |
| Tax expense at above rate | 3,64.02 | Nil |
| Tax impact of utilisation of brought forward losses | (3,64.02) | - |
| Tax expense | - | - |

Tax effects of amounts which are not deductible (taxable) in calculating taxable income

| | | |
|----------------------------|----------|------|
| Tax payable | 226.83 | 6.64 |
| Less : MAT credit utilised | (225.31) | - |
| Income tax expense | 1.52 | 6.64 |

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23. Current financial liabilities - Borrowings

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|---------------------------------|--------------------------------|--------------------------------|---|
| Secured | | | |
| Working capital loan from banks | 34,97.34 | 41,76.07 | 45,20.81 |
| Unsecured | | | |
| Loans from related parties | - | 1,00.00 | - |
| Loans from others | - | 1,00.00 | - |
| Total | 34,97.34 | 43,76.07 | 45,20.81 |

- a) Working Capital loans to the Holding Company, payable on demand, 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; and carries interest linked to Bank's MCLR.
- b) Working Capital loans to the Subsidiary (Xpro Global Limited), from bank carrying interest linked to bank's MCLR is repayable on demand and is secured by hypothecation of the entire stocks of the Subsidiary's current assets including inventories and receivables.
- c) Loan from related party to the Holding Company carries interest at 10 % per annum and is repayable on demand;
- d) Loan from others to the Holding Company carries interest at 12 % per annum and is repayable on demand;

24. Current financial liabilities – Trade payables

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|--|--------------------------------|--------------------------------|---|
| Trade payables | | | |
| Dues to Micro and Small Enterprises | - | - | - |
| Dues to creditors other than micro and small enterprises | 35,41.35 | 33,62.19 | 26,99.49 |
| Acceptances | 20,43.27 | 15,24.91 | 12,94.84 |
| Total | 55,84.62 | 48,87.10 | 39,94.33 |

- a) There are no dues to Micro and Small Enterprises, determined to the extent such parties have been identified on the basis of information available with the Group, as at March 31, 2018, March 31, 2017 and April 1, 2016 which require disclosure under the Micro, Small and Medium Enterprises Development Act, 2006. This has been relied upon by the Auditors. Refer Note 43 for information about credit risk and market risk of Trade payables.
- 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 39.

25. Current financial liabilities – Others

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|--|--------------------------------|--------------------------------|---|
| Current maturities of long-term borrowings (refer note 19) | 15,22.76 | 20,83.88 | 45,27.21 |
| Creditors for capital expenditure | 10.53 | 39.46 | 1,28.82 |
| Interest accrued and due | 1,02.53 | 8,91.50 | 1,32.94 |
| Interest accrued but not due | 35.70 | 65.19 | 32.09 |
| Unclaimed dividend * | 25.06 | 32.79 | 37.85 |
| Employees payables | 1,15.96 | 1,02.51 | 100.48 |
| Security deposit received | 5.73 | 6.17 | 20.40 |
| Others | 9.53 | 66.21 | 31.67 |
| Total | 18,27.80 | 32,87.71 | 50,11.46 |

* does not include any sum due to be transferred to Investor Education & Protection Fund

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26. Other current liabilities

| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | (Rs. in lakhs) As at <u>April 1, 2016</u> |
|---|--------------------------------|--------------------------------|---|
| Advance from customer | 19.43 | 56.10 | 49.60 |
| Statutory dues payable | 2,26.02 | 2,86.32 | 3,14.07 |
| Advance against sale of plant & machinery | 13,40.00 | 2,59.50 | - |
| Total | 15,85.45 | 6,01.92 | 3,63.67 |

27. Revenue from operations

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|---------------------------------|-------------------------------------|--|
| Sale of products | | |
| - Finished goods | 3,10,36.83 | 3,41,57.94 |
| - Traded goods | 3,06.65 | 7,99.18 |
| Other operating income | | |
| - Scrap sale | 4,05.01 | 6,73.17 |
| - Export incentives and margins | 4.74 | 6.05 |
| - Processing charges | - | 50.82 |
| Total | 3,17,53.23 | 3,56,87.16 |

28. Other income

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|--|-------------------------------------|--|
| Interest on | | |
| - Fixed deposits | 33.97 | 32.69 |
| - Others | 35.61 | 35.52 |
| - Income tax refund | - | 22.94 |
| Other non-operating income | | |
| - Insurance claim received | 1,05.13 | 80.47 |
| - Foreign currency transactions (net) | 26.92 | 33.56 |
| - Excess provision written back | 1,07.77 | 24.09 |
| - Profit on sale of other fixed assets | 2.41 | 1.48 |
| - Refund of sales tax | - | 1,41.19 |
| - Miscellaneous income | 1,86.05 | 22.37 |
| Total | 4,97.86 | 3,94.31 |

29. Cost of materials consumed

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|---|-------------------------------------|--|
| Inventories at the beginning of the year | 15,65.08 | 12,82.83 |
| add: Purchases during the year | 2,24,66.55 | 2,15,79.37 |
| less: Discounts received | 2,18.94 | 2,14.08 |
| less: Inventories at the end of the year | 23,18.68 | 15,65.08 |
| Cost of Materials Consumed | 2,14,94.01 | 2,10,83.04 |
| <u>Details of Materials Consumed</u> | | |
| Thermoplastic Resins | 2,14,54.57 | 2,09,77.70 |
| Others | 39.44 | 1,05.34 |
| Purchase of stock-in-trade | 2,50.80 | 6,32.96 |

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30. Changes in inventories of finished goods, work-in-progress and stock-in-trade

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|--|-------------------------------------|--|
| Inventories at the beginning of the year | | |
| - Finished goods | 6,94.96 | 8,72.57 |
| - Work-in-progress | 5,69.35 | 5,66.68 |
| - Stock-in-trade | <u>2.42</u> | <u>0.22</u> |
| | 12,66.73 | 14,39.47 |
| Inventories at the end of the year | | |
| - Finished goods | 5,48.49 | 6,94.97 |
| - Work-in-progress | 5,55.56 | 5,69.35 |
| - Stock-in-trade | <u>2.97</u> | <u>2.42</u> |
| | <u>11,07.02</u> | <u>12,66.74</u> |
| Net decrease | <u>1,59.71</u> | <u>1,72.73</u> |

31. Employees benefits expense

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|---|-------------------------------------|--|
| Salaries, Wages & Bonus | 19,50.37 | 20,32.51 |
| Contribution to provident and other funds | 2,33.89 | 2,88.12 |
| Staff welfare expenses | <u>1,44.33</u> | <u>1,67.36</u> |
| Total | <u>23,28.59</u> | <u>24,87.99</u> |

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 36

32. Finance costs

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|---|-------------------------------------|--|
| Interest expense on borrowings measured at amortised cost | 12,99.37 | 16,91.03 |
| Interest expense on defined benefit obligation | 76.83 | 68.65 |
| Other borrowing costs | 5,84.56 | 5,78.80 |
| Other charges | <u>1,78.08</u> | <u>1,81.99</u> |
| Total | <u>21,38.84</u> | <u>25,20.47</u> |

33. Depreciation and amortisation expenses

| | Year ended <u>March 31, 2018</u> | (Rs.in lakhs) Year ended <u>March 31, 2017</u> |
|-----------------------------------|-------------------------------------|--|
| Depreciation on tangible assets | 15,74.01 | 16,91.67 |
| Amortisation of intangible assets | <u>8.13</u> | <u>12.55</u> |
| Total | <u>15,82.14</u> | <u>17,04.22</u> |

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34. Other expenses

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|--|------------------------------|---|
| Consumption of Stores, Spares and Packing Material | 7,03.86 | 7,04.41 |
| (Increase)/decrease of Excise Duty on inventory | (87.18) | 18.59 |
| Processing charges | 86.20 | 67.00 |
| Power & Fuel | 21,28.05 | 24,42.23 |
| Rent | 59.71 | 53.12 |
| Repairs to: | | |
| - Buildings | 11.97 | 26.68 |
| - Plant & Machinery | 1,78.69 | 1,88.89 |
| - Others | 28.75 | 39.68 |
| Communication | 30.76 | 32.51 |
| Director's Fees | 23.54 | 21.50 |
| Insurance | 55.24 | 65.44 |
| Professional & Legal | 75.67 | 55.50 |
| Rates & Taxes | 42.62 | 47.62 |
| Freight outward | 4,00.18 | 4,51.24 |
| Travelling and conveyance | 1,22.77 | 1,30.78 |
| Rebate and commission | 78.86 | 1,12.43 |
| Payment to Auditors (refer note 'a' below) | 18.95 | 17.84 |
| Other selling expenses | 24.59 | 59.88 |
| Claims for damage | - | 1.61 |
| Bad debts | 33.08 | 4.80 |
| Miscellaneous expenses | 4,07.83 | 4,09.39 |
| Total | 44,24.14 | 49,51.14 |

a) Payment to auditors

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|-----------------------------|------------------------------|---|
| To Statutory Auditors | | |
| - As Auditors | 13.00 | 8.50 |
| - For other services | - | 4.50 |
| - Reimbursement of expenses | 5.95 | 4.84 |
| | 18.95 | 17.84 |

35. Earnings per share (EPS)

| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|--|------------------------------|---|
| a) Profit/(loss) for the year attributable to equity shareholders (A) | 1050.26 | (1230.05) |
| b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS | 1,17,08,008 | 1,16,59,500 |
| Dilutive impact of stock options | - | 1,54,000 |
| Weighted average number of equity shares outstanding during the year for computation of Diluted EPS | 1,17,08,008 | 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.) | 8.97 | (10.55) |
| Dilutive earnings per equity share (face value Rs.10 each)(A/B) (Rs.) | 8.97 | (10.55) |

Note: there are no dilutive shares as on March 31, 2018; In the previous year, the potential dilutive shares were non-dilutive in nature.

36. Employee benefits

- A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's consolidated financial statements as at balance sheet date :

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| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|---|------------------------------|---|
| (i) Asset/(Liability) recognised in Balance Sheet | | |
| Present value of the obligation at end of the year | 8,09.09 | 7,43.01 |
| Fair value of plan assets | 4,21.90 | 4,06.36 |
| Net assets/(liability) recognised in balance sheet as provision | 3,87.19 | 3,36.65 |
| (ii) Amount recognised in the statement of profit and loss is as under: | | |
| Current service cost | 41.41 | 40.87 |
| Net interest cost | 24.81 | 21.73 |
| Expense recognised in the income statement | 66.22 | 62.60 |
| (iii) Amount recognised in other comprehensive income is as under: | | |
| Actuarial gain/(loss) for the year on defined benefit obligation | 2.10 | 60.72 |
| Actuarial gain/(loss) for the year on plan assets | (2.60) | (12.34) |
| Total actuarial gain/(loss) for the year | (0.50) | 48.38 |
| (iv) Movement in the liability recognised in the balance sheet is as under: | | |
| Present value of defined obligation as at start of the year | 743.01 | 786.67 |
| Current service cost | 41.41 | 40.87 |
| Interest cost | 53.50 | 51.13 |
| Actuarial loss/(gain) recognised during the year | 2.10 | 60.72 |
| Benefits paid | (30.93) | (1,96.38) |
| Present value of defined benefit obligation as at the end of the year | 8,09.09 | 7,43.01 |
| (v) Movement in the plan assets recognised in the balance sheet is as under: | | |
| Fair value of plan assets at beginning the year | 4,06.36 | 5,47.98 |
| Expected return on plan assets | 28.69 | 37.32 |
| Employer's contribution | 8.70 | 3.65 |
| Benefits paid | (24.45) | (1,94.93) |
| Actuarial gain/(loss) on plan assets | 2.60 | 12.34 |
| Fair value of plan assets at the end of the year | 4,21.90 | 4,06.36 |
| Actual return on plan assets | 31.29 | 49.66 |
| (vi) Breakup of actuarial (gain)/loss on defined benefit obligation: | | |
| Actuarial (gain)/loss on arising from change in financial assumption | (16.76) | 44.72 |
| Actuarial (gain)/loss on arising from experience adjustment | 18.86 | 16.00 |
| Total actuarial (gain)/loss for the year | 2.10 | 60.72 |
| (vii) Actuarial assumptions: | | |
| Discount rate (%) | 7.20 | 6.50 |
| Future salary increase (%) | 6.00 | 6.00 |
| Expected average remaining working lives of employees (years) | 4.50 | 5.50 |
| 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 (2006-08) 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. | | |
| (viii) Sensitivity analysis for gratuity liability | | |
| Impact of the change in discount rate | | |
| Effect on present value of gratuity obligation | | |
| - Impact due to increase of 1 % | (24.09) | (27.22) |
| - Impact due to decrease of 1 % | 27.11 | 30.73 |
| Impact of the change in salary increase | | |
| Effect on present value of gratuity obligation | | |
| - Impact due to increase of 1 % | 27.16 | 30.57 |
| - Impact due to decrease of 1 % | (24.57) | (27.59) |

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| | Year ended March 31, 2018 | (Rs.in lakhs) Year ended March 31, 2017 |
|--|------------------------------|---|
| (ix) Expected (undiscounted) benefit payments in future years | | |
| Projections are for current members and their currently accumulated benefits | | |
| Year- 1 | 1,13.33 | 95.45 |
| Year- 2 | 11.31 | 32.56 |
| Year- 3 | 12.43 | 7.06 |
| Year- 4 | 12.55 | 11.40 |
| Year- 5 | 28.61 | 11.23 |
| Year- 6 to Year- 10 | 17.50 | 26.67 |
| (x) Category of plan assets | | |
| LIC managed fund | 100 % | 100 % |

B. Compensated absence:

The leave obligations cover the Company's liability for earned leave. The liability towards compensated absences for the year ended March 31, 2018 based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution in the plan assets has resulted in a net asset of Rs.54.20 lakhs (as on March 31, 2018) and Rs.24.91 lakhs (as on March 31, 2017) which has been shown under financial assets under consolidated Financial Statements.

37. Contingent Liabilities and Commitments (to the extent not provided for)

| | As at March 31, 2018 | As at March 31, 2017 | (Rs. in lakhs) As at April 1, 2016 |
|---|-------------------------|-------------------------|--|
| Contingent Liabilities | | | |
| Claims against the Company, not acknowledged as debt | 2.50 | 2.50 | 2.50 |
| Sales tax, Excise & Customs matters under appeal | 5,42.22 | 5,54.22 | 4,68.35 |
| Entry tax under appeal | - | 1,91.59 | 1,35.21 |
| Others | 36.68 | 15.77 | 20.43 |
| Bills discounted | 3,41.32 | 1,99.36 | 3,53.86 |
| (In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote) | | | |
| Commitments | | | |
| Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) | 3,22.46 | 46.22 | 17.00 |

38. Leases

The Company has entered into various agreements of cancellable operating lease for factory premises, and offices; rent amounting to Rs. 59.71 lakhs (Rs. 53.12 lakhs for the year ending March 31, 2017) has been debited to statement of profit and loss for the year ending 31 March 2018.

39. 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. Promoter companies
 - 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) Market Café Foods Limited;
 - c) Prosperous Healthy Life Pvt. Ltd.;
 - d) Tanjore Partners LLP;

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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) Ms Nandini Khaitan;
(iv) Sri P Murari;
(v) Sri Utsav Parekh;
(vi) Sri S Ragothaman
c) Non-executive Non-Independent Directors:
(i) Smt Madhushree Birla
d) (i) Sri V K Agarwal, *Jt. President & CFO*
(ii) Sri S C Jain, *Company Secretary*

B. Transactions with Related Parties:

| <u>Related Party</u> | <u>Nature of transaction</u> | (Rs.in lakhs) | |
|--|---|-----------------------|-----------------------|
| | | <u>Year ended</u> | |
| | | <u>March 31, 2018</u> | <u>March 31, 2017</u> |
| iPro Capital Limited | Aggregate of short-term inter-corporate deposits received from time to time | 3.00 | 2.00 |
| | Aggregate ICD repayments | 4.00 | 1.00 |
| | Outstanding amount at year end | - | 1.00 |
| | Interest paid on inter-corporate deposits | 12.05 | 2.61 |
| Xpro India Limited Employees Provident Fund Trust | Employer's contribution to post employment benefit fund | 54.44 | 43.75 |
| Xpro India Limited Senior Officers Superannuation Fund | Contribution to post employment benefit fund (with LIC) | 38.20 | 39.71 |
| Xpro India Limited Employees Gratuity Fund | Contribution to post employment benefit fund (with LIC) | | |
| Market Café Foods Limited | Purchase of property, plant and equipment | - | 2.04 |
| Xpro India Limited Employees Provident Fund Trust | P F Contribution | 54.44 | 43.75 |
| Sri Sidharth Birla | Remuneration (including leave encashment) | 1,18.60 | 89.56 |
| | Sitting Fees | 0.02 | 0.02 |
| Sri C Bhaskar | Remuneration (including leave encashment) | 1,16.57 | 88.98 |
| | Sitting Fees | 0.02 | 0.03 |
| Sri Amitabha Guha | Sitting Fees | 5.20 | 3.30 |
| Sri Ashok Kumar Jha | Sitting Fees | 3.30 | 3.60 |
| Ms Nandini Khaitan | Sitting Fees | 3.00 | 2.50 |
| Sri P Murari | Sitting Fees | 1.05 | 2.35 |
| Sri Utsav Parekh | Sitting Fees | 2.70 | 2.55 |
| Sri S Ragothaman | Sitting Fees | 4.52 | 2.92 |
| Smt Madhushree Birla | Sitting Fees | 2.00 | 2.50 |
| Sri V K Agarwal | Remuneration | 53.31 | 45.73 |
| Sri S C Jain | Remuneration | 37.30 | 30.85 |

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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40. Exceptional items

Exceptional items of Rs.2188.29 lacs represents gain of Rs.3258.98 Lacs on sale of non-core assets located at Kolkata and Faridabad, net of additional depreciation/write-down on fixed assets (to reflect realisable value assessed as reasonable and fair) of Rs.824.99 lacs and Rs.245.70 lacs at Pithampur and Faridabad unit respectively.

41. 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. 1,89,54.61 lakhs (previous year; Rs. 1,69,32.66 lakhs) was derived from external customers each accounting for over ten percent of the revenue.

42. 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.

43. Financial risk management

i) Financial instrument by category

(Rs. in lakhs)

| Particulars | March 31, 2018 | | | March 31, 2017 | | | April 1, 2016 | | |
|-------------------------------|----------------|------------|----------------|----------------|------------|----------------|---------------|-------|----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | | | | |
| - Trade receivable | | 49,93.42 | | | 57,49.32 | | | | 37,29.38 |
| - Cash and cash equivalent | | 2,40.26 | | | 2,83.08 | | | | 1,58.86 |
| - Other Bank balances | | 16,90.77 | | | 5,35.35 | | | | 4,96.98 |
| - Loans | | 2,76.09 | | | 2,48.85 | | | | 2,69.20 |
| - Other financial assets | | 2,05.30 | | | 3,15.83 | | | | 3,00.96 |
| Total | | 74,05.84 | | | 71,32.43 | | | | 49,55.38 |
| Financial liabilities | | | | | | | | | |
| - Borrowings | | 1,73,34.37 | | | 1,94,41.02 | | | | 1,77,42.00 |
| - Trade payables | | 55,84.62 | | | 48,87.10 | | | | 39,94.33 |
| - Other financial liabilities | | 18,34.37 | | | 32,94.28 | | | | 50,18.03 |
| Total | | 2,47,53.36 | | | 2,76,22.40 | | | | 2,67,54.36 |

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

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> | <u>(Rs. in lakhs)</u> | | |
|----------------------|---|---------------------------------------|---------------------------------------|--------------------------------------|
| | | <u>As at</u> <u>March 31, 2018</u> | <u>As at</u> <u>March 31, 2017</u> | <u>As at</u> <u>April 1, 2016</u> |
| Low credit risk | Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets | 74,05.84 | 71,32.43 | 49,55.38 |

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 other than trade receivables 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.

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| <u>Particulars</u> | <u>Estimated gross carrying amount at default</u> | <u>Expected probability of default</u> | <u>Expected credit losses</u> | <u>Rs. In lakhs</u> <u>Carrying amount net of impairment provision</u> |
|--------------------------------|---|--|-------------------------------|---|
| March 31, 2018 | | | | |
| Loans | 2,76.09 | 0 % | - | 2,76.09 |
| Trade receivables | 49,93.42 | 0 % | - | 49,93.42 |
| Cash and cash equivalents | 2,40.26 | 0 % | - | 2,40.26 |
| Bank balances other than above | 16,90.77 | 0 % | - | 16,90.77 |
| Other financial assets | 2,05.30 | 0 % | - | 2,05.30 |
| March 31, 2017 | | | | |
| Loans | 2,48.85 | 0 % | - | 2,48.85 |
| Trade receivables | 57,49.32 | 0 % | - | 57,49.32 |
| Cash and cash equivalents | 2,83.08 | 0 % | - | 2,83.08 |
| Bank balances other than above | 5,35.35 | 0 % | - | 5,35.35 |
| Other financial assets | 3,15.83 | 0 % | - | 3,15.83 |
| April 1, 2016 | | | | |
| Loans | 2,69.20 | 0 % | - | 2,69.20 |
| Trade receivables | 37,29.38 | 0 % | - | 37,29.38 |
| Cash and cash equivalents | 1,58.86 | 0 % | - | 1,58.86 |
| Bank balances other than above | 4,96.98 | 0 % | - | 4,96.98 |
| Other financial assets | 3,00.96 | 0 % | - | 3,00.96 |

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.

| <u>Particulars</u> | <u>(Rs.in lakhs)</u> | | | |
|-----------------------------|----------------------|----------------------|--------------------|-------------------|
| | <u>< 1 year</u> | <u>1 – 5 years *</u> | <u>>5 years</u> | <u>Total</u> |
| As at March 31, 2018 | | | | |
| Borrowings | 34,97.34 | 1,38,37.03 | - | 1,73,34.37 |
| Trade payables | 55,84.62 | - | - | 55,84.62 |
| Financial Liabilities | 18,27.80 | 6.57 | - | 18,34.37 |
| Total | 1,09,09.76 | 1,38,43.60 | - | 2,47,53.36 |
| As at March 31, 2017 | | | | |
| Borrowings | 43,76.07 | 1,50,64.95 | - | 1,94,41.02 |
| Trade payables | 48,87.10 | - | - | 48,87.10 |
| Financial Liabilities | 32,87.71 | 6.57 | - | 32,94.28 |
| Total | 1,25,50.88 | 1,50,71.52 | - | 2,76,22.40 |
| As at April 1, 2016 | | | | |
| Borrowings | 45,20.81 | 1,32,21.19 | - | 1,77,42.00 |
| Trade payables | 39,94.33 | - | - | 39,94.33 |
| Financial Liabilities | 50,11.46 | 6.57 | - | 50,18.03 |
| Total | 1,35,26.60 | 1,32,27.76 | - | 2,67,54.36 |

* Interest outflow of the said liabilities has not been considered

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C. Market risk

Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Group's exposure to foreign currency at each reporting date is disclosed herein.

Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

| Particulars | As at | As at | As at |
|------------------------------|-----------------------|-----------------------|----------------------|
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Financial liabilities | | | |
| Payable on imports | | | |
| - USD | 1,137,100 | 2,01,860 | 665,733 |
| - Euro | - | 2,356 | - |
| Borrowings | | | |
| - Euro | 6,855,804 | 8,057,020 | 7,979,811 |
| Financial assets | | | |
| Receivables on export | | | |
| - USD | 55,761 | 177,639 | - |
| - Euro | 108,718 | 111,156 | 60,791 |

Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, assuming no change in other variables.

| Particulars | As at | As at | (Rs. In lakhs) As at |
|----------------------------|-----------------------|-----------------------|-------------------------|
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| USD sensitivity | | | |
| INR/USD – increase by 2 % | (14.10) | (0.37) | (8.89) |
| INR/USD – decrease by 1 % | 7.05 | 0.19 | 4.45 |
| Euro sensitivity | | | |
| INR/Euro – increase by 2 % | (1,08.36) | (1,11.90) | (1,20.04) |
| INR/Euro – decrease by 1 % | 54.18 | 55.95 | 60.02 |

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2017, 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 | As at | (Rs. In lakhs) As at |
|--------------------------|-----------------------|-----------------------|-------------------------|
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | <u>April 1, 2016</u> |
| Variable rate borrowings | 1,88,57.13 | 2,15,24.91 | 2,22,69.21 |
| Fixed rate borrowings | - | - | - |
| Total borrowings | 1,88,57.13 | 2,15,24.91 | 2,22,69.21 |

Sensitivity

The sensitivity of profit or loss before tax to interest rate is:

| Particulars | Year ending | Year ending | (Rs. In lakhs) |
|----------------------------------|-----------------------|-----------------------|----------------|
| | <u>March 31, 2018</u> | <u>March 31, 2017</u> | |
| Interest sensitivity | | | |
| Interest rates - increase by 1 % | 1,88.57 | 2,15.25 | |
| Interest rates - decrease by 1 % | (1,88.57) | (2,15.25) | |

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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, instruments entirely equity in nature 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.

| Particulars | (Rs. in lakhs) | | |
|--|--------------------------------|--------------------------------|-------------------------------|
| | As at <u>March 31, 2018</u> | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
| Long-term borrowings | 1,38,37.03 | 1,50,64.95 | 1,32,21.19 |
| Current maturities of long-term borrowings | 15,22.76 | 20,83.89 | 45,27.21 |
| Short-term borrowings | 34,97.34 | 43,76.07 | 45,20.81 |
| Trade payable | 55,84.62 | 48,87.10 | 39,94.33 |
| Interest accrued but due | 1,02.53 | 8,91.50 | 1,32.94 |
| Interest accrued but not due on borrowings | 35.70 | 65.19 | 32.09 |
| Total borrowings | 2,45,79.98 | 2,73,68.70 | 2,64,28.57 |
| Less: Cash and cash equivalents | 2,40.26 | 2,83.08 | 1,58.86 |
| Less: Bank balance other than above | 16,90.77 | 5,35.35 | 4,96.98 |
| Net debts | 2,26,48.95 | 2,65,50.27 | 2,57,72.73 |
| Total equity * | 79,55.98 | 68,56.20 | 81,35.98 |
| Net debts to equity ratio | 284.68 % | 387.24 % | 316.77 % |

* Equity includes equity share capital, instruments entirely in nature of equity and other equity of the Group that are managed as capital

44. First time adoption of Ind AS

These are the Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Group's date of transition). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, consolidated financial performance and consolidated cash flows is set in the following tables and notes.

A. Optional exemption availed:

Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

Exchange differences arising on long-term monetary assets

The Group has elected to continue the policy adopted for accounting for exchange differences arising from transition of long-term foreign currency monetary items recognised in the financial statements.

B. Mandatory exemptions:

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

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Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Provision for doubtful debts as per expected credit loss model.

Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. It is impracticable to apply the changes retrospectively if:

The retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that existed at that time.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transition.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

C. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

(i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

| Particulars | (Rs. in lakhs) | |
|--|--------------------------------|-------------------------------|
| | As at <u>March 31, 2017</u> | As at <u>April 1, 2016</u> |
| Total equity (shareholder's funds) as per previous GAAP [A] | 69,59.92 | 81,70.15 |
| Ind AS adjustments: | | |
| EIR adjustment on borrowings | (80.22) | (34.17) |
| Depreciation on capitalisation of stores and spares | (23.50) | - |
| Total adjustments {B} | (1,03.72) | (34.17) |
| Total equity as per Ind AS {A+B} | 68,56.20 | 81,35.98 |

(ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

| Particulars | (Rs. in lakhs) | |
|--|-------------------------------------|---------|
| | Year ended <u>March 31, 2017</u> | |
| Profit after tax as per previous GAAP [A] | (12,08.87) | |
| Ind AS adjustments: | | |
| Re-measurement gains on defined benefit plans | | 48.38 |
| EIR adjustment on borrowings | | (46.06) |
| Depreciation on capitalisation of stores and spares | | (23.50) |
| Total adjustments {B} | | (21.17) |
| Profit after tax as per Ind AS {A+B} | (12,30.05) | |
| Other comprehensive income | | |
| Re-measurement gain on Post-employment defined benefit plans | | (48.38) |
| Total comprehensive profit as per Ind AS | (12,78.43) | |

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(iii) Effect of Ind AS adoption on the Consolidated Balance Sheet as at March 31, 2017 and April 1, 2016

| Particulars | (Rs. in lakhs) | | | | | |
|--------------------------------------|---|--------------------------------------|-----------------------------------|----------------------|--------------------------------------|-----------------------------------|
| | As at March 31, 2017 | | | As at April 1, 2016 | | |
| | End of last period presented under previous GAPP | | | (date of transition) | | |
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet | Previous GAAP | Effect of transition to Ind AS | As per Ind AS balance sheet |
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Property, plant & equipment | 2,27,12.09 | (3,15.12) | 2,23,96.97 | 2,49,15.69 | (3,07.07) | 2,46,08.62 |
| Capital work-in-progress | 40.47 | - | 40.47 | 48.41 | - | 48.41 |
| Other intangible assets | 1,75.08 | - | 1,75.08 | 1,87.64 | - | 1,87.64 |
| Deferred tax assets | - | 2,42.27 | 2,42.27 | - | 2,42.27 | 2,42.27 |
| Financial assets | | | | | | |
| - Loans | 2,32.84 | - | 2,32.84 | 2,47.00 | - | 2,47.00 |
| - Other financial assets | 1,93.47 | - | 1,93.47 | 1,36.88 | - | 1,36.88 |
| - Income-tax assets (net) | 78.10 | - | 78.10 | 2,37.18 | - | 2,37.18 |
| Other non-current assets | 13,14.45 | (2,42.27) | 10,72.18 | 11,10.95 | (2,42.27) | 8,68.68 |
| Total non-current assets | 2,47,46.50 | (3,15.12) | 2,44,31.38 | 2,68,83.75 | (3,07.07) | 2,65,76.68 |
| Current Assets | | | | | | |
| Inventories | 31,45.83 | (54.66) | 30,91.17 | 29,85.24 | (54.67) | 29,30.57 |
| Financial assets | | | | | | |
| - Trade receivables | 57,49.32 | - | 57,49.32 | 37,29.37 | - | 37,29.37 |
| - Cash and cash equivalents | 2,83.08 | - | 2,83.08 | 1,58.86 | - | 1,58.86 |
| Other Bank balances | 5,35.35 | - | 5,35.35 | 4,96.98 | - | 4,96.98 |
| Loans | 16.01 | - | 16.01 | 22.20 | - | 22.20 |
| Other financial assets | 1,22.36 | - | 1,22.36 | 1,64.09 | - | 1,64.09 |
| Assets held for disposal | 2,22.69 | - | 2,22.69 | - | - | - |
| Other current assets | 9,70.51 | - | 9,70.51 | 14,19.45 | - | 14,19.45 |
| Total current assets | 1,10,45.15 | (54.66) | 1,09,90.49 | 89,76.18 | (54.67) | 89,21.52 |
| Total assets | 3,57,91.65 | (3,69.78) | 3,54,21.87 | 3,58,59.94 | (3,61.74) | 3,54,98.20 |
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| Equity share capital | 11,65.95 | - | 11,65.95 | 11,65.95 | - | 11,65.95 |
| Other equity | 57,93.97 | (1,03.72) | 56,90.25 | 70,04.20 | (34.17) | 69,70.03 |
| Total equity | 69,59.92 | (1,03.72) | 68,56.20 | 81,70.15 | (34.17) | 81,35.98 |
| Liabilities | | | | | | |
| Non-current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| - Borrowings | 1,53,31.01 | (2,66.06) | 1,50,64.95 | 1,35,48.76 | (3,27.57) | 1,32,21.19 |
| - Other financial liabilities | 6.57 | - | 6.57 | 6.57 | - | 6.57 |
| Provisions | 3,36.65 | - | 3,36.65 | 2,42.96 | - | 2,42.96 |
| Deferred tax liabilities (net) | - | - | - | - | - | - |
| Total non-current liabilities | 1,56,74.23 | (2,66.06) | 1,54,08.17 | 1,37,98.29 | (3,27.57) | 1,34,70.72 |
| Current liabilities | | | | | | |
| Financial liabilities | | | | | | |
| - Borrowings | 43,76.07 | - | 43,76.08 | 45,20.81 | - | 45,20.81 |
| - Trade Payables | 48,87.10 | - | 48,87.09 | 39,94.33 | - | 39,94.33 |
| - Other financial liabilities | 32,87.72 | - | 32,87.72 | 50,11.46 | - | 50,11.46 |
| Other current liabilities | 6,01.91 | - | 6,01.91 | 3,63.67 | - | 3,63.67 |
| Current tax liability | 4.70 | - | 4.70 | 1.23 | - | 1.23 |
| Total current liabilities | 1,31,57.50 | - | 1,31,57.50 | 1,38,91.50 | - | 1,38,91.50 |
| Total liabilities | 2,88,31.73 | (2,66.06) | 2,85,65.67 | 2,76,89.79 | (3,27.57) | 2,73,62.22 |
| Total Equity and Liabilities | 3,57,91.65 | (3,69.78) | 3,54,21.87 | 3,58,59.94 | (3,61.74) | 3,54,98.20 |

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

| Particulars | (Rs. in lakhs) | | |
|---|--|-----------------------------------|-------------------|
| | Year ended March 31, 2017 | | |
| | End of last period presented under previous GAAP | | |
| | Previous GAAP | Effect of transition to Ind AS | As per Ind AS |
| Income | | | |
| Revenue from Operations | 3,19,34.83 | 37,52.33 | 3,56,87.16 |
| Other income | 3,94.31 | - | 3,94.31 |
| Total Income | 3,23,29.14 | 37,52.33 | 3,60,81.47 |
| Expenses | | | |
| Cost of material consumed | 2,10,83.04 | - | 2,10,83.04 |
| Purchase of stock-in-trade | 6,32.96 | - | 6,32.96 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 1,72.73 | - | 1,72.73 |
| Excise duty | - | 37,52.33 | 37,52.33 |
| Employee benefits expense | 26,05.02 | (1,17.03) | 24,87.99 |
| Finance costs | 23,90.31 | 1,30.16 | 25,20.47 |
| Depreciation and amortisation expense | 16,96.17 | 8.05 | 17,04.22 |
| Other expenses | 49,51.14 | - | 49,51.14 |
| Total Expenses | 3,35,31.37 | 37,73.51 | 3,73,04.88 |
| Profit before tax and exceptional items | (12,02.23) | (21.18) | (12,23.41) |
| Tax expense | | | |
| Current tax | 6.64 | - | 6.64 |
| Total tax expense | 6.64 | - | 6.64 |
| Profit for the year | (12,08.87) | (21.18) | (12,30.05) |
| Other comprehensive income | - | (48.38) | (48.38) |
| Total comprehensive income for the year | (12,08.87) | (69.56) | (12,78.43) |

Note 1

Measurement of financial assets and liabilities initially at fair value and subsequently at amortised cost

Under previous GAAP, all financial assets and financial liabilities were carried at cost.

Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

For certain financial assets and liabilities, the fair value of the financial instruments at the date of transition to Ind AS has been considered as the new amortised cost of those financial instrument at the date of transition to Ind AS.

The aforesaid adjustment has been made for following categories of financial assets and financial liabilities:

- (i) Security deposits paid
- (ii) Long term borrowings

Note 2

Re-measurement gains on defined benefit plans

Under Ind AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

Note 3

Stores and Spares

Stores and spares having a useful life for more than 1 year has been capitalised in property, plant and equipment and depreciated accordingly.

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Note 4

Transaction costs (like loan origination or processing fees, issue expenses) are adjusted in proceeds of borrowings initially and recognised over the tenor using effective interest rate method.

Note 5

Revenue has been shown as gross of excise duty and net of GST.

(v) There are no material adjustments made to the Statement of Consolidated Cash Flows on adoption of Ind AS.

45. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transition for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force April 1, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach – Under this approach the standard will be applied retrospective to each prior reporting period presented in accordance with Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying that standard recognised at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS is expected to be insignificant.

46. 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

(Rs. In lakhs)

| 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 Consolidated Net Assets | Net Assets | As % of Consolidated Profit/(Loss) | Profit / (Loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| | | | | | | | | |
| 2017 - 18 | | | | | | | | |
| Parent Company | | | | | | | | |
| - Xpro India Limited | 98.70 | 78,52.53 | 99.56 | 10,45.60 | 100.00 | 0.50 | 99.56 | 10,46.10 |
| Indian Subsidiary | | | | | | | | |
| - Xpro Global Limited | 0.99 | 78.44 | 0.36 | 3.77 | - | - | 0.36 | 3.77 |
| Foreign Subsidiary | | | | | | | | |
| - Xpro Global Pte Ltd | 0.31 | 25.01 | 0.08 | 0.89 | - | - | 0.08 | 0.89 |

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2018

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(Rs. In lakhs)

| 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 Consolidated Net Assets | Net Assets | As % of Consolidated Profit/(Loss) | Profit / (Loss) | As % of Consolidated OCI | OCI | As % of Consolidated TCI | TCI |
| | 2016 - 17 | | | | | | | |
| Parent Company | | | | | | | | |
| - Xpro India Limited | 98.58 | 67,58.93 | 1,00.00 | (12,36.18) | 1,00.00 | (48.38) | 1,00.00 | (12,84.56) |
| Indian Subsidiary | | | | | | | | |
| - Xpro Global Limited | 1.09 | 74.67 | Neg. | 9.21 | - | - | Neg. | 9.21 |
| Foreign Subsidiary | | | | | | | | |
| - Xpro Global Pte Ltd | 0.33 | 22.60 | Neg. | (3.08) | - | - | Neg. | (3.08) |

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2017

47. The consolidated financial statements were approved for issue by the Board of Directors on May 24, 2018.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board

Sidharth Birla
Chairman

per **Anamitra Das**
Partner
New Delhi
May 24, 2018

S. C. Jain
Company Secretary

V. K. Agarwal
Joint President &
Chief Financial Officer

C. Bhaskar
Managing Director &
Chief Executive Officer

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 2017-18:

| 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 | 1,18,59,750 | B. Sc.(Hons), M.B.A. | 40 | 01/03/2000 | 60 | Cimmco Birla Limited |
| Sri C. Bhaskar* | MD & CEO | 1,16,57,116 | B. Tech.(Chem), PGDM (IIM-C), MIMA, FIPI | 39 | 01/01/1984 | 62 | VXL India Limited |
| Sri H. Bakshi | President & COO | 74,48,207 | B. Tech.(Chem), Dip.Ind.Safety | 40 | 25/01/1993 | 62 | Ceat Limited |
| Sri V.K. Agarwal | Joint President & CFO | 53,30,650 | B.Com.,FCA, ACS | 31 | 11/02/2008 | 52 | Wire & Wireless (India) Limited |
| Sri N. Ravindran | Joint President (Marketing) | 52,93,193 | B.Sc., MSc., PGDM (IIM-A) | 31 | 01/07/1995 | 56 | Bata India Limited |
| Sri Anil Jain | Sr. Vice President, Coex Division (RNI) | 44,13,247 | B.Com., ACA | 33 | 08/03/1995 | 58 | Usha Telehoist Limited |
| Sri Radhey Shyam | Executive Vice President, Coex Division (FBD & GRN) | 41,13,036 | Dip. Mech Eng. | 37 | 08/08/2016 | 56 | Amber Enterprises India Private Limited |
| Sri S.C. Jain | Company Secretary | 37,29,723 | M.Com., LLB, FCS | 51 | 15/12/1997 | 67 | Marshall, Sons & Co. (India) Limited |
| Sri Sunil Mehta | Executive Vice President, Biax Division (Pithampur) | 25,56,160 | B.A. Economics (Hons), MBA | 39 | 16/02/1996 | 61 | Ankit Granites Limited |
| Sri Satish Agarwal | M Vice President (Commercial), Coex Division (RNI) | 19,62,530 | B Com, D.B.M Mumbai | 39 | 01/11/1999 | 58 | M/s Cimcco Birla Limited |

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, Perquisite Value of ESOP, Company's 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 and Smt. Madhushree Birla 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 24, 2018

Sidharth Birla
Chairman

XPRO INDIA LIMITED

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

Proxy Form

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on Friday, August 10, 2018 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal 722 202, India and at any adjournment thereof in respect of such resolutions as are indicated (by tick [v] mark) below:

| | | | | | | | | |
|----------------|---|---|---|---|---|---|---|-----|
| Resolution No. | 1 | 2 | 3 | 4 | 5 | 6 | 7 | All |
|----------------|---|---|---|---|---|---|---|-----|

Signed this Day of 2018.

Signature of proxy holder(s)

Signature of shareholder

Affix
Revenue
Stamp

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

----- Cut Here -----

XPRO INDIA LIMITED

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

ATTENDANCE SLIP

[To be presented at the entrance]

21st ANNUAL GENERAL MEETING OF THE COMPANY ON FRIDAY, AUGUST 10, 2018

Folio No./DP ID No. & Client ID No.

Name of the Member Signature

Name of the Proxy holder Signature