



**XPRO INDIA LIMITED**

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**ANNUAL REPORT 2012/13**

**Board of Directors**

**Sri Sidharth Birla**

*Chairman*

**Smt. Madhushree Birla**

**Sri Amitabha Ghosh** (upto July 26, 2012)

**Sri Amitabha Guha**

**Sri Haigreave 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**

*Executive Vice President, Coex Division (RNJ)*

**Sri Manmohan Krishan**

*Executive Vice President, Coex Division (FBD)*

**Sri Sunil Mehta**

*Executive Vice President, Biax Division (Pithampur)*

**Sri U.K. Saraf**

*Executive Vice President, Coex Division (GRN)*

**Registered Office**

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

**Corporate Office**

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

**Biax Division**

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

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

**Coex Division**

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

32, Udyog Vihar, Greater Noida,  
Gautam Budh Nagar 201 306, Uttar Pradesh

Plot E-89 & E-90/1, MIDC Industrial Area,  
Ranjangaon, Distt. Pune 412 220, Maharashtra

**Registrars & Share Transfer Agents**

MCS Share Transfer Agent Limited,  
12/1/5, Manoharpukur Road, Ground Floor,  
Kolkata 700 026  
(w.e.f. July 1, 2013)

**Auditors**

M/s Deloitte Haskins & Sells  
Ahmedabad

## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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### **NOTICE**

#### **TO THE SHAREHOLDERS**

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Xpro India Limited will be held on Friday, July 26, 2013 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 audited Balance Sheet and Statement of Profit & Loss as at and for the year ended March 31, 2013.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Smt Madhushree Birla who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sri S. Ragothaman who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and to fix their remuneration.

### **SPECIAL BUSINESS :**

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

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

“RESOLVED that Sri Ashok Kumar Jha be and is hereby appointed a Director of the Company, liable to retire by rotation.”

New Delhi  
April 27, 2013

By Order of the Board

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

S.C. JAIN  
*Company Secretary*

### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from July 01, 2013 to July 08, 2013 (both days inclusive).
4. Dividend on Equity Shares declared at the Annual General Meeting will be paid to those Shareholders, whose names appear on the Register of Members of the Company or whose names appear as the beneficial owner(s) of the Equity Shares of the Company at the close of working hours on June 29, 2013 and the Dividend Warrants will be posted on August 2, 2013.
5. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrars & Share Transfer Agents, MCS Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020 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.**

6. Please note that by a recent circular, SEBI has made it mandatory for Companies to distribute dividends or other cash benefits to Investors through electronic mode only. Accordingly, Investors who hold shares in Demat mode are requested to provide their Bank Account details to the Depository Participant for effecting e-payment of dividend etc. Investors who hold physical shares are requested to provide their ECS Mandate in prescribed format to the Company's Registrars & Share Transfer Agents at New Delhi as stated in Note No.5 above. Also please note that SEBI has made it mandatory to print Bank Account details of Investors on physical payment instruments for payment of dividend etc. Accordingly, you are requested to provide necessary Bank Account details to the Company or its Registrars.
7. 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 New Delhi as stated in Note No.5 above for endorsement of the consolidated folio number.
8. The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. We, therefore, request you to provide your e-mail ID to our Registrars, MCS Limited, F-65, Okhla Industrial Area, Phase I, New Delhi 110 020 ([admin@mcsdel.com](mailto:admin@mcsdel.com) or [mcscomplaintsdel@mcsdel.com](mailto:mcscomplaintsdel@mcsdel.com)), if you are holding shares in physical form or to your Depository participants if you are holding shares in Demat form. We intend using e-mail addresses provided by you to the Depositories viz. NSDL/CDSL and available to the Company from time to time, to send various notices/documents, etc.
9. 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 205C of the Companies Act, 1956. 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
2005-06	July 27, 2006	September 2, 2013
2006-07	July 26, 2007	September 1, 2014
2007-08	July 29, 2008	September 4, 2015
2008-09	July 23, 2009	August 29, 2016
2009-10	July 22, 2010	August 28, 2017
2010-11	August 11, 2011	September 17, 2018
2011-12	July 26, 2012	September 1, 2019

It may be noted that no claim shall lie against the Company or the Fund 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.

**10. EXPLANATORY STATEMENT  
(Pursuant to Section 173 of the Companies Act, 1956/SEBI Regulations)**

**Item No. 3**

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

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

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

Except Sri Sidharth Birla and Smt. Madhushree Birla who are related, no other Director is interested in the resolution.

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### **Item No. 4**

Sri S. Ragothaman, aged about 67 years, is a Commerce Graduate and Chartered Accountant. He is presently a self-employed professional and was formerly a senior official of ICICI Ltd. He has to his credit vast experience of over 37 years in the field of Finance.

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

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

Except Sri S. Ragothaman, no other Director is interested in the resolution.

### **Item No. 6**

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member along with a deposit of Rs.500/-, signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Sri Ashok Kumar Jha as a Director of the Company and for that purpose, to move a resolution as mentioned in the notice.

The Board considers that, as recommended by the Remuneration and Nomination Committee, it would be in the interest of the Company to appoint Sri Jha as an Independent Director of the Company. Sri Jha, an IAS officer of the 1969 batch, has had a 38 year stint in the Civil Services and had held crucial positions in State and Central Government, with wide experience in foreign policy, industrial promotion, international trade, as well as economic affairs and finance. He retired from government service as the Finance Secretary, Government of India, and has also served as Secretary (Economic Affairs), Secretary (Department of Industrial Policy and Promotion), etc. Following his retirement he had a two year stint as Executive President of Hyundai Motor India.

Sri Jha is presently Director on the Boards of Great Eastern Energy Corporation Ltd., MCX Stock Exchange Ltd., Nuziveedu Seeds Ltd., and Setco Automotive Ltd. Sri Jha is Chairman of Macro Economics and Corporate Advocacy sub-committee and Nomination Committee and Member of Audit Committee of Nuziveedu Seeds Ltd.; Member of Remuneration Committee of MCX Stock Exchange Ltd. and Member of Audit Committee and Finance Committee of Great Eastern Energy Corporation Ltd.

Sri Ashok Kumar Jha does not hold any Equity Shares of the Company.

The Board commends the Resolution.

Except Sri Ashok Kumar Jha, no other Director is interested in the resolution.

New Delhi  
April 27, 2013

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

By Order of the Board

S.C. JAIN  
*Company Secretary*

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

### REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

We present herewith our Annual Report together with the Audited Accounts of your Company for the year ended March 31, 2013.

### FINANCIAL RESULTS

	FY 2013	(Rs. Lacs) FY 2012
<b>Revenue from Operations</b>		
- Continuing Businesses	252,62.35	270,17.43
- Discontinued Businesses <i>(till Aug 18, 2011)</i>	-	37,07.05
	<b>252,62.35</b>	307,24.48
<b>Continuing Businesses resulted in a Profit before Depreciation and Tax of</b>	<b>3,60.09</b>	18,57.47
less : Depreciation	<u>10,80.04</u>	<u>11,54.44</u>
	<b>( 7,19.95 )</b>	7,03.03
<b>Discontinued Business <i>(till August 18, 2011)</i> resulted in a Profit before Depreciation and Tax of</b>	-	3,41.62
less : Depreciation	-	<u>88.05</u>
	-	2,53.57
	<b>( 7,19.95 )</b>	9,56.60
add: Exceptional items <i>(profit from slump sale of discontinued business)</i>	-	<u>34,57.46</u>
<b>Profit / (Loss) Before Tax</b>	<b>( 7,19.95 )</b>	44,14.06
less : Provisions for		
- Income & Wealth Tax	-	8,86.50
- Deferred Tax	<b>( 3,11.00 )</b>	2,18.00
- Credit for MAT Entitlement	-	( 70.00 )
- Tax pertaining to earlier years	<u>2.18</u>	<u>18.56</u>
<b>Profit / (Loss) After Tax</b>	<b>( 4,11.13 )</b>	33,61.00
add : Surplus brought forward	<u>64,53.33</u>	<u>39,31.92</u>
Balance available for appropriation	<b>60,42.20</b>	72,92.92
Which is appropriated as :		
- General Reserve	-	5,00.00
- Proposed Dividend	<b>116.78</b>	2,92.09
- Dividend Tax	<b>19.19</b>	47.50
- Surplus carried forward	<u><b>59,06.23</b></u>	<u>64,53.33</u>

The presentation above is a summary of the financial results and it is suggested that due care be exercised by readers in evaluating the businesses, financials and comparisons with earlier periods in view of the standards applicable to financial statements, particularly presentation relating to discontinued business. Though there is no distributable surplus for the year, upon prudent consideration of our conservative dividend policy, available surpluses, and overall stake-holder interest, we recommend for your approval a Dividend of Re.1.00 per share.

### REVIEW OF KEY BUSINESS MATTERS

Domestic economic conditions remain stressed. The global economy is struggling to effectively recover. A number of developed economies are in various degrees of recession, and growth in many developing countries is affected by its spill-over. This is impacting consumer sentiments and demand. Indian economic growth, decelerated to

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about 5%, the weakest in a decade, facing challenges from unfavourable global and domestic factors and the slump has spread to both consumption and exports. The manufacturing sector continued a sharp decline in growth from 2.7% in 2011-12 to 1.9% in 2012-13. Industry faced unprecedented headwinds, with domestic demand across many sectors including consumer durables and capital goods remaining muted, a weakening currency, and high inflation and interest rates. Corporate earnings across a wide spectrum appear to be significantly affected.

In the circumstances, the Company's markets and its operations were subject to many severe challenges, as a result of which the profit performance, particularly in the last 3 quarters of the year under review, has been at its lowest since inception. The Company had to contend with cost increase across the board, including steep increases in power tariff (in some cases with retrospective effect). Sales from continuing businesses were lower at Rs. 252.62 Crores against Rs. 270.17 Crores last year and their gross profits fell to Rs. 3.60 Crores from Rs. 18.57 Crores. Performance is dealt with in greater detail in the Managements' Discussion & Analysis Report.

These conditions are however reasonably viewed by us as transient. The potential for the Company's end-markets continues to be robust and Management is confident of the competitiveness and quality of its product offerings. Shareholders can observe from these reports and accounts that the Company is nearing completion of significant investments – actually the largest in its history – to strengthen and expand its core operations through a prudent mix of its own liquidity and by leveraging its sound financial standing. All the new investments are expected to be on line in a few months and after a stabilization period, during which we expect the burden of the interest and depreciation to keep the bottom line under some pressure, the investments should be in a position to generate attractive returns under normal market and economic conditions, subject of course to relevant risks.

The strategic intent of the management is towards specialization in certain types of polymer films (including thin, dielectric and metalized films). The plants at Barjora and Pithampur concentrate on thin BOPP Films for special applications and the Company remains the only indigenous producer of such films. On the general product side, the Indian BOPP Films industry has a situation of significant over-supply resulting in about 52% capacity utilisation and obvious fierce competition and un-remunerative pricing. As a consequence Biax Division reported lower sales, volumes and deeply impacted financial results. The consumer durables industry, particularly refrigerators, (significant client base for Coex Division) had negative growth. The Company however was able to maintain marginally reduced volumes though value additions were lower. The Company has continuously taken measures to improve operations, trim overheads, control discretionary spend and strengthen liquidity.

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

### **STATUTORY AND OTHER MATTERS**

Information as per the requirements of the Companies Act, 1956, our report on Corporate Governance and the Managements' Discussion & Analysis Report form a part of this Report and are annexed hereto. Section 217(2A) of the Act is not applicable there being no relevant employees during the year. As per General Circular No.2/2011 of February 8, 2011 issued by the Ministry of Corporate Affairs, the Board has consented by resolution not to attach balance sheets and other statements of subsidiary companies, Xpro Global Limited and Xpro Global Pte. Ltd., Singapore. Financial highlights in terms of the said notification are annexed. Shareholders of the holding company may obtain, upon request and free of cost, hard copies of annual accounts and related information of the subsidiaries. A copy of these Annual Accounts shall be kept open for inspection by shareholders at the Registered Office of the Company and of the subsidiary companies.

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

The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a Member, signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Sri Ashok Kumar Jha as a Director of the Company and for that purpose, to move a resolution as mentioned in the notice. It is

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## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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considered that, as recommended by the Remuneration and Nomination Committee, it would be in the interest of the Company to appoint Sri Ashok Kumar Jha as an Independent Director of the Company. Smt. Madhushree Birla and Sri S. Ragothaman, Directors, retire by rotation and being eligible offer themselves for reappointment.

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

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

### **AUDITORS' OBSERVATIONS**

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

### **AUDITORS**

The Auditors M/s Deloitte, Haskins & Sells, Chartered Accountants, retire, and being eligible offer themselves for reappointment.

The Company had appointed M/s Sanghavi Randeria & Associates, Cost Accountants, Mumbai to audit the Cost Accounts of erstwhile Thermosets Division of the Company for Synthetic Resins for the year ended March 31, 2012 pursuant to Section 233B of the Act. The Cost Audit Report for the year ended March 31, 2012 due for filing by April 15, 2013 (extended due date due to technical issues in MCA-21 system) had been e-filed by that date.

### **ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board**

New Delhi  
April 27, 2013

**Sidharth Birla**  
Chairman



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

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

#### **THE BOARD OF DIRECTORS**

##### ***Composition***

The Board presently consists of 8 Directors, of whom 4 are independent and a total of 7 are non-executive. At its strictest, current regulations require that at least 50% of the Directors should be independent; this criterion is met. As per SEBI Regulations an independent Director will be one who (a) does not have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management (this comprises all members of management one level below Executive Directors, including all functional heads) or its holding company, its subsidiaries and associates; (b) is not related to Promoters or persons occupying management positions at the Board level or at one level below the Board; (c) has not been an Executive of the Company in the immediately preceding 3 financial years; (d) is not a Partner or an Executive or was not a Partner or an Executive during the preceding 3 years of Statutory Audit or Internal Audit Firm associated with the Company and legal firm(s) and consulting firm(s) that have a material association with the company; (e) is not a material supplier, service provider or customer or a lessor or lessee of the Company; (f) is not a substantial shareholder of the Company i.e. owning 2% or more of the voting power; and (g) is not less than 21 years of age. Our Board has 4 independent Directors (i.e. 50%) viz. Sri Amitabha Guha, a Banker, 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). Sri Haigreve Khaitan, Advocate, even though meeting the criteria for independence is a Partner at Khaitan & Co., Solicitors, who act for the Company from time to time; thus as a measure of prudence he has not been included in the calculation of independent directors for purposes of regulations. The proposed appointment of Sri Ashok Kumar Jha will increase the Board strength to 9 and the number of Independent Directors to 5.

Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. The Chairman and non-executive directors review the functioning and effectiveness of the Board and the attendance record of directors every year. As a policy, and the Articles of the Company, the identities, positions, duties and responsibilities of the Chairman and Chief Executive Officer are kept separate and suitably defined. Accordingly the Chairman's position, even where whole-time, has been considered non-executive in nature as his role specified by the Board does not cover routine managerial tasks and responsibilities. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, directorships (public limited companies only) ("B"), membership and chairmanship ("C" & "Ch") of SEBI specified committees, sitting fees (including committees) and commission (if any) paid during the year, and shareholding in the Company on March 31, 2013.

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 shareholders; 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. 1/3<sup>rd</sup> of the other Directors retire every year and, when eligible, qualify for re-appointment. Nominees of Financial Institutions (if any) do not usually retire by

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rotation. The Board has chosen not to, in the usual course, propose appointment or re-appointment of a Director or Executive Director who has completed 80 & 65 years of age respectively. Specified details are provided in the notice for any Directors' appointment or re-appointment.

Director / Category	Attendance	B / C / Ch	Fees/Commission (Rs.)	Shareholding
<b><u>Independent</u></b>				
Sri Amitabha Ghosh (upto July 26, 2012)	2 / 2	-	40,000	51,000 (0.44%)
Sri Amitabha Guha	4 / 4	5 / 3 / -	90,000	-
Sri P. Murari	2 / 4	10 / 4 / 3	1,00,000	-
Sri Utsav Parekh	2 / 4	7 / 5 / 1	1,05,000	51,000 (0.44%)
Sri S. Ragothaman	2 / 4	8 / 4 / 3	80,000	54,493 (0.47%)
<b><u>Non-Executive</u></b>				
Sri Haigreave Khaitan	1 / 4	15 / 10 / -	20,000	51,000 (0.44%)
<b><u>Representing Promoters</u></b>				
Smt. Madhushree Birla	4 / 4	3 / - / -	80,000	-
Sri Sidharth Birla	4 / 4	5 / - / -	Nil	2,01,875 (1.73%)
<b><u>Executive (Managing Director)</u></b>				
Sri C Bhaskar	4 / 4	4 / 2 / -	Nil	80,001 (0.69%)

*Sri Sidharth Birla & Sri C Bhaskar are employed by the Company; Sri Haigreave Khaitan is Partner of Khaitan & Co., to which legal and other fees etc., of Rs.1,01,202 was paid during the year.*

### **Responsibilities**

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

### **BOARD MEETINGS AND COMMITTEES**

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

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law or the Articles may not be delegated by the Board, or requires its explicit approval, is left to the final decision of any committee. During the year the Board met 4 times on April 26, July 25, October 31, 2012, & January 29, 2013.

### ***Audit Committee***

The terms of reference of the Audit committee, as specified by the Board in writing, includes the whole as specified in the Companies Act and in regulations, including review of audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with relevant regulatory guidelines. The committee members are all independent directors collectively having skills and requisite knowledge in finance, accounts and company law. The committee recommends the appointment of CFO, as and when required, external and cost auditors and their fees and payments and also takes an overview of the financial reporting process to ensure that the financial statements are correct, sufficient and credible. Any financial reports of the Company can be placed in the public domain only after review by the Audit committee. The reports of the statutory as well as internal auditors are regularly reviewed, along with comments and action-taken reports of management. The committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it may require. The committee comprises Sri S. Ragothaman (as its Chairman), Sri Utsav Parekh and Sri P. Murari, and is mandated to meet at least four times in a year to assess the final audited accounts and to review each quarter the limited review reports before they are put up to the Board. The committee met 4 times during the year. The meeting on April 26, 2012 was attended by Sri S. Ragothaman and Sri P. Murari, that of July 25, 2012 by Sri S. Ragothaman and Sri Utsav Parekh while the meetings of October 22, 2012 and January 29, 2013 were attended by Sri P. Murari and Sri Utsav Parekh.

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

The Remuneration & Nomination Committee comprises of a majority of independent directors. It makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further directors to strengthen the Board. The Committee is entrusted with discharging the functions of a Compensation Committee as envisaged in SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The committee is fully enabled to ensure that non-executive directors make decisions on remuneration and progression of executive directors and is able to assess the same for senior officers; remuneration of the Chairman is recommended by the Committee to the Board of the Company and compensation to other non-executive Directors is a subject only for the whole Board. The committee comprises of Sri P. Murari, (as Chairman), Sri Sidharth Birla, Haigreave Khaitan (*w.e.f. July 25, 2012*) and Sri Utsav Parekh.

All directors other than the Chairman and any executive director(s) are paid sitting fees for meetings of the Board or its committees attended: Rs.20,000 each per meeting of the Board, Rs.20,000 each per meeting of the Audit Committee, Rs.5,000 each per meeting of the Shareholders/Investor Grievance Committee and Rs.10,000 each per meeting for other committees. No fee is paid for meetings of the CSR Committee. Shareholders have approved the payments of (i) a commission for non-executive directors with effect from April 1, 2012 not exceeding 1% of the net profits of the Company determined in accordance with relevant provisions of the Companies Act; (ii) a remuneration to Sri Sidharth Birla, Chairman, re-appointed by the Board of Directors with effect from March 1, 2011 for 3 years, by way of a Salary (Rs.4.00 lacs per month), commission (not exceeding 2% of net profits), housing facility or allowance in lieu thereof (upto 60% of salary) and other perquisites (in aggregate subject to minimum remuneration of Rs.4 lacs per month as per the Companies Act, 1956); (iii) a remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, re-appointed with effect from January 1, 2012 for 3 years, comprising of salary, commission (not exceeding 2% of net profits), perquisites and other benefits/allowances as may be decided by the Board from time to time, subject in aggregate to a maximum of 5% of the net profits of the company as per relevant calculation (in aggregate subject to minimum remuneration of Rs.4 lacs per month or such higher sum as may be permitted pursuant to an application to the Central Government or vide any statutory modification or re-enactment). Accordingly he is now paid a salary of Rs.4.25 lacs per month and perquisites (as approved by the Central Government). There are no severance fees (routine notice period not considered as severance fees) or other benefits.

***Shareholders/Investors Grievance Committee***

The committee oversees the performance of the Registrar and Share Transfer Agents (RTA) of the Company, and recommends measures to improve the level of investor related services. The powers to approve share transfer / transmission have been delegated to the RTA. The Shareholders/Investors Grievance Committee meets frequently and keeps a close watch on the status of resolution and disposal of all complaints/grievances of shareholders and also takes note of all approved share transfer/transmission cases as reported by the RTA. Sri S.C. Jain, Secretary, is the Compliance Officer under relevant regulations. The committee is chaired by Sri Utsav Parekh and includes Sri Amitabha Guha (*w.e.f. October 31, 2012*) and Sri C. Bhaskar. Sri Haigreve Khaitan ceased to be a member of the Committee *w.e.f. October 31, 2012*. The Company/RTA received 31 complaints/queries during the year from shareholders (directly or through regulatory bodies); as of March 31, 2013 (a) all complaints/queries were resolved and none were pending and (b) No share transfer applications were pending for registration.

***Committee of Directors***

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

***Corporate Social Responsibility ("CSR") Committee***

The Board of Directors have constituted a Corporate Social Responsibility ("CSR") Committee, in line with the provisions of the Companies Bill, 2012, although not yet enacted, to (i) formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company; (ii) recommend the amount of expenditure to be incurred on such activities and (iii) monitor the implementation of the said CSR Policy from time to time. The Committee comprises of Smt. Madhushree Birla, as Chairperson, Sri P. Murari and Sri C Bhaskar. Sri H. Bakshi, President & Chief Operating Officer of the Company shall be management invitee at the meetings of the CSR Committee. The Committee met on October 30, 2012.

**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 722202, West Bengal. The last 3 AGMs were held at the Registered Office on July 22, 2010, August 11, 2011 & July 26, 2012. 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 11, 2011 for re-appointment of Sri Sidharth Birla, Chairman, in the whole time employment of the Company with effect from March 1, 2011 and approval of Remuneration payable to him; and at the AGM held on July 26, 2012 for (a) payment of commission to Non-executive Directors @ 1% of the relevant net profit with effect from April 1, 2012 and (b) for re-appointment of Sri C Bhaskar as Managing Director & Chief Executive Officer with effect from January 1, 2012 and approval of Remuneration payable to him. Dividend was paid last year and warrants were mailed by August 3, 2012 (9 days after AGM). Dividend, if any, for the current financial year will be payable on August 2, 2013. The Company keeps shareholders informed via advertisements in appropriate newspapers of all relevant dates and items requiring notice. M/s MCS Limited, New Delhi are the Registrar and Share Transfer Agents. The general address for correspondence by shareholders is the Company Secretary (Tel. No.(033) 30573700; extn. 1267) at Birla Building (2<sup>nd</sup> Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; designated e-mail ID for grievance redressal is [scjain@xproindia.com](mailto:scjain@xproindia.com) (of Compliance Officer) and [admin@mcsdel.com](mailto:admin@mcsdel.com) or [mcscomplaintsdel@mcsdel.com](mailto:mcscomplaintsdel@mcsdel.com) (of Registrar and Share Transfer Agents). Shareholders may also write to the Registrars directly in matters relating to transfers etc. The Company publishes its quarterly results in English (usually Business Standard - all editions) and relevant vernacular print media (usually Aaj Kal/Sokal Bela) and shall continue to do so, and hold its Annual General Meetings and pay dividends (if any) within time limits prescribed by

## XPPO INDIA LIMITED : ANNUAL REPORT 2012/13

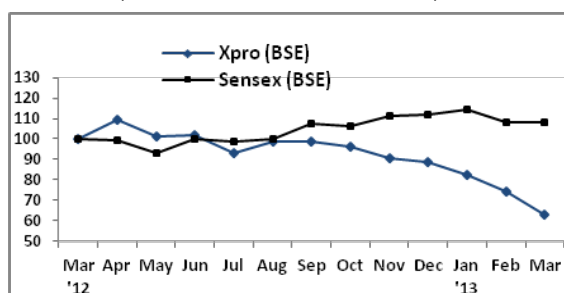
law or regulations. The Company's web-site where relevant information is displayed is at [www.xproindia.com](http://www.xproindia.com). No presentation has been made to institutional investors etc. The present financial year of the Company is April 1 to March 31. The Company's Equity Shares are listed at Calcutta Stock Exchange (Stock Code 10034003), the National Stock Exchange (Symbol: XPROINDIA, Series EQ) and are also admitted for trading on the Bombay Stock Exchange under the category of "Permitted Securities" (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). As required under Listing Agreements with Stock Exchanges, the company transferred 1,25,714 unclaimed shares held in physical form by 6,227 shareholders to "Xpro India Limited - Unclaimed Suspense Account" maintained in dematerialized form. 11 shareholders have since claimed 312 shares and the remaining 1,25,402 shares belonging to 6,216 shareholders remain to the credit of this account. Shareholding distribution, pattern and high/low market price data are given below. The shares were not traded on the Calcutta Stock Exchange during the year.

Type of Shareholder	Nos.	In % by amount	Nominal Value of Shareholding	Nos.	In % by amount
Banks, FI's, Insurance Companies	17	0.64			
Domestic Companies	408	48.32	Upto Rs.5,000	39,975	14.93
Mutual Funds (including UTI)	6	0.08	Rs.5,001 to Rs.20,000	950	8.37
Non-residents/OCBs	109	0.70	Rs.20,001 to Rs.1,00,000	272	10.26
Resident individuals/others	40,715	50.26	Rs.1,00,001 and above	58	66.44
	<b>41,255</b>	<b>100.00</b>		<b>41,255</b>	<b>100.00</b>

Note: aggregate of Public shareholding: 54.03%

Share Price by Month	NSE		BSE	
	High	Low	High	Low
April 2012	53.20	45.45	<b>53.30</b>	44.50
May	51.60	45.15	50.50	43.50
June	50.90	46.00	50.90	46.15
July	48.20	42.00	49.90	42.20
August	<b>58.55</b>	42.50	50.75	42.25
September	46.75	38.00	47.00	39.30
October	48.60	42.60	48.90	43.60
November	44.80	41.00	44.30	41.00
December	45.00	40.20	43.80	40.00
January 2013	43.55	37.00	43.80	37.05
February	38.60	33.00	38.65	33.00
March	35.70	<b>26.55</b>	38.00	<b>27.00</b>
<b>During the Financial Year</b>	<b>58.55</b>	<b>26.55</b>	<b>53.30</b>	<b>27.00</b>

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



### MANDATORY AND NON-MANDATORY PROVISIONS

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

There has been no instance of non-compliance by the Company, nor any strictures or penalties imposed by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets. All mandatory requirements (except where not relevant or applicable) of the SEBI regulations have been adopted. Of the non-mandatory suggestions, those relating to a Chairman's Office, the Remuneration Committee, audit qualifications, training of board members, and mechanism for evaluation of non-executive board members, have been adopted. A postal ballot system (except where compulsory under the Companies Act), whistle blower policy, tenure of Independent Directors of nine years in the aggregate and that of sending six-monthly information to each shareholder household have not been adopted. This Report also represents the Company's philosophy on corporate governance. Auditors' certification as required forms a part of this Annual Report.

For and on behalf of the Board

New Delhi  
April 27, 2013

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, 2013

New Delhi  
April 27, 2013

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

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**AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
Xpro India Limited

We have examined the compliance of the conditions of Corporate Governance by **Xpro India Limited** for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

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

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

New Delhi  
April 27, 2013

**Gaurav J Shah**  
*Partner*  
Membership No. 35701

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

### MANAGEMENTS' DISCUSSION & ANALYSIS REPORT

We have pleasure in submitting the Managements' Discussion & Analysis Report ("MDA") on the Company's businesses. We have attempted to include discussions on all specified matters, to the extent relevant or within limits that in our opinion are reasonably imposed by the Company's strategic and competitive position. The year under review was a difficult one with the world economy facing varying degrees of recessionary conditions. Uncertainty across the regions from the fiscal debate in the U.S., Chinese leadership transition and reforms in the Euro area continued to have a global impact. India also experienced difficult times during 2012-13. Industrial growth was tepid with economic growth decelerating to 5%, lowest in a decade, from 6.2% previous year. The downturn was aggravated by weakening domestic consumption and reduced exports. Consumer confidence remained low in the backdrop of an uncertain political situation, rising inflation, a weak currency, and a high interest rate regime.

In this scenario, the Company also had a depressed year. Total production was lower by about 5% at 19,490 MT (20,453 MT previous year) while sales at Rs.252.62 Crores were about 6% lower. Significantly, production costs were higher due to various factors including lower volumes, higher finance cost, hike in petro-products prices and the high overall inflation, etc. Sales realization were lower and in overall not adequate in neutralizing cost increases as, in depressed and competitive markets, the Company could not pass on the higher costs. Operations resulted in a Profit before Depreciation of Rs.360.10 lacs against Rs.1857.47 lacs (from continuing businesses – there was no discontinued business in the year) in the previous year. Depreciation was marginally lower at Rs.1080.05 lacs, and accordingly there was a loss before Tax of Rs.719.95 lacs.

Investments towards (a) creation of fresh capacity for manufacture of sophisticated dielectric films at Biax Division, Barjora and (b) relocation of Coex Division, Ranjangaon, activities to a new expanded factory continue on schedule and both facilities are expected to be on line well within the current year.

These results were achieved in the face of prevailing recessionary conditions, volatile input prices, depressed margins and a competitive environment, balanced by efforts towards cost control and productivity enhancements. We believe that all our businesses are backed by necessary skills and expertise; our core competency can be seen to lie in the extrusion field, particularly co-extrusion. Our financial performance is generally representative of competitiveness in core operations and high quality of our products and services.

### Company and Industry Structure

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

POLYMERS BUSINESS (net of inter-unit adjustments)	2013		2012	
	Production MT	Sales Rs. Crores	Production MT	Sales Rs. Crores
<b>Continuing businesses</b>				
Biax Division	2,862	58.37	3,573	81.89
Coex Division	16,628	194.25	16,880	188.28
	19,490	252.62	20,453	270.17
<b>Discontinued Business</b>				
Thermosets Division (till August 18, 2011)	-	-	3,154	37.07
		252.62		307.24

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, Styrenic Polymers and LD/LLD Polyethylene, etc.).

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

#### ***Biax Division***

Biax Division manufactures a range of coextruded Biaxially Oriented Polypropylene ("BOPP") Films and Dielectric Films on sophisticated, automated production lines, having multipurpose use in applications ranging from food packaging to specialized films for use in electronics, besides being used for print lamination, cigarette overwraps, adhesive tape etc. Per capita consumption of packaging products in the Asia-Pacific markets remains well below that of Japan, Europe and North America, signifying good potential. Flexible packaging in India has been developing and driven by increasing per capita consumption of flexible packaging in India in line with changing consumption patterns for packaged food & other convenience products and trends in retail. With BOPP films constituting a significant input into this space and with development of new applications, the oriented films market in India has exhibited rapid growth, significantly higher than the global growth rate. In this backdrop of strong past and anticipated growth, Indian BOPP industry continues to grow encouraging sizable investment by existing players and new entrants, notwithstanding the prevailing downturn. With fall in export markets, dull domestic consumption and creation of substantial capacity (presently under-utilized across industry) for packaging films, domestic markets for these remained highly competitive. Volatility in input prices, falling sales realization under competitive pressure, cheap imports and seasonal swings compound matters. Our focus however remains dedicated within our core strengths to special products and niche markets, largely thin films for specialized electrical applications, which together with consistent high quality and service standards enabled us to maintain reasonable capacity utilization. Several customers in sophisticated segments have upgraded their processes and equipment thus requiring upgraded film products. Our strategic intent for BOPP films remains directed towards thin and dielectric films and work on capacity expansion is progressing well on schedule, with key imported equipment under erection. Total production during the year was lower at 2,862 MT (against 3,573 MT last year) following subdued demand and higher stock level at customer end. Steep increases in power tariff (even with retrospective effect across earlier financial years) and fuel costs remain an additional cause for concern.

#### ***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 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. The difficult year experienced by the consumer durables segment (and particularly the refrigerator segment) in the previous year extended into a worse period during 2012-13. This set-back is seen as temporary and a return to normalcy is expected. We continue to be the leading supplier of sheets and liners to the white goods industry through consistent focus on product quality, development and superior service, which have also been recognized by major customers. In the cast films segment, our focus has been on special films and continuous innovation. Reflecting market circumstances and, in particular, our own standing, the total production of sheets, including as liners, (adjusted for inter-unit transfers) and cast films at this division at 16,628 MT during the year was only marginally lower than during the previous year (16,880 MT). In keeping with strategic direction to arrest the decline of viability at Faridabad, focus at this location was on production of only cast films pending other steps to evolve new solutions. Work on building for relocation of



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facilities, including provision for expansion and growth, is progressing on schedule at Ranjangaon. Addition to sheet extrusion capacity to match planned growth in the refrigerator sector and equipment replacement is on the anvil.

### **OTHER MATTERS**

#### ***Environment and Safety***

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

#### ***Human Resources***

Employees represent our greatest asset and potential. It is only through motivated, creative and business-minded employees that we can achieve our aims. Involvement, commitment, teamwork and updating of skills and knowledge are integral to our objectives of advancing a professional, productive culture. There was no significant change in total manpower, with permanent employment at 356, of which officers and staff account for 209 and workmen for the balance (last year 355 and 205 respectively).

#### ***Others***

There are no further or typical areas of risks or concerns outside the usual course of business foreseeable at this time. Our primary manufacturing processes (including extrusion) are well established and our focus remains on process and efficiency improvements, and product & application development to provide a competitive edge. Internal control systems have been found to be adequate and are continuously reviewed for improvements. Our team is committed to the Board's dictates on standards of conduct as well as good governance and exercise of due diligence. We have taken all care to comply with applicable laws and regulations. Overall financial performance is in line with and reflective of operational performance. The Company continues its initiatives towards operational improvements with a special emphasis on quality, control of overheads and broad-basing of markets, while focusing on managing uncertainties in a proactive manner. A normal monsoon, an upturn in global trade volumes, interest rate adjustment and progress on reforms are expected to boost consumer confidence and together with improvement in economic conditions and stability in foreign exchange rates could translate into better overall performance. However, the external environment for the time being remains challenging considering the prevailing uncertain economic and political conditions, a high current account deficit, and unresolved structural issues. In the overall our outlook continues to remain one of cautious optimism. Our sincere thanks are due to all employees and teammates whose dedicated and hard work allowed results to be achieved. We are grateful to all our Bankers and all concerned Authorities for their continued support, and to all our customers for their faith and confidence. We remain committed to fullest customer satisfaction.

### **CAUTIONARY STATEMENT**

Statements in this Report which seek to describe the Company's objectives, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from any expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, power tariffs, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax and tariff regimes, economic policies and developments within India and countries with which the Company conducts business besides other factors including but not limited to natural events, litigation and labour negotiations.

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

New Delhi  
April 27, 2013

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

**ANNEXURE TO THE DIRECTORS' REPORT**

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

**A. CONSERVATION OF ENERGY :**

- (a) Energy Conservation measures taken:
  - Maintenance of near unity Power Factor; Installation of capacitors to improve PF
  - Use of natural lighting, wherever feasible
  - Replace conventional lamps with energy efficient lighting in several areas
  - Replaced reciprocating compressor with screw compressor with refrigerant dryer
  - Use of fan-less cooling tower
  - Use Energy efficient chiller system
  - Introduction of pad type air washer system in place of nozzle type to save water and power
  - Use of process cooling water in place of chilled water
- (b) Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:
  - Solar energy sources / Energy efficient lamps for general lighting applications
  - Further Air washer, filter and spray system modification
  - Replace DC Motors and drives with AC Motors in some areas
- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
  - Financial impact not quantified
- (d) Total Energy Consumption and Energy:
  - Consumption per Unit of production as per prescribed Form A.
  - Annexure A not applicable to the Company's production units

**B. TECHNOLOGY ABSORPTION :**

**1. RESEARCH & DEVELOPMENT**

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

**2. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION**

- (a) Efforts in brief, made towards technology absorption, adaptation & innovation:
  - Constant monitoring of process, technology and product upgradation taking place in advanced countries and to offer similar products through in-house R&D as well as through progressive manufacturing activities
  - Continuous improvements being made in quality control methods and testing facilities
  - Regular interaction with foreign equipment designers and manufacturers and major raw material suppliers for improvements in processing and operating parameters

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

### **C. FOREIGN EXCHANGE EARNINGS & OUTGO**

- (a) Activities relating to exports; initiative taken to increase exports; development of new export markets for products & services and export plans:
- Intensive efforts are continuing by entering new markets for the company's products
  - Appointment of agents in virgin markets
- (b) Total foreign exchange used & earned: (Rs.)

	<b><u>2012-2013</u></b>	<b><u>2011-2012</u></b>
Total foreign exchange used	<b>88,41,51,532</b>	27,95,98,007
Total foreign exchange earned	<b>3,90,38,170</b>	6,41,01,981

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### **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:

<b>Sl</b>	<b>Description</b>	<b>ESOP - 2008</b>	<b>ESOP - 2009</b>
a.	Options Granted	437500	457500
b.	Date of Grant	29/4/2009	1/4/2010
c.	Exercise Price per option (Rs.) <i>(Each option is equivalent to one equity share of the face value of Rs.10/- each)</i>	11.00	30.85
d.	Pricing Formula	The Exercise Price, as approved by the shareholders, shall be the average closing price of the Company's shares on the National Stock Exchange in the immediate preceding 7-day period prior to the date of grant discounted by such percentage not exceeding 75% to be determined by the Compensation Committee subject to a minimum exercise price of Rs.10 per share	
e.	Vesting Period	30% of entitlement on expiry of 1 year from grant of Option; Further 30% of entitlement on expiry of 2 years from grant of Option; and the balance 40% of entitlement on expiry of 3 years from grant of Option	
f.	Options vested	437500	274500
g.	Options exercised	407500	252000

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Sl	Description	ESOP - 2008	ESOP - 2009
h.	Options lapsed/surrendered/forfeited	30000	35000
i.	Variations of terms of options	None	None
j.	Money realized by exercise	Rs.44,82,500	Rs.77,74,200
k.	Options in force		
	- Vested	Nil	1500
	- Unvested	Nil	169000
l.	Details of options granted to Senior Management Personnel:		
	Sri Amitabha Ghosh	* 30,000	* 35,000
	Sri Haigreve Khaitan	* 30,000	* 35,000
	Sri P. Murari	* 30,000	* 35,000
	Sri Utsav Parekh	* 30,000	* 35,000
	Sri S. Ragothaman	* 30,000	* 35,000
	Sri C. Bhaskar	* 50,000	* 50,000
	Sri H. Bakshi	* 40,000	* 40,000
	Sri Vinay Agarwal	* 25,000	* 25,000
	Sri S.C. Jain	* 25,000	* 25,000
	Sri Anil Jain	* 25,000	* 25,000
	Sri Manmohan Krishan	* 25,000	* 25,000
	Sri N. Ravindran	* 25,000	* 25,000
	Sri U.K. Saraf	* 25,000	* 25,000
	Sri Sunil Mehta	5,000	10,000
	<i>* denotes employee granted options amounting to 5% or more of total options granted during respective year; None of the employees were granted Options equal to or exceeding 1% of the Issued Capital of the Company</i>		
m.	Diluted EPS	Rs. (3.52)	
n.	Fair value of the options	Rs. 11.75	Rs. 17.00
o.	The employee compensation costs has been calculated using the intrinsic value-based method of accounting for options granted and amounted to Rs.0.30 lacs for the financial year 2012-13. Had the compensation cost been determined in the manner consistent with the fair value approach, the Company's Net Loss for the year would be lower by Rs.0.26 lacs and proforma basic and diluted earnings per share would remain Rs.(3.54) and Rs.(3.52) respectively. (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: i) Risk-free interest rate: 6.6% ii) Expected Life: 7.1 years iii) Expected volatility: 0.40 iv) The Price of the underlying share in market at the time of option grant Rs. 17.50 (ESOP 2008) Rs. 30.85 (ESOP 2009)	

**For and on behalf of the Board**

New Delhi  
April 27, 2013

**Sidharth Birla**  
Chairman

## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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

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

1. Name of Subsidiary Company:	<b><u>Xpro Global Ltd.</u></b>	<b><u>Xpro Global Pte. Ltd.</u></b>
2. Financial year/period of the subsidiary ending on:	March 31, 2013	March 31, 2013
3. Extent of Holding Company's Interest:		
(a) Number of equity shares:	10,00,000* (*9,50,000 shares partly paid Rs. 5 each)	50,000
(b) Percentage Holding:	100 %	100 %
	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>
4. Net aggregate Profit/(Loss) for the financial year so far as it concerns the members of the Holding Company :		
(a) Dealt with in holding Company's Accounts:	<b>Nil</b>	<b>Nil</b>
(b) Not dealt with in holding Company's Accounts (Rs.):	<b>8,04,067</b>	<b>6,50,051</b>
	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>

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

				(Rs.)
Name of Subsidiary Company:	<b><u>Xpro Global Ltd.</u></b>	<b><u>Xpro Global Pte. Ltd.</u></b>		
	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>	<b><u>2012-13</u></b>	<b><u>2011-12</u></b>
1 Capital	<b>52,50,000</b>	52,50,000	<b>18,38,500</b>	18,38,500
2 Reserves	<b>8,04,067</b>	6,50,051	<b>(1,79,526)</b>	(1,17,623)
3 Total Assets	<b>68,46,839</b>	60,16,790	<b>17,05,783</b>	17,64,426
4 Total Liabilities	<b>7,92,772</b>	1,16,739	<b>46,809</b>	43,549
5 Details of Investment (Except Investment in Subsidiaries)	-	-	-	-
6 Turnover	<b>30,87,925</b>	26,61,963	-	-
7 Profit before taxation	<b>2,23,016</b>	1,33,607	<b>(1,90,532)</b>	(2,94,898)
8 Provision for taxation	<b>69,000</b>	37,483	-	-
9 Profit after Taxation	<b>1,54,016</b>	96,124	<b>(1,90,532)</b>	(2,94,898)
10 Proposed Dividend	<b>Nil</b>	Nil	<b>Nil</b>	Nil

Note : Xpro Global Pte. Ltd., Singapore, was incorporated as a wholly owned subsidiary of the Company on February 8, 2011. The first accounting period of this subsidiary was from February 8, 2011 to March 31, 2012.

For and on behalf of the Board

**Sidharth Birla**  
Chairman

**S. C. Jain**  
New Delhi  
April 27, 2013  
Company Secretary

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

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

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of **XPRO India Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

New Delhi  
April 27, 2013

**Gaurav J Shah**  
Partner  
(Membership No. 35701)

### **ANNEXURE TO THE AUDITORS' REPORT**

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

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

- (a) The Company has granted loans aggregating Rs. 10,50,00,000 to a party during the year. At the year-end, the outstanding balances of such loans aggregated Rs. 4,00,00,000 from a party and the maximum amount involved during the year was Rs. 5,50,00,000 from a party.
- (b) The rate of interest of such loans is, in our opinion, *prima facie* not prejudicial to the interests of the Company. There are no other terms and conditions of such loans.
- (c) The Company is regular in repaying the principal amount, when demanded and have been regular in payment of interest.
- (d) There are no overdue amounts during the year and hence the question of taking reasonable steps for recovery of principal amount and interest does not arise.

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

- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Accordingly, provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 are not applicable.
- (viii) In our opinion, the internal audit functions carried out during the year by firms of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31<sup>st</sup> March, 2013 on account of disputes are given below:



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**XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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Statute	Nature of Dues	Forum where matter is pending	Period to which the matter pertains	Amount involved (Rs.)
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	1991-96	89,48,306
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	1992-94	1,71,26,750
Sales Tax Act	Entry Tax	Supreme Court	2002-03	11,34,138
Sales Tax Act	UP Trade Tax	Commissioner of Sales Tax	2004-05	85,250
Sales Tax Act	Sales Tax Demand	Deputy Commissioner (Appeal), Durgapur	1996-2004	94,51,950
Central Excise Act	Central Excise	Commissioner of Central Excise Appeals, Kolkata	2004-07	48,75,598
Central Excise Act	Excise Duty	Commissioner of Central Excise Appeals, Kolkata	2004-07	21,46,779

- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (xii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xiv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xv) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 at a price which is *prima facie* prejudicial to the interests of the Company.
- (xvi) During the year, the Company has not raised any money by way of public issue.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

New Delhi  
April 27, 2013

**Gaurav J Shah**  
Partner  
(Membership No. 35701)

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

<b><u>BALANCE SHEET AS AT</u></b>		<b><u>March 31, 2013</u></b>	<b><u>March 31, 2012</u></b>
	Note No.	Rs.	Rs.
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' Funds</b>			
- Share capital	3	<b>11,65,95,000</b>	11,36,90,000
- Reserves and surplus	4	<b>1,30,91,21,152</b>	1,36,12,03,944
		<b>1,42,57,16,152</b>	1,47,48,93,944
<b>Non-current Liabilities</b>			
- Long-term borrowings	5	<b>1,23,08,38,303</b>	18,41,99,336
- Deferred tax liabilities (net)	6	<b>26,00,000</b>	3,37,00,000
- Other long-term liabilities	7	<b>6,57,002</b>	94,456
- Long-term provisions	8	<b>1,81,67,720</b>	1,08,74,119
		<b>1,25,22,63,025</b>	22,88,67,911
<b>Current Liabilities</b>			
- Short-term borrowings	9	<b>42,30,22,001</b>	33,41,58,296
- Trade payables	10	<b>31,75,58,085</b>	21,67,24,055
- Other current liabilities	11	<b>25,25,21,965</b>	30,69,39,819
- Short-term provisions	12	<b>1,35,96,580</b>	3,50,07,748
		<b>1,00,66,98,631</b>	89,28,29,918
		<b>3,68,46,77,808</b>	2,59,65,91,773
<b><u>ASSETS</u></b>			
<b>Non-current Assets</b>			
- Fixed assets			
- Tangible assets	13(a)	<b>88,37,18,547</b>	94,66,37,555
- Intangible assets	13(b)	<b>2,47,79,587</b>	2,60,11,473
- Capital work-in-progress	13(iii)	<b>1,25,67,28,926</b>	5,35,17,228
		<b>2,16,52,27,060</b>	1,02,61,66,256
- Non-current investments	14	<b>71,61,500</b>	71,61,500
- Long-term loans and advances	15	<b>8,55,69,717</b>	14,26,42,498
		<b>2,25,79,58,277</b>	1,17,59,70,254
<b>Current Assets</b>			
- Inventories	16	<b>26,23,42,935</b>	19,55,22,529
- Trade receivables	17	<b>34,96,56,799</b>	30,46,64,966
- Cash and cash equivalents	18	<b>54,28,67,274</b>	78,17,75,034
- Short-term loans and advances	19	<b>24,39,34,787</b>	10,28,50,751
- Other current assets (Interest accrued)		<b>2,79,17,736</b>	3,58,08,239
		<b>1,42,67,19,531</b>	1,42,06,21,519
		<b>3,68,46,77,808</b>	2,59,65,91,773

See accompanying notes to the financial statements

**As per our report of even date**  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
New Delhi  
April 27, 2013

**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

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

<b>STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED</b>		<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>Note No.</b>	<b>Rs.</b>	<b>Rs.</b>
<b><u>CONTINUING OPERATIONS</u></b>			
<b>Revenue</b>			
- Gross revenue from operations	21	<b>2,52,62,35,229</b>	2,70,17,42,746
less: excise duty		<b>27,30,78,437</b>	24,48,61,954
- Net revenue from operations		<b>2,25,31,56,792</b>	2,45,68,80,792
- Other income	22	<b>8,49,28,608</b>	6,36,72,684
- <b>Total Revenue</b>		<b>2,33,80,85,400</b>	2,52,05,53,476
<b>Expenses</b>			
- Cost of materials consumed	23	<b>1,65,89,89,242</b>	1,66,36,79,963
- Purchase of stock-in-trade		-	1,34,36,370
- Changes in inventories of finished goods & work-in-progress	24	<b>(3,40,38,723)</b>	1,02,33,011
- Employee benefits expense	25	<b>17,46,18,458</b>	16,23,36,441
- Finance costs	26	<b>10,95,22,474</b>	10,43,24,341
- Depreciation and amortization expense		<b>10,80,04,498</b>	11,54,43,561
- Other expenses	27	<b>39,29,84,683</b>	38,07,97,868
- <b>Total Expenses</b>		<b>2,41,00,80,632</b>	2,45,02,51,555
<b>Profit/(Loss) before tax</b>		<b>(7,19,95,232)</b>	7,03,01,921
Tax expense		-	10,50,000
- Current Tax		-	70,00,000
less: MAT credit entitlement		-	(59,50,000)
- Net current tax		-	2,18,00,000
- Deferred tax		<b>(3,11,00,000)</b>	18,56,398
- Tax pertaining to earlier years (net)		<b>2,17,678</b>	1,77,06,398
		<b>(3,08,82,322)</b>	5,25,95,523
<b>Profit/(Loss) from Continuing Operations</b>		<b>(4,11,12,910)</b>	5,25,95,523
<b><u>DISCONTINUING OPERATIONS</u> (discontinued wef August 18, 2011)</b>			
Profit for the period from discontinuing operations	32	-	2,53,57,087
Profit from slump sale of discontinued business		-	34,57,46,443
Tax expense of discontinuing operations		-	8,76,00,000
Profit from discontinuing operations (after tax)		-	28,35,03,530
<b>Profit/(Loss) for the year</b>		<b>(4,11,12,910)</b>	33,60,99,053
<b>Earnings per equity share (of Face Value Rs.10/- each)</b>			
- <b>From continuing operations</b>	34		
- Basic (Rs.)		<b>(3.54)</b>	4.64
- Diluted (Rs.)		<b>(3.52)</b>	4.53
- <b>Total</b>			
- Basic (Rs.)		<b>(3.54)</b>	29.66
- Diluted (Rs.)		<b>(3.52)</b>	28.92

See accompanying notes to the financial statements

<b>As per our report of even date</b>		<b>For and on behalf of the Board</b>	
For <b>Deloitte Haskins &amp; Sells</b>			
Chartered Accountants		<b>Sidharth Birla</b>	
		Chairman	
<b>Gaurav J. Shah</b>	<b>S. C. Jain</b>	<b>V. K. Agarwal</b>	<b>C. Bhaskar</b>
Partner	Company Secretary	Joint President &	Managing Director &
Membership No. 35701		Chief Financial Officer	Chief Executive Officer
New Delhi			
April 27, 2013			

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) before tax and exceptional items	(7,19,95,232)	7,03,01,922
Profit from discontinuing operations	-	2,53,57,087
Adjusted for:		
Depreciation and Amortization	10,80,04,498	12,42,48,369
Interest and Financial Charges	10,95,22,474	11,02,13,431
Interest income	(6,95,94,609)	(6,75,41,063)
Bad Debts & Provisions (net)	9,08,283	71,042
Provisions & Sundry balances written back	(98,80,090)	(18,78,316)
(Profit)/Loss on Sale/Discard of Fixed Assets	1,13,247	6,53,537
Foreign Exchange Fluctuation (unrealized)	(73,30,953)	6,48,164
Employee Stock Option Amortization	(12,34,152)	4,13,751
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>5,85,13,466</b>	<b>26,24,87,924</b>
Adjusted for:		
Trade and other Receivables	(4,59,00,116)	30,78,14,135
Loans & advances	(15,70,25,633)	(6,62,32,005)
Inventories	(6,70,62,445)	9,44,30,395
Trade payables and other liabilities	6,30,66,322	(19,79,28,747)
Direct Taxes	(10,24,919)	(45,35,026)
<b>Net Cash Flow from Operating activities</b>	<b>(14,94,33,325)</b>	<b>39,60,36,676</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,18,84,01,458)	(19,52,86,536)
Sale of Fixed Assets	7,46,318	26,35,17,106
Profit from slump sale of discontinued business	-	34,57,46,443
Investments in Subsidiaries	-	-
Direct taxes paid	-	(8,76,00,000)
Interest Received	10,54,02,848	3,96,74,540
<b>Net Cash Flow from Investing Activities</b>	<b>(1,08,22,52,292)</b>	<b>36,60,51,553</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Shares	67,65,850	53,06,100
Increase/(Decrease) in Bank Borrowings (net)	1,12,84,06,858	(12,95,15,890)
Interest and Financial Charges	(10,84,36,382)	(11,25,70,628)
Dividend Paid (including dividend tax)	(3,39,58,469)	(2,63,80,461)
<b>Net Cash Flow from Financing activities</b>	<b>99,27,77,857</b>	<b>(26,31,60,879)</b>
<b>Net increase/(decrease) in Cash or Cash equivalents</b>	<b>(23,89,07,760)</b>	<b>49,89,27,350</b>
Cash and Cash Equivalents at the beginning of the year	78,17,75,034	28,28,95,532
Cash and Cash Equivalents acquired on amalgamation	-	-
Effect of Foreign Exchange rate differences	-	(47,849)
Cash and Cash Equivalents at the end of the year	54,28,67,274	78,17,75,033

**Notes:**

Cash and Cash Equivalents represent Cash and Bank balance (refer Note 18) and include Rs.52,33,164 (Previous year: Rs.47,81,830) of unpaid dividend not available for use by the Company;

Statement includes Cash flows from Discontinued operations (refer Note 32) in previous year;

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

Fixed Deposits of Rs.24,82,88,330 (Previous year: Rs.24,81,33,956) pledged with bank(s) towards overdraft & other facilities;

**As per our report of even date**

For Deloitte Haskins & Sells

Chartered Accountants

**Gaurav J. Shah**

Partner

Membership No. 35701

New Delhi

April 27, 2013

**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

## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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### **Notes to the Financial Statements**

#### **1. Company Overview:**

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

#### **2. Significant Accounting Policies**

##### **2.1 Basis of Preparation of Financial Statements**

The financial statements have been prepared under historical cost convention in accordance with the generally accepted accounting principles, applicable Accounting Standards as prescribed under the Companies (Accounting Standards) Rules, 2006 and provisions of the Companies Act, 1956.

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

##### **2.2 Use of Estimates**

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

##### **2.3 Fixed Assets**

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

##### **2.4 Depreciation/Amortization**

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

##### **2.5 Impairment**

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

##### **2.6 Investments**

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

##### **2.7 Inventories**

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

##### **2.8 Revenue Recognition**

- i. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii. Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the customer (on despatch to the customer). Excise Duty deducted from turnover (gross) is the amount that is included

in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Sales are reported net of sales tax.

- iii. Income from Services: Revenue (including sales commission) is recognized on accrual basis.
- iv. Interest: Time pro-rated revenue is recognized taking into account the amount outstanding and rate applicable.

**2.9 Borrowing Cost**

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

**2.10 Foreign Currency Transactions**

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

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

**2.11 Research & Development**

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

**2.12 Government Grants**

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

**2.13 Employee benefits**

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

**2.14 Taxation**

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

**2.15 Employees Stock Option Plan**

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

**2.16 Provisions, Contingent Liabilities and Contingent Assets**

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

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### 3. Share Capital

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	<u>Rs.</u>	<u>Rs.</u>
<b><u>Authorized</u></b>		
1,50,00,000 Equity Shares of Rs.10 each (March 31, 2012: 1,50,00,000)	<b>15,00,00,000</b>	15,00,00,000
2,00,00,000 Unclassified Shares of Rs.10 each (March 31, 2012: 2,00,00,000)	<b>20,00,00,000</b>	20,00,00,000
<b><u>Issued, subscribed &amp; fully paid share capital</u></b>		
1,16,59,487 Equity Shares of Rs.10 each (March 31, 2012: 1,13,68,987)	<b>11,65,94,870</b>	11,36,89,870
<b><u>Share Capital Suspense</u></b>		
13 Equity Shares of Rs.10 each (March 31, 2012: 13)	<b>130</b>	130
	<b>11,65,95,000</b>	11,36,90,000

- 3.1 Share Capital Suspense comprises of 12 equity shares pending to be allotted as fully paid up to some non-resident equity shareholders without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000 and 1 equity share of Rs.10 pending to be allotted as fully paid to a non-resident share holder by way of bonus share in terms of RBI regulations.
- 3.2 The Company has issued only one class of shares referred to as equity shares having a par value of Rs.10. All equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. All shares rank equally with regard to the Company's residual assets.
- 3.3 The amount of per share dividend recognised as distributions to equity shareholders for the year ended March 31, 2013 is Re.1.00 (*previous year: Rs.2.50*), subject to approval by shareholders in the ensuing annual general meeting.
- 3.4 Shareholder(s) holding more than 5% shares in the Company as on March 31, 2013 are:  
i) IntelliPro Finance Private Limited : 20,16,000 shares; 17.29% (*previous year: 20,00,000 shares; 17.59%*) and  
ii) iPro Capital Limited: 28,30,000 shares; 24.27% (*previous year: 28,05,000; 24.67%*).
- 3.5 Reconciliation of the number of shares outstanding:

	<u>2012-13</u>	<u>2011-12</u>
Number of shares at the beginning of the year	1,13,69,000	1,11,14,000
Shares issued & allotted on exercise of employee options during the year	2,90,500	2,55,000
Number of shares at the end of year	1,16,59,500	1,13,69,000

### 3.6 **Employees' Stock Option Scheme(s)**

The Company has two stock option schemes.

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

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

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

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

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

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Information about options outstanding:

	<u>2012-13</u>		<u>2011-12</u>	
	<u>ESOP 2008</u>	<u>ESOP 2009</u>	<u>ESOP 2008</u>	<u>ESOP 2009</u>
Options outstanding, beginning of the year	1,94,500	3,31,500	3,23,500	4,57,500
Options Exercised	1,64,500	1,26,000	1,29,000	1,26,000
Options lapsed/surrendered/forfeited	30,000	35,000	-	-
Options outstanding, end of the year	-	1,70,500	1,94,500	3,31,500
Of which:				
Vested but not exercised	-	1,500	19,500	11,250
Unvested	-	1,69,000	1,75,000	3,20,250

#### 4. Reserves and Surplus

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Rs.	Rs.
<b>Capital Subsidy Reserve</b>	60,50,000	60,50,000
<b>Securities Premium Reserve</b>		
Opening Balance	3,35,87,100	2,99,92,000
add: Transfer from Share Options Outstanding account	10,69,250	8,39,100
add: Receipts on exercise of ESOPs	27,91,600	27,56,000
Closing Balance	3,74,47,950	3,35,87,100
<b>Share Options Outstanding Account</b>		
Opening Balance	12,64,250	21,02,750
Less: Options exercised during the year	10,69,250	8,38,500
Less: Options surrendered during the year	1,95,000	-
Closing Balance	-	12,64,250
Less: deferred employee stock compensation	-	30,098
	-	12,34,152
<b>General Reserve</b>		
Opening Balance	67,50,00,000	62,50,00,000
add: Transfer from Surplus	-	5,00,00,000
Closing Balance	67,50,00,000	67,50,00,000
<b>Surplus</b>		
Opening Balance	64,53,32,692	39,31,92,107
add: Net profit/(loss) after tax transferred from Statement of Profit and Loss	(4,11,12,910)	33,60,99,054
Amount available for appropriation	60,42,19,782	72,92,91,161
Appropriations:		
Proposed Dividend	1,16,77,458	2,92,08,521
Corporate Dividend Tax	19,19,122	47,49,948
Amount transferred to General Reserve	-	5,00,00,000
Closing Balance	59,06,23,202	64,53,32,692
<b>Reserves &amp; Surplus (Total)</b>	<b>1,30,91,21,152</b>	<b>1,36,12,03,944</b>

#### 5. Long-term Borrowings

	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	Rs.		Rs.	
	Non-current portion	Current Maturities	Non-current portion	Current Maturities
<b>Secured</b>				
Term loans	1,23,08,38,303	13,30,62,429	18,41,99,336	22,12,00,000
	1,23,08,38,303	13,30,62,429	18,41,99,336	22,12,00,000

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



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- a. Term Loan from State Bank of India, outstanding Rs.1,35,65,000 (previous year: Rs.3,01,65,000), carrying interest linked to the bank's Base Rate, is repayable in 20 quarterly installments of Rs.44,00,000 each, along with interest, commencing from March 2009 and is secured by pari-passu hypothecation/mortgage of all movable and immovable assets, present and future, of the Company situated at Ranjangaon & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- b. Term Loan from State Bank of India, outstanding Rs.9,60,00,000 (previous year: Rs.4,58,25,000), carrying interest linked to the bank's Base Rate, repayable in (i) 2 quarterly installments of Rs.30.00 lacs each paid in December 2012 and March 2013; (ii) 20 quarterly installments of Rs.45.00 lacs each starting from June 2013; & (iii) 2 quarterly installments of Rs.20.00 lacs each payable in June 2018 and September 2018 and is secured by pari-passu hypothecation/mortgage of all the movable and immovable assets, present and future, of the Company situated at Ranjangaon & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- c. Term Loan from State Bank of Hyderabad, outstanding Rs.6,56,25,000 (previous year: Rs.10,31,25,000), carrying interest linked to the bank's Base Rate, is repayable in 16 quarterly installments of Rs.93,75,000 each, along with interest, commencing from March 2011 and is secured by pari-passu hypothecation/mortgage of all the movable and immovable assets, present and future, of the Company's unit situated at Ranjangaon, first charge on specified sheet line installed at Greater Noida & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- d. Term Loan(s) from Allahabad Bank, outstanding Rs.Nil (previous year: Rs.13,65,00,000), carrying interest linked to the bank's Base Rate, has been repaid and was secured by first hypothecation/ mortgage of all the movable and immovable assets, present and future, of the Coex Division of the Company situated at Faridabad & second charge on all the current assets of the Company ranking pari-passu with other term lenders;
- e. Term Loan from Allahabad Bank, outstanding Rs.5,87,00,000 (previous year: Rs.8,23,00,000), carrying interest linked to the bank's Base Rate, repayable in 16 quarterly installments of Rs.59,00,000 each and last installment of Rs.56,00,000, along with interest, commencing from August 2011, is secured by first hypothecation/ mortgage of all the movable and immovable assets, present and future, of the Company situated at Pithampur & second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- f. Term Loan from Punjab National Bank, outstanding Rs.7,00,00,000 (previous year: Rs.Nil) (balance to be drawn: Rs.,6,00,00,000), carrying interest linked to the bank's Base Rate, repayable in 16 quarterly installments of Rs.81,25,000 each, along with interest, commencing from April 2014, and is secured by pari-passu hypothecation/mortgage of all movable and immovable assets, present and future, of the Company situated at Ranjangaon & second charge on all the current assets of the Company ranking pari-passu with other term lenders.
- g. ECB from KBC Bank Deutschland AG, in the nature of term loan, outstanding €8,817,021.40; equivalent to Rs.62,30,10,732 (previous year: €108,388.13 equivalent to Rs.75,25,708), carrying interest linked to Euribor, (balance to be drawn €556,865.60, through direct payments to machinery supplier(s) in Germany and Euler Hermes Kreditversicherungs AG) repayable in 16 semi-annual installments of €585,867.94 each, along with interest, commencing from March 2014, is secured by hypothecation of specified Dielectric Film Line and slitter to be installed at Barjora and is insured under Hermes export credit guarantee.
- h. Term Loans under SBI TL Consortium comprising (i) State Bank of India: outstanding Rs.17,00,00,000 (previous year: Rs.Nil) (balance to be drawn: Rs.10,60,00,000) repayable in 20 quarterly installments of Rs.1,38,00,000, along with interest, commencing from June, 2014; (ii) State Bank of Hyderabad: outstanding Rs.13,50,00,000 (previous year: Rs.Nil) (balance to be drawn: Rs.7,20,00,000) repayable in 20 quarterly installments of Rs.1,03,50,000 each, along with interest, commencing from July, 2014; and (iii) State Bank of Patiala: outstanding Rs.13,50,00,000 (previous year: Rs.Nil) (balance to be drawn: Rs.6,50,00,000) repayable in 20 quarterly installments of Rs.1,00,00,000 each, along with interest, commencing from June, 2014; carrying interest linked to the respective Bank's Base Rates are secured by pari-passu hypothecation/mortgage of all movable and immovable assets, present and future, of the Company situated at Barjora (excluding specified Dielectric Film Line and slitter which are exclusively charged to KBC Bank & second charge on all the current assets of the Company ranking pari-passu with other term lenders excluding KBC Bank;

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	<u>March 31, 2013</u> Rs.	<u>March 31, 2012</u> Rs.
<b>6. Deferred Taxes</b>		
<b>Deferred tax assets</b>		
Expenses deductible on Payment basis	56,00,000	36,00,000
Carry forward of losses	<u>72,00,000</u>	<u>-</u>
	1,28,00,000	36,00,000
<b>Deferred tax liabilities</b>		
Difference between book and tax depreciation	<u>1,54,00,000</u>	<u>3,73,00,000</u>
<b>Net Deferred Tax Assets/(Liability)</b>	<b>(26,00,000)</b>	<b>(3,37,00,000)</b>
<b>Deferred Tax Credit utilized/(added)</b>	<b>3,11,00,000</b>	<b>(2,18,00,000)</b>
<b>7. Other Long Term Liabilities</b>		
Deposits	-	37,002
Others	<u>6,57,002</u>	<u>57,454</u>
	6,57,002	94,456
<b>8. Long Term Provisions</b>		
Provision for employee benefits		
Provision for Gratuity (Note 25)	1,61,58,620	1,03,92,827
Provision for Leave Encashment (Note 25)	<u>20,09,100</u>	<u>4,81,292</u>
	1,81,67,720	1,08,74,119
<b>9. Short Term Borrowings</b>		
<b>Secured Loans</b>		
Working Capital Loans and Cash Credit Accounts with Banks	29,55,38,668	18,08,67,280
Overdraft accounts	<u>12,74,83,333</u>	<u>15,32,91,016</u>
	42,30,22,001	33,41,58,296
a. Working Capital loans are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Company, present and future, and second charge, ranking pari-passu, on the entire fixed assets of the Company, present and future, wherever situated.		
b. Overdraft against term deposits outstanding Rs.12,74,83,333 (previous year: Rs.15,32,91,016) is secured by way of pledge of Term Deposit Receipts with the bank(s).		
	<u>March 31, 2013</u> Rs.	<u>March 31, 2012</u> Rs.
<b>10. Trade Payables</b>		
Trade payables	21,32,90,599	17,22,02,935
Acceptances	<u>10,42,67,486</u>	<u>4,45,21,120</u>
	31,75,58,085	21,67,24,055
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, 2013) which require disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.		
	<u>March 31, 2013</u> Rs .	<u>March 31, 2012</u> Rs.
<b>11. Other Current Liabilities</b>		
Current maturities of long term debt (Note 5)	13,30,62,429	22,12,00,000
Interest accrued and due on borrowings	63,05,931	52,19,839
Interest accrued but not due	27,79,587	41,750
Unpaid dividends	52,33,164	47,81,830
Advance from Customers	20,33,297	28,74,794
Security Deposit Received	20,16,059	21,38,110
Other payables	<u>10,10,91,498</u>	<u>7,06,83,496</u>
	25,25,21,965	30,69,39,819

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	March 31, 2013 Rs.	March 31, 2012 Rs.
<b>12. Short-term Provisions</b>		
<b>Others</b>		
Proposed Equity Dividend	1,16,77,458	2,92,08,521
Provision for Tax on proposed equity dividend	19,19,122	47,49,948
Provision for Tax	-	10,49,280
	<b>1,35,96,580</b>	<b>3,50,07,749</b>

### 13. Fixed Assets

#### a. Tangible assets

	Gross Value			Depreciation/Amortisation				Net Value		Rs.
	As at April 1, 2012	Additions	Disposals	As at March 31, 2013	Upto April 1, 2012	For the Year	Deduction	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
Freehold Land	77,76,198	-	-	77,76,198	-	-	-	-	77,76,198	77,76,198
Leasehold Land	9,33,48,862	-	-	9,33,48,862	87,42,111	16,30,177	-	103,72,288	8,29,76,574	8,46,06,751
Buildings	13,37,72,628	4,10,456	-	13,41,83,084	3,43,82,318	36,29,003	-	380,11,321	9,61,71,763	9,93,90,310
Plant & Machinery	149,13,60,036	3,08,67,395	-	152,22,06,971	77,13,16,487	9,54,23,979	-	86,67,40,466	65,54,66,505	72,00,36,591
Furniture & Fixtures	2,20,54,490	87,60,508	2,73,575	3,05,41,423	1,15,46,021	15,61,742	1,27,916	1,29,79,847	1,75,61,576	1,05,08,469
Vehicles	2,32,06,951	23,35,792	3,54,199	2,51,88,544	44,53,632	23,60,643	2,01,672	66,12,603	1,85,75,941	1,87,53,319
Computers	1,20,44,106	5,65,130	94,545	1,25,14,691	88,98,185	9,51,758	35,996	98,13,947	27,00,744	31,45,921
Equipment & Fittings	48,03,058	2,92,058	24,000	50,91,576	23,90,019	2,24,153	11,842	26,02,330	24,89,246	24,19,996
	178,83,66,329	4,32,31,339	7,46,319	183,08,51,349	84,17,28,773	10,57,81,455	3,77,426	94,71,32,802	88,37,18,547	94,66,37,555
Previous Year*	203,39,79,393	14,40,91,888	38,97,04,951	178,83,66,329	84,52,24,975	12,20,38,106	12,55,34,308	84,17,28,773	94,66,37,555	

\* Note: Additions in Previous Year includes Adjustments for Borrowing Costs : Rs.18,36,639

#### b. Intangible assets

	Gross Value			Depreciation/Amortisation				Net Value		Rs.
	As at April 1, 2012	Additions	Disposals	As at March 31, 2013	Upto April 1, 2012	For the Year	Deduction	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
Software	28,32,382	9,91,157	-	38,23,539	11,39,924	4,35,916	-	15,75,840	22,47,699	16,92,459
Technical Knowhow	3,38,47,093	-	-	3,38,47,093	95,28,079	17,87,127	-	1,13,15,205	2,25,31,888	2,43,19,014
	3,66,79,475	9,91,157	-	3,76,70,632	1,06,68,003	22,23,043	-	1,28,91,045	2,47,79,587	2,60,11,473
Previous Year	3,66,79,475	-	-	3,66,79,475	84,57,634	22,10,369	-	1,06,68,003	2,60,11,473	

- i) Disposals during the previous year included tangible assets (Gross value: Rs.37,03,87,471; Net value: Rs.25,98,16,740) transferred and sold as part of slump sale of discontinued operations. Necessary disclosure in this respect has been made in the financial statements for the previous year.
- ii) Loss on disposal of fixed assets during the year is Rs.1,13,247 (previous year: Rs.6,53,537).
- iii) Capital work-in-progress includes (previous year figures in italics) Leasehold Land: Rs.31,24,436 (Rs.31,24,436); Buildings: Rs.21,97,31,122 (Rs.6,60,529); Plant & Machinery: Rs.93,89,72,808 (Rs.3,17,09,535); Insurance: Rs.3,85,29,122 (Rs.95,72,840); Finance Cost: Rs.2,57,81,593; (Rs.41,750) Employee Costs: Rs.40,37,233 (Rs.Nil); Rates & Taxes: Rs.18,31,081 (Rs.Nil); Other Pre-operative Expenses: Rs.2,47,21,531 (Rs.84,08,138), incurred towards new Dielectric Films Project at Barjora and the relocation and expansion projects at Ranjangaon;
- iv) 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.
- v) As stipulated in AS-28 on Impairment of Assets, the Company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Rs.	Rs.
<b>14. <u>Non-Current Investments</u></b>		
<b><u>Trade Investments</u></b> (valued at cost)		
<b><u>Unquoted equity instruments</u></b>		
<b>Investment in wholly owned subsidiary companies</b>		
10,00,000 equity shares of Xpro Global Limited of Rs.10/- each	52,50,000	52,50,000
(Out of above 9,50,000 equity shares of Rs. 10/- each partly paid up Rs. 5/- each)		
50,000 fully paid equity shares of Xpro Global Pte. Ltd. (@ SGD 1 each)	18,39,000	18,39,000
<b><u>Other Investments</u></b>		
<b><u>Unquoted</u></b>		
1,000 equity shares of Birla Buildings Limited of Rs.10/- each	72,500	72,500
	<u>71,61,500</u>	<u>71,61,500</u>
<b>15. <u>Long-Term Loans and Advances</u></b>		
<b><u>Unsecured, considered good</u></b>		
Capital Advances	4,85,45,824	10,56,82,766
Security Deposits	1,26,65,932	1,23,59,732
Credit for MAT entitlement	2,43,57,961	2,46,00,000
	<u>8,55,69,717</u>	<u>14,26,42,498</u>
<b>16. <u>Inventories</u></b>		
Raw materials	10,77,19,952	7,59,04,050
Work-in-progress	8,70,13,075	7,03,66,689
Finished Goods	4,40,21,989	2,66,29,653
Stores and Spares	2,35,87,919	2,26,22,137
	<u>26,23,42,935</u>	<u>19,55,22,529</u>
Raw Materials includes goods in transit: Rs.2,15,66,521 (previous year: Rs.1,41,75,202)		
<b>17. <u>Trade receivables</u></b>		
<b><u>Unsecured, considered good</u></b>		
Outstanding for a period exceeding six months from due date	34,18,606	6,56,647
Others	34,62,38,193	30,40,08,319
	<u>34,96,56,799</u>	<u>30,46,64,966</u>
<b>18. <u>Cash and cash equivalents</u></b>		
Balance with banks		
Current Accounts	3,80,87,444	2,47,81,725
EEFC Account	-	33,00,000
Unpaid Dividend	52,33,164	47,81,830
Margin money	32,500	20,000
Term Deposit Accounts (with maturity period less than 12 months)	5,15,85,104	50,32,44,335
Term Deposit Accounts (with maturity period over 12 months)	44,69,83,468	24,50,00,000
Cash on hand	9,45,594	6,47,144
	<u>54,28,67,274</u>	<u>78,17,75,034</u>

a. Term Deposits pledged with bank(s) for overdraft & other facilities - Rs.24,82,88,330 (Previous year: Rs.24,81,33,956);

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

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	<u>March 31, 2013</u>	<u>March 31, 2012</u>
	Rs.	Rs.
<b>19. <u>Short Term Loans and Advances</u></b>		
<b>Unsecured, considered good</b>		
Capital Advances	-	9,04,637
Inter-corporate deposits (to a related party)	4,00,00,000	5,00,00,000
Advances recoverable in cash or in kind or for value to be received		
Other loans & advances	54,31,911	1,44,36,113
Refunds, Recoveries & Claims	23,71,457	24,39,828
Prepaid expenses	43,97,219	35,50,930
Loans to employees ( <i>interest-free</i> )	65,29,804	60,04,374
Deposit with Government & Others	2,72,64,725	99,34,163
Balance with Central Excise	15,79,39,671	1,55,80,706
	<u>24,39,34,787</u>	<u>10,28,50,751</u>
<b>20. <u>Contingent Liabilities and Commitments</u> (to the extent not provided for)</b>		
<b>Contingent Liabilities</b>		
Claims against the Company, not acknowledged as debt	2,50,208	2,50,208
Sales Tax, Excise & Customs matters under appeal	4,36,58,032	5,22,41,532
	<u>4,39,08,240</u>	<u>5,24,91,740</u>
(In the opinion of the Company, the possibility relating to net outflow on the above accounts are remote)		
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances)	11,60,74,942	62,76,86,761
Unpaid portion of subscribed Equity Capital in subsidiary	47,50,000	47,50,000
	<u>12,08,24,942</u>	<u>63,24,36,761</u>
<b>Total</b>	<u>16,47,33,182</u>	<u>68,49,28,501</u>
	<u>2012- 13</u>	<u>2011 - 12</u>
	Rs.	Rs.
<b>21. <u>Revenue from Continuing Operations</u></b>		
Sale of products	2,47,49,15,380	2,59,73,16,996
Processing charges	-	14,44,740
Sale of traded goods	-	1,37,93,455
Other Operating Revenues	5,13,19,849	8,91,87,555
Gross Revenue from Operations	2,52,62,35,229	2,70,17,42,746
less: Excise Duty	27,30,78,437	24,48,61,954
Net Revenue from Operations	<u>2,25,31,56,792</u>	<u>2,45,68,80,792</u>
<b><u>Additional Details of Products Sold</u></b>		
Finished Goods		
Thermoplastic Films/Sheets/Liners	2,46,13,73,460	2,58,03,37,669
Others	6,48,61,769	12,14,05,077
	<u>2,52,62,35,229</u>	<u>2,70,17,42,746</u>
<b>22. <u>Other Income</u></b>		
Excess provisions & unclaimed balances in respect of earlier years written back	98,80,090	5,23,410
Interest income		
From Banks	6,24,00,350	5,41,70,416
From Others	93,70,591	36,29,066
On Income Tax refund	42,297	10,654
Gain on foreign currency transaction and translation	-	2,28,367
Miscellaneous income	32,35,280	51,10,771
	<u>8,49,28,608</u>	<u>6,36,72,684</u>

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	<u>2012-13</u> Rs.	<u>2011-12</u> Rs.
<b>23. <u>Cost of Materials Consumed</u></b>		
Inventories at the beginning of the year	7,59,04,050	8,16,37,995
add: Purchases during the year	<u>1,71,50,02,683</u>	<u>1,66,35,70,382</u>
	<u>1,79,09,06,733</u>	<u>1,74,52,08,377</u>
less: Sales/Rebates and Transfers	<u>2,41,97,539</u>	<u>56,24,364</u>
	<u>1,76,67,09,194</u>	<u>1,73,95,84,013</u>
less: Inventories at the end of the year	<u>10,77,19,952</u>	<u>7,59,04,050</u>
Cost of Materials Consumed	<u>1,65,89,89,242</u>	<u>1,66,36,79,963</u>
<b><u>Details of Materials Consumed</u></b>		
Thermoplastic Resins	1,65,45,49,749	1,66,32,93,820
Others	<u>44,39,493</u>	<u>3,86,143</u>
	<u>1,65,89,89,242</u>	<u>1,66,36,79,963</u>
<b>24. <u>Changes in Inventories</u></b>		
<b><u>Inventories at the end of the year</u></b>		
Work-in-Progress	8,70,13,076	7,03,66,689
Finished Goods	<u>4,40,21,989</u>	<u>2,66,29,653</u>
	<u>13,10,35,065</u>	<u>9,69,96,342</u>
<b><u>Inventories at the beginning of the year</u></b>		
Work-in-Progress	7,03,66,689	6,43,58,240
Finished Goods	<u>2,66,29,653</u>	<u>4,28,71,113</u>
	<u>9,69,96,342</u>	<u>10,72,29,353</u>
Total	<u>(3,40,38,723)</u>	<u>1,02,33,011</u>
<b>25. <u>Employee Benefits Expense</u></b>		
Salaries, Wages, Bonus, etc.	14,25,07,071	12,31,48,535
Contribution to Provident and other Funds	2,03,41,482	2,73,92,985
Expenses on Employee Stock Option Scheme(s) (ESOP)	<u>(1,64,902)</u>	<u>3,57,008</u>
Employees Welfare	<u>1,19,34,807</u>	<u>1,14,37,913</u>
	<u>17,46,18,458</u>	<u>16,23,36,441</u>

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

	Rs. In lacs			
	<u>Gratuity</u>		<u>Compensated absence</u>	
	<u>2012-13</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2011-12</u>
<b>a. Reconciliation of opening and closing balances of the present value of defined benefit obligation</b>				
Obligation at the beginning of the year	464.74	451.81	194.73	213.95
Current Service Cost	33.88	27.60	22.09	12.48
Interest Cost	37.64	36.14	15.77	17.12
Actuarial (gain)/loss	44.59	64.68	19.23	(1.17)
Benefits paid	5.91	115.49	19.80	47.65
<b>Obligation at the end of the year</b>	<b>574.94</b>	<b>464.74</b>	<b>232.02</b>	<b>194.73</b>

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	Rs. In lacs			
	Gratuity		Compensated absence	
	2012-13	2011-12	2012-13	2011-12
<b>b. Reconciliation of opening and closing balances of fair value of plan</b>				
Plan assets at the beginning of the year, at fair value	360.81	396.20	189.93	177.77
Expected Return on Plan Assets	29.56	22.71	15.39	11.03
Actuarial gain/(loss)	5.71	9.02	1.80	4.60
Contribution	23.18	48.05	4.81	24.83
Benefits paid	5.91	115.17	-	28.30
<b>Plan assets at the end of the year, at fair value</b>	<b>413.35</b>	<b>360.81</b>	<b>211.93</b>	<b>189.93</b>
<b>c. Liability recognized in Balance Sheet</b>				
Obligation at the end of the year	574.94	464.74	232.02	194.73
Less : Plan assets at the end of the year, at fair value	413.35	360.81	211.93	189.92
Liability recognized in Balance Sheet as at March 31	161.59	103.93	20.09	4.81
<b>d. Net cost of employer expense for the year</b>	<b>82.66</b>	<b>96.69</b>	<b>40.08</b>	<b>12.80</b>
<b>e. Assumptions</b>				
Discount Rate (p.a.)	8.1 %	8.0 %	8.1 %	8.0 %
Expected Rate of Return on plan assets (p.a.)	8.0 %	6.0 %	8.0 %	6.0 %
Expected rate of increase in compensation levels (p.a.)	6.25%	5.0 %	6.25%	5.0 %

### f. Experience History

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Gratuity</b>					
Defined Benefit Obligation at the end of the year	574.94	464.74	451.81	348.55	300.02
Plan Assets at the end of the year	413.35	360.81	396.20	323.93	270.17
Funded Status – Surplus/(Deficit)	(161.59)	(103.93)	(55.61)	(24.62)	(29.85)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	44.59	64.68	24.57	26.60	18.77
Experience Adjustment on Plan Assets - Gain/(Loss)	5.71	9.02	5.21	2.277	(4.63)
<b>Compensated Absence</b>					
Defined Benefit Obligation at the end of the year	232.02	194.73	213.95	172.92	152.18
Plan Assets at the end of the year	211.93	189.93	177.77	161.90	59.92
Funded Status – Surplus/(Deficit)	(20.09)	(4.80)	(36.18)	(11.02)	(92.26)
Experience Adjustment on Plan Liabilities - (Gain)/Loss	19.23	(1.17)	(5.33)	0.69	(31.27)
Experience Adjustment on Plan Assets - Gain/(Loss)	1.80	4.60	(3.92)	(4.67)	(3.77)

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

	2012- 13	2011 - 12
	Rs.	Rs.
<b>26. Finance Cost</b>		
Interest expenses	10,05,48,685	9,68,52,915
Other finance charges	89,73,789	74,71,426
	<b>10,95,22,474</b>	<b>10,43,24,341</b>

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	<u>2012-13</u>	<u>2011-12</u>
	Rs.	Rs.
<b>27. Other Expenses</b>		
Consumption of Stores and Spares	6,23,54,641	6,11,70,279
Increase/(decrease) of Excise Duty on inventory	29,31,481	(6,18,831)
Power & Fuel	20,38,00,243	17,97,53,582
Processing Charges	66,13,942	1,00,63,730
Repairs to:		
- Buildings	11,02,570	23,38,501
- Plant & Machinery	1,29,65,089	1,45,64,791
- Others	42,69,520	31,61,991
Communication	32,92,515	36,32,976
Director's Fees	5,15,000	7,70,000
Insurance	44,05,045	39,91,386
Loss on sale of fixed assets	1,13,247	6,16,510
Miscellaneous	3,50,38,725	3,72,56,749
Payment to Auditors ( <i>refer note below</i> )	13,04,611	15,23,761
Professional & Legal	33,62,265	63,78,280
Rates & Taxes	26,01,541	17,91,265
Rent ( <i>refer note below</i> )	67,12,845	52,90,139
Travelling	91,28,387	1,34,17,859
Bad Debts written off	9,08,283	71,042
Brokerage, Rebate, Discount & Commission	62,01,857	64,14,490
Freight, Forwarding & Shipment Charges (Net)	2,41,22,126	2,72,55,661
Other Selling Expenses	11,48,732	18,31,590
Rejection & Damages (Net)	92,018	1,22,117
	<b>39,29,84,683</b>	<b>38,07,97,868</b>
 a. Payment to Auditors		
- As Auditors	10,00,000	10,00,000
- For other services	-	3,00,000
- Reimbursement of expenses	3,04,611	2,23,761
	<b>13,04,611</b>	<b>15,23,761</b>
 b. The Company is lessee under various operating leases, none of which are non-cancellable.		
<b>28. Foreign Currency Transactions</b>		
a. Imports (CIF Value)		
Raw materials	13,35,14,356	11,33,38,050
Spares	23,86,820	34,23,184
Capital Goods	74,21,69,244	5,15,62,345
	<b>87,80,70,420</b>	<b>16,83,23,579</b>
b. Expenditure (on payment basis)		
Interest	59,46,145	
Professional & consultation fees	-	-
Others	1,34,967	11,12,74,428
	<b>60,81,112</b>	<b>11,12,74,428</b>
c. Earnings		
Export of Goods (FOB Value)	3,90,38,170	6,41,01,981
d. Dividend Remitted to Non-Resident Shareholders		
Number of Non-Resident Shareholders	120	121
Number of Shares held by Non-Resident Shareholders	1,00,015	1,06,626
Amount remitted during the year	-	-
Year to which dividend relates	2011-2012	2010-2011



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### 29. Foreign Exchange Exposure

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

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

Foreign exchange currency exposures that have not been hedged by a derivative instrument or otherwise at year-end:

Purchases: US\$696,910 & €147338; Sales: US\$8,099 & €62,459; Loans (including interest accrued but not due):

€8,845,449 (Previous year: US\$736,620 & € Nil; US\$2,869 & € 97,960; €108,388 respectively)

### 30. Value of Consumption

	<u>2012-13</u>		<u>2011-12</u>	
	Rs.	%	Rs.	%
a. Raw Materials				
Imported	13,55,94,869	8.17	11,27,62,206	6.78
Indigenous	1,52,33,94,373	91.83	1,55,09,17,757	93.22
	<u>1,65,89,89,242</u>	<u>100.00</u>	<u>1,66,36,79,963</u>	<u>100.00</u>
b. Stores & Spares				
Imported	26,98,150	4.33	42,43,141	6.94
Indigenous	5,96,56,491	95.67	5,69,27,138	93.06
	<u>6,23,54,641</u>	<u>100.00</u>	<u>6,11,70,279</u>	<u>100.00</u>

### 31. Related Party Disclosures

#### A. List of Related Parties

- i) Parties where control exists:
  - Wholly owned subsidiaries:
    - a) Xpro Global Limited;
    - b) Xpro Global Pte. Ltd., Singapore;
- ii) Promoters:
  - IntelliPro Finance Private Limited;
  - iPro Capital Limited;
  - Sri Sidharth Birla, Chairman;
  - Smt. Madhushree Birla, Director;
- iii) Key Management Personnel & their relatives:
  - Sri C. Bhaskar, Managing Director & Chief Executive Officer
  - Smt. Rajalakshmi Bhaskar (wife)
- iv) Companies where common management may be deemed to exist:
  - Digjam Limited

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

- i) No transactions with related party referred to in A(i) above;
- ii) With related party referred to in A(ii) above:
  - Dividend paid: Rs.1,25,17,500 *(Rs.98,03,750)*;
  - Remuneration: Rs. 54,76,000 *(Rs.54,76,000)*;
  - Expenses incurred and reimbursement received: Rs.2,66,483 *(Rs.Nil)*
- iii) With related party referred to in A(iii) above:
  - Dividend paid: Rs.2,00,003 *(Rs.90,002)*;
  - Remuneration: Rs.59,73,978 *(Rs.59,93,150)*;
- iv) With related party referred to in A(iv) above:
  - Aggregate of short term intercorporate deposits given from time-to-time: Rs.10,50,00,000 *(Rs.10,00,00,000)*;
  - Deposits repaid by party from time-to-time: Rs.11,50,00,000 *(Rs.6,00,00,000)*; Maximum amount outstanding during the year: Rs.5,84,42,988 *(Rs.5,22,10,455)*; Outstanding amount at year end: Rs.4,00,00,000 *(Rs.5,22,10,455)*; Interest received: Rs.75,85,927 *(Rs.25,52,338)*; Expenses incurred and realised: Rs.38,944 *(Rs.3,36,945)*; Outstanding dues realised: Rs.22,10,455 *(Rs. Nil)*;

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

- (i) Dividend paid to Promoters, IntelliPro Finance Private Limited: Rs.50,00,000 *(Rs.40,00,000)*, and iPro Capital Limited: Rs.72,12,500 *(Rs.54,00,000)*;

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(ii) Remuneration paid to Shri Sidharth Birla and Shri C. Bhaskar: Rs.54,76,000 (Rs.54,76,000) and Rs.59,73,978 (Rs.59,93,150) respectively;

D. No Balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than Rs.4,00,00,000 (Rs.5,22,10,455) due from party referred to in A(iv) above;

### 32. Discontinuing Operations

In March 2011 the Board had approved, consistent with long-term strategy, an agreement for sale of the Company's Thermosets Division at Ranjangaon (engaged in manufacture of Thermoset Moulding Powders & Synthetic Resins) on an all-cash, going concern and slump sale basis. Following all necessary approvals, the transaction was completed in the previous year (on August 18, 2011) at a consideration of Rs.74,50,00,000. The pre-tax gain recognised in the previous year on disposal of business and payment of liabilities of the discontinuing operations amounted to Rs.34,57,46,443. Necessary disclosures in this respect have been made in the financial statements for the previous year.

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

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

### 34. Earnings per Share (EPS)

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

For the year ended:

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
Earnings attributable to the Equity Shareholders (Rs. in lacs)		
Net Profit from Continuing Operations	<b>(4,11,12,910)</b>	5,25,95,523
Total Net Profit	<b>(4,11,12,910)</b>	33,60,99,053
Weighted average number of equity shares for Basic EPS	<b>1,16,30,081</b>	1,13,33,345
Dilutive impact of employee stock options	<b>36,751</b>	2,87,331
Weighted average number of equity shares for Diluted EPS	<b>1,16,66,832</b>	1,16,20,676
Nominal Value of Equity Share (Rs.)	<b>10</b>	10
EPS (from continuing Operations) (Rs.)		
- Basic	<b>(3.54)</b>	4.64
- Diluted	<b>(3.52)</b>	4.53
EPS (Total) (Rs.)		
- Basic	<b>(3.54)</b>	29.66
- Diluted	<b>(3.52)</b>	28.92

As per our report of even date

For Deloitte Haskins & Sells

Chartered Accountants

For and on behalf of the Board

Sidharth Birla

Chairman

Gaurav J. Shah

Partner

Membership No. 35701

New Delhi

April 27, 2013

S. C. Jain

Company Secretary

V. K. Agarwal

Joint President &  
Chief Financial Officer

C. Bhaskar

Managing Director &  
Chief Executive Officer

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<b>CONSOLIDATED BALANCE SHEET AS AT</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>Rs.</b>	<b>Rs.</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Shareholders' Funds</b>		
- Share capital	11,65,95,000	11,36,90,000
- Reserves and surplus	<u>1,30,97,45,693</u>	<u>1,36,17,36,372</u>
	<b>1,42,63,40,693</b>	<b>1,47,54,26,372</b>
<b>Non-current Liabilities</b>		
- Long-term borrowings	1,23,08,38,303	18,41,99,336
- Deferred tax liabilities (net)	26,00,000	3,37,00,000
- Other long-term liabilities	6,57,002	94,456
- Long-term provisions	<u>1,81,67,720</u>	<u>1,08,74,119</u>
	<b>1,25,22,63,025</b>	<b>22,88,67,911</b>
<b>Current Liabilities</b>		
- Short-term borrowings	42,30,22,001	33,41,58,296
- Trade payables	31,75,58,085	21,67,24,055
- Other current liabilities	25,32,47,546	30,70,55,107
- Short-term provisions	<u>1,37,10,580</u>	<u>3,50,52,748</u>
	<b>1,00,75,38,212</b>	<b>89,29,90,206</b>
	<b><u>3,68,61,41,930</u></b>	<b><u>2,59,72,84,489</u></b>
<b><u>ASSETS</u></b>		
<b>Non-current Assets</b>		
- Fixed assets		
-Tangible assets	88,37,18,547	94,66,37,555
-Intangible assets	2,47,79,587	2,60,11,473
-Capital work-in-progress	<u>1,25,67,28,926</u>	<u>5,35,17,228</u>
	<b>2,16,52,27,060</b>	<b>1,02,61,66,256</b>
- Non-current investments	73,000	73,000
- Long-term loans and advances	<u>8,55,69,717</u>	<u>14,26,42,498</u>
	<b>2,25,08,69,777</b>	<b>1,16,88,81,754</b>
<b>Current Assets</b>		
- Inventories	26,25,68,849	19,57,82,146
- Trade receivables	34,97,30,491	30,49,94,944
- Cash and cash equivalents	55,04,86,764	78,86,45,661
- Short-term loans and advances	24,40,77,080	10,29,22,086
- Other current assets	<u>2,84,08,969</u>	<u>3,60,57,898</u>
	<b>1,43,52,72,153</b>	<b>1,42,84,02,735</b>
	<b><u>3,68,61,41,930</u></b>	<b><u>2,59,72,84,489</u></b>

See accompanying notes to the financial statements

<b>As per our report of even date</b>		<b>For and on behalf of the Board</b>	
For Deloitte Haskins & Sells			
Chartered Accountants		Sidharth Birla	
		Chairman	
<b>Gaurav J. Shah</b>	<b>S. C. Jain</b>	<b>V. K. Agarwal</b>	<b>C. Bhaskar</b>
Partner	Company Secretary	Joint President &	Managing Director &
Membership No. 35701		Chief Financial Officer	Chief Executive Officer
New Delhi			
April 27, 2013			

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

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

	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>CONTINUING OPERATIONS</b>		
<b>Revenue</b>		
- Gross revenue from operations	2,52,88,56,157	2,70,41,57,972
less: excise duty	27,30,78,437	24,48,61,954
- Net revenue from operations	2,25,57,77,720	2,45,92,96,018
- Other income	8,53,95,605	6,39,19,421
- <b>Total Revenue</b>	<b>2,34,11,73,325</b>	<b>2,52,32,15,439</b>
<b>Expenses</b>		
- Cost of materials consumed	1,65,89,89,242	1,66,36,79,963
- Purchase of stock-in-trade	17,98,719	1,44,22,286
- Changes in inventories of finished goods & work-in-progress	(3,40,05,020)	1,15,09,567
- Employee benefits expense	17,46,18,458	16,23,36,441
- Finance costs	10,95,22,474	10,43,24,341
- Depreciation and amortization expense	10,80,04,498	11,54,43,561
- Other expenses	39,42,07,702	38,13,59,803
- <b>Total Expenses</b>	<b>2,41,31,36,073</b>	<b>2,45,30,75,962</b>
<b>Profit/(Loss) before tax</b>	<b>(7,19,62,748)</b>	<b>7,01,39,477</b>
Tax expense		
- Current Tax	69,000	10,95,000
less: MAT credit entitlement	(2,42,039)	70,00,000
- Net current tax	3,11,039	(59,05,000)
- Deferred tax	(3,11,00,000)	2,18,00,000
- Tax pertaining to earlier years (net)	(24,361)	18,48,881
	<b>(3,08,13,322)</b>	<b>1,77,43,881</b>
<b>Profit/(Loss) from Continuing Operations</b>	<b>(4,11,49,426)</b>	<b>5,23,95,596</b>
<b>DISCONTINUING OPERATIONS</b> (discontinued wef August 18, 2011)		
Profit for the period from discontinuing operations	-	2,53,57,087
Profit from slump sale of discontinued business	-	34,57,46,443
Tax expense of discontinuing operations	-	8,76,00,000
Profit from discontinuing operations (after tax)	-	28,35,03,530
<b>Profit/(Loss) for the year</b>	<b>(4,11,49,426)</b>	<b>33,58,99,126</b>
<b>Earnings (from continuing operations) per equity share</b> (Face Value of Rs.10/- each)		
- Basic (Rs.)	(3.54)	4.62
- Diluted (Rs.)	(3.53)	4.51
<b>Earnings (total) per equity share</b> (Face Value of Rs.10/- each)		
- Basic (Rs.)	(3.54)	29.64
- Diluted (Rs.)	(3.53)	28.90

See accompanying notes to the financial statements

**As per our report of even date**

For **Deloitte Haskins & Sells**

Chartered Accountants

**Gaurav J. Shah**

Partner

Membership No. 35701

New Delhi

April 27, 2013

**S. C. Jain**

Company Secretary

**V. K. Agarwal**

Joint President &  
Chief Financial Officer

**C. Bhaskar**

Managing Director &  
Chief Executive Officer

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED</b>	<b>March 31, 2013</b>	<b>March 31, 2012</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>A. Cash flow from Operating Activities</b>		
Net Profit/(Loss) before tax and exceptional items	(7,19,62,748)	7,01,40,529
Profit from discontinuing operations	-	2,53,57,087
Adjusted for:		
Depreciation and Amortization	10,80,04,498	12,42,48,369
Interest and Financial Charges	10,95,22,474	11,02,15,431
Interest income	(7,00,52,211)	(6,77,56,389)
Bad Debts & Provisions (net)	9,08,283	71,042
Provisions & Sundry balances written back	(98,80,090)	(15,53,316)
(Profit)/Loss on Sale/Discard of Fixed Assets	1,13,247	6,53,537
Foreign Exchange Fluctuation (unrealized)	(72,02,324)	6,48,164
Employee Stock Option Amortization	(12,34,152)	4,13,751
<b>Operating Profit/(Loss) before Working Capital changes</b>	<b>5,82,16,977</b>	<b>26,24,38,205</b>
Adjusted for:		
Trade and other Receivables	(4,61,26,630)	30,87,00,032
Loans & advances	(15,68,55,365)	(6,62,32,005)
Inventories	(6,70,28,742)	9,57,06,951
Trade payables and other liabilities	6,37,45,615	(19,79,71,424)
Direct Taxes	(10,93,919)	(45,72,509)
<b>Net Cash Flow from Operating activities</b>	<b>(14,91,42,064)</b>	<b>39,80,69,250</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	(1,18,84,01,458)	(19,52,86,536)
Sale of Fixed Assets	7,46,318	26,35,17,106
Profit from slump sale of discontinued business	-	34,57,46,470
Direct taxes paid	-	(8,76,00,000)
Interest Received	10,58,60,450	3,98,89,866
<b>Net Cash Flow from Investing Activities</b>	<b>(1,08,17,94,690)</b>	<b>36,62,66,906</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Shares	67,65,850	53,05,800
Increase/(Decrease) in Bank Borrowings (net)	1,12,84,06,858	(12,95,15,890)
Interest and Financial Charges	(10,84,36,382)	(11,25,70,628)
Dividend Paid (including dividend tax)	(3,39,58,469)	(2,63,80,461)
<b>Net Cash Flow from Financing activities</b>	<b>99,27,77,857</b>	<b>(26,31,61,179)</b>
<b>Net increase/(decrease) in Cash or Cash equivalents</b>	<b>(23,81,58,897)</b>	<b>50,11,74,977</b>
Cash and Cash Equivalents at the beginning of the year	78,86,45,661	28,75,18,533
Effect of Foreign Exchange rate differences	-	(47,849)
Cash and Cash Equivalents at the end of the year	55,04,86,764	78,86,45,661

**Notes:**

Cash and Cash Equivalents represent Cash and Bank balance and include Rs. 52,33,164 (Previous year: Rs.47,81,830) of unpaid dividend not available for use by the Company;

Statement includes Cash flows from Discontinued operations (*refer Note 32 of stand-alone financial statements*) in previous year;

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

Fixed Deposits of Rs.24,82,88,330 (Previous year: Rs.24,81,33,956) pledged with bank(s) towards overdraft & other facilities;

**As per our report of even date**

For **Deloitte Haskins & Sells**

Chartered Accountants

**Gaurav J. Shah**

Partner

Membership No. 35701

New Delhi

April 27, 2013

**S. C. Jain**

Company Secretary

**V. K. Agarwal**

Joint President &  
Chief Financial Officer

**C. Bhaskar**

Managing Director &  
Chief Executive Officer

**For and on behalf of the Board**

**Sidharth Birla**

Chairman

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

### Notes to the Consolidated Financial Statements

1. These Consolidated financial statements comprise the financial statements of Xpro India Limited and its following subsidiaries as on March 31, 2013:

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

2. Principal of Consolidation:

The consolidated financial statements relate to Xpro India Limited ("the Company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard-21 – "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Separate Financial Statements.
- Investments made by the parent company in subsidiary companies subsequent to the holding - subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statements.
- Intra group balances and intra group transactions are eliminated to the extent of share of the parent company in full.
- Unrealised profits on account of intra group transactions have been accounted for depending upon whether the transaction is an upstream or a downstream transaction.

3. Other Significant Accounting Policies:

These are same as set out in Note 2 ("Significant Accounting Policies") to the Financial Statements of the Company.

4. In view of insignificant/negligible transactions of the above named two subsidiary companies, notes involving material items are stated hereunder. These are to be read together with the Notes to the Financial Statements of the Company.

	<u>March 31, 2013</u> Rs.	<u>March 31, 2012</u> Rs.
4 a) <b><u>Cash and cash equivalents</u></b>		
Balance with banks		
Current Accounts	3,99,00,587	2,68,37,369
EEFC Account	-	33,00,000
Unpaid Dividend	52,33,164	47,81,830
Margin money	32,500	20,000
Term Deposit Accounts (with maturity period less than 12 months)	5,73,85,104	50,80,44,335
Term Deposit Accounts (with maturity period over 12 months)	44,69,83,468	24,50,00,000
Cash on hand	9,51,941	6,62,127
	<u>55,04,86,764</u>	<u>78,86,45,661</u>

- Term Deposits pledged with bank(s) for overdraft & other facilities - Rs.24,82,88,330 (Previous year: Rs.24,81,33,956);
- Unpaid Dividend shall be credited to Investor Education and Protection Fund on completion of statutory period;

	<u>2012- 13</u> Rs.	<u>2011 - 12</u> Rs.
4 b) <b><u>Revenue from Operations</u></b>		
Sale of products	2,47,49,15,380	2,59,73,16,996
Processing charges	-	14,44,740
Sale of traded goods	26,20,928	1,62,08,681
Other Operating Revenues	5,13,19,849	8,91,87,555
Gross Revenue from Operations	<u>2,52,88,56,157</u>	<u>2,70,41,57,972</u>
less: Excise Duty	27,30,78,437	24,48,61,954
Net Revenue from Operations	<u>2,25,57,77,720</u>	<u>2,45,92,96,018</u>

## XPRO INDIA LIMITED : ANNUAL REPORT 2012/13

	<u>2012- 13</u> Rs.	<u>2011 - 12</u> Rs.
4 c) <b>Purchase of stock-in-trade</b>		
- Purchase of stock-in-trade	17,98,719	1,44,22,286
4 d) <b>Other Expenses</b>		
Consumption of Stores and Spares	6,23,54,641	6,11,70,279
Increase/(decrease) of Excise Duty on inventory	29,31,481	(6,18,831)
Power & Fuel	20,38,00,243	17,97,53,582
Processing Charges	66,13,942	1,00,63,730
Repairs to:		
- Buildings	11,02,570	23,38,501
- Plant & Machinery	1,29,65,089	1,45,64,791
- Others	42,69,520	31,61,991
Communication	32,92,515	36,32,976
Director's Fees	6,48,598	9,13,553
Insurance	44,21,670	40,08,011
Loss on sale of fixed assets	1,13,247	6,16,510
Miscellaneous	3,51,45,636	3,74,81,185
Payment to Auditors ( <i>refer note below</i> )	13,53,368	15,66,645
Professional & Legal	34,29,498	63,85,380
Rates & Taxes	26,01,541	17,91,265
Rent ( <i>refer note below</i> )	67,12,845	52,90,139
Travelling	92,24,387	1,34,17,859
Bad Debts written off	11,61,261	71,042
Brokerage, Rebate, Discount & Commission	65,75,299	65,08,934
Freight, Forwarding & Shipment Charges (Net)	2,41,49,601	2,72,88,554
Other Selling Expenses	12,48,732	18,31,590
Rejection & Damages (Net)	92,018	1,22,117
	<b>39,42,07,702</b>	<b>38,13,59,803</b>
i) Payment to Auditors		
- As Auditors	10,48,757	10,42,884
- For other services	-	3,00,000
- Reimbursement of expenses	3,04,611	2,23,761
	<b>13,53,368</b>	<b>15,66,645</b>
ii) The Company is lessee under various operating leases, none of which are non-cancellable.		

**As per our report of even date**  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner  
Membership No. 35701  
New Delhi  
April 27, 2013

**S. C. Jain**  
Company Secretary

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

**For and on behalf of the Board**

**Sidharth Birla**  
Chairman

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

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

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **XPRO INDIA LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Other Matter**

We did not audit the financial statements of both the subsidiaries and, whose financial statements reflect total assets (net) of Rs. 77,13,041 as at 31<sup>st</sup> March, 2013, total revenues of Rs.30,87,925 and net cash flows amounting to Rs.6,35,051 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 have been furnished to us by the



## **XPRO INDIA LIMITED : ANNUAL REPORT 2012/13**

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Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our report is not qualified in respect of this matter.

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

New Delhi  
April 27, 2013

**Gaurav J Shah**  
*Partner*  
(Membership No. 35701)

## XPRO INDIA LIMITED

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

### PROXY FORM

Proxy No.
No. of Shares

Folio No.
DP ID No.
Client ID No.

I/We .....  
of ..... being a member/members of  
XPRO INDIA LIMITED hereby appoint .....  
of .....or falling him .....  
..... of .....  
as my/our proxy to attend and vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of  
the Company to be held on Friday, 26<sup>th</sup> day of July, 2013 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.

Signed this ..... Day of ..... 2013.

Signature .....

Affix  
Fifteen Paise  
Revenue Stamp  
here

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

----- cut here -----

## XPRO INDIA LIMITED

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

### ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the Sixteenth Annual General Meeting of the Company held on Friday, 26<sup>th</sup> day  
of July, 2013 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

NAME OF THE MEMBER(S) IN BLOCK LETTERS:
FOLIO NO./DP ID NO. – CLIENT ID NO.:
SIGNATURE OF THE MEMBER(S) OR PROXY:

**BOOK-POST**

*If undelivered, please return to :*  
**XPRO INDIA LIMITED**  
Barjora-Mejia Road, P.O. Ghutgoria,  
Tehsil: Barjora, Distt: Bankura,  
West Bengal 722 202, India