The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

xproindia

XPRO INDIA LIMITED

Xpro India Limited (our "**Company**" or the "**Issuer**") was originally incorporated as *'Biax Films Limited'*, a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated November 26, 1997 and certificate for commencement of business dated December 12, 1997, issued by the Registrar of Companies, West Bengal at Kolkata ("**RoC**"). The name of our Company was changed to *'Xpro India Limited'* pursuant to a fresh certificate of incorporation consequent upon change of name issued by the RoC on September 22, 1998. For further details of changes in our Registered Office and Corporate Office, see "*Organisational Structure*" and "*General Information*" on pages 165 and 239 respectively.

Registered Office: Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India
Corporate Office: 1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India
Contact Person: Kamal Kishor Sewoda, Company Secretary and Compliance Officer | **Tel:** +91-33-40823700/22200600 | **E-mail:** cosec@xproindia.com
Website: www.xproindia.com | **CIN:** L25209WB1997PLC085972

Issue of up to [●] equity shares of face value ₹ 10 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [•] million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 38.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT READ WITH RULE 14 OF THE PAS RULES, OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 47 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

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Our Equity Shares are listed on National Stock Exchange of India Limited ("**NSE**") since April 27, 2004, and permitted to trade on BSE Limited since January 8, 2003 ("**BSE**", and together with NSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on February 23, 2024 was ₹ 1,186.05 and ₹ 1,186.45 per Equity Share, respectively. In-principle approval pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, has been received from NSE on February 26, 2024. Our Company shall make applications to NSE for obtaining the final listing and trading approval for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules, as amended. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). This Preliminary Placement Document and the Placement Document relate to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. For further details, see "*Issue Procedure*" on page 183. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and referred to in this Preliminary Placement Document as a "**U.S. QIB**"), in transactions exempt from the registration requirements of the U.S. Securities Act. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs". For further information, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively.

The information on the websites of our Company, or any other website directly or indirectly linked to the websites of our Company or the websites of the Book Running Lead Manager (as defined hereinafter) or any of its affiliates, does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Preliminary Placement Document is dated February 26, 2024.

BOOK RUNNING LEAD MANAGER

nuvama

NUVAMA WEALTH MANAGEMENT LIMITED
(Formerly known as Edelweiss Securities Limited)

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiary and the Equity Shares which our Company considers material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, Subsidiary and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, Subsidiary and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, Subsidiary and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as on the date of this Preliminary Placement Document and neither our Company nor the BRLM have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein. The BRLM has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLM nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLM and/or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with the Issue, our Company, our Subsidiary and the distribution of Equity Shares. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLM or on any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or any other affiliates other than our Company in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company, our Subsidiary and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLM. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling prospective Eligible QIBs to consider subscribing for the particular securities described herein. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLM or its representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and make no copies of this Preliminary Placement Document or any offering material in connection with the Equity Shares.

Subscribers and purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgements and agreements set forth in “*Representations by Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 7, 201 and 208, respectively of this Preliminary Placement Document.

The distribution of this Preliminary Placement Document and the issue of Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Except for India, no action has been taken by our Company and the BRLM that would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiary, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLM are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, www.xproindia.com, or any website directly or indirectly linked to the website of our Company or on the website of the BRLM or any of their respective associates and affiliates, does not constitute nor form part of this Preliminary Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN THE UNITED STATES

THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS PLACEMENT DOCUMENT OR APPROVED OR DISAPPROVED THE EQUITY SHARES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFER, INCLUDING THE MERITS AND RISKS INVOLVED.

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE LAW OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO U.S. QIBS AND IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND (B) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS", AS DEFINED, AND IN RELIANCE ON, REGULATION S UNDER AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES ARE MADE.

THE EQUITY SHARES ARE TRANSFERABLE ONLY IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER THE SECTIONS "*SELLING RESTRICTIONS*" AND "*PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS*" ON PAGES 201 AND 208, RESPECTIVELY.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively.

Any information about our Company available on any website of the Stock Exchanges, our Company or the BRLM, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any of the Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representation and Transfer Restrictions*" on pages 4, 201 and 208, respectively and have represented, warranted and acknowledged and agreed to our Company and the BRLM, as follows:

- You are a "Qualified Institutional Buyer" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI, the Stock Exchanges or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office), having a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the SEBI FPI Regulations, FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules.

- If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges. Please note additional requirements or requirements apply if you are within the United States. For details, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified, or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges only for the purposes of their records and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLM. The BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "Company Presentations") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLM may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLM has advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. None of our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents, or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 47;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- None of the Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLM or any of their respective shareholders, directors, officers, employees, counsel, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company as defined under the Companies Act and the SEBI ICDR Regulations, and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoter or a person related to the Promoters;

- You agree that in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC and SEBI within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. None of our Company, the BRLM or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLM has entered into a Placement Agreement with our Company whereby the BRLM has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that none of the BRLM, any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, or any person acting on their behalf or any of the counsel or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLM or our Company or any other person, and the BRLM or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLM and its affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLM or any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 201 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 208 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 208;

- If you are within the United States, you are a U.S. QIB, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the definition of a U.S. QIB, for investment purposes only, and not with a view to, or for offer or sale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part;

- If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction", as defined in, and in reliance on, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Rule 502(c) under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S)

- You understand and agree that the Equity Shares are transferrable only in accordance with the restrictions described under the sections "*Selling Restrictions*" on page 201 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 208 and you warrant that you will comply with such representations, warranties, acknowledgments and undertakings;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Kolkata, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

- Each of the representations, warranties, acknowledgements, and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLM and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with the consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLM;

- You represent that you are not an affiliate of our Company or the BRLM or a person acting on behalf of such affiliate.

- Our Company, the BRLM, their respective affiliates, directors, officers, counsel, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLM; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLM, who are registered as Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document; or

2. warrant that the Equity Shares to be issued pursuant to the Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, its Promoters, its management or any scheme or project of our Company;

and it should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to "you", "your", "bidders", "investors", "offeree", "potential investor", "prospective investors", "purchaser", "subscriber", and "recipient" are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to this Issue, references to "our Company", the "Company", or the "Issuer" are to Xpro India Limited on a standalone basis and references to "our", "us", "we", or "Group" are to our Company together with its Subsidiary, on a consolidated basis.

Currency and units of presentation

Unless otherwise specified or the context otherwise requires, all references in this Preliminary Placement Document, references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Preliminary Placement Document have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Preliminary Placement Document have been presented in millions and billions. Our Audited Consolidated Financial Statements for Fiscals 2023, 2022 and 2021, the Unaudited Condensed Interim Consolidated Financial Statements as at and for the nine months period ended December 31, 2023, Unaudited Special Purpose Interim Consolidated Financial Statements as at and for the nine months period ended December 31, 2022, and the Unaudited Consolidated Financial Results for the quarter ended December 31, 2023 and December 31, 2022 and the consolidated year to date results for the period from April 1, 2023 to December 31, 2023 and April 1, 2022 to December 31, 2022 are prepared in million and have been presented in this Preliminary Placement Document in million for presentation purposes.

In this Preliminary Placement Document, references to "lakh(s)" represent "100,000", "million" represents "10 lakhs" or "10,00,000", "crore(s)" represents "1,00,00,000" or "10 million" or "100 lakhs", and "billion" represents "1,00,00,00,000" or "1,000 million" or "100 crore".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires, the terms "Fiscal(s)", "Financial Year" or "Fiscal Year", refer to the 12-month period ending March 31 of that particular year. Unless stated otherwise or unless context requires otherwise, the financial data in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements, the Unaudited Condensed Interim Consolidated Financial Statements and Unaudited Special Purpose Interim Consolidated Financial Statements.

Our Company has published its Audited Consolidated Financial Statements for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, the Unaudited Condensed Interim Consolidated Financial Statements as at and for the nine months period ended December 31, 2023, Unaudited Special Purpose Interim Consolidated Financial Statements as at and for the nine months period ended December 31, 2022 and the Unaudited Consolidated Financial Results for the quarter ended December 31, 2023 and December 31, 2022 and the consolidated year to date results for the period from April 1, 2023 to December 31, 2023 and April 1, 2022 to December 31, 2022, respectively, in Indian Rupees in lakhs and have been presented in this Preliminary Placement Document. As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

- audited consolidated financial statements of our Company and its subsidiary as at and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in conformity with the Indian Accounting Standards ('**Ind AS**') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India (collectively, the "**Audited Consolidated Financial Statements**");

- unaudited condensed interim consolidated financial statements for the Group for the nine month period ended December 31, 2023, Prepared in accordance with the principles of the Indian Accounting Standards ('**Ind AS**') 34, 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "**Unaudited Condensed Interim Consolidated Financial Statements**");

- unaudited special purpose interim consolidated financial statements for the Group for the nine month period ended December 31, 2022, prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('**Ind AS**') 34, 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other generally accepted accounting principles in India. (the "**Unaudited Special Purpose Interim Consolidated Financial Statements**") However, the holding company has not met all the presentation and disclosure requirements otherwise required under the applicable financial reporting framework, hence, comparative information has not been provided in these Unaudited Special Purpose Interim Consolidated Financial Statements;

- unaudited consolidated financial results of our Group as of and for quarter ended December 31, 2023 and December 31, 2022 and the consolidated year to date results for the period April 1, 2023 to December 31, 2023 and April 1, 2022 to December 31, 2022, respectively, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations (collectively, the "**Unaudited Consolidated Financial Results**")

Our Statutory Auditors, M/s Walker Chandiok & Co. LLP, Chartered Accountants have audited our Audited Consolidated Financial Statements as at and for each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and have issued audit reports dated May 22, 2023, May 25, 2022 and May 25, 2021, respectively, on such financial statements.

The Audited Consolidated Financial Statements, the Unaudited Condensed Interim Consolidated Financial Statements, the Unaudited Special Purpose Interim Consolidated Financial Statements and the Unaudited Consolidated Financial Results should be read along with the respective audit reports or review reports, as applicable.

In accordance with the SEBI Listing Regulations, our Company is required to publish its quarterly financial results on a consolidated basis subject to limited review by our Statutory Auditors, within 45 days from the completion of the relevant quarter and for the year end within 60 days for the closure of the quarter. In light of this, our Company has prepared separate statement of Unaudited Consolidated Financial Results for the quarter ended 31 December 2023 and the consolidated year to date results for the period 01 April 2023 to 31 December 2023, on which our Statutory Auditors issued a separate auditor's review report dated January 29, 2024. These unaudited consolidated financial results were prepared by our Company for submission pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Unaudited Condensed Interim Consolidated Financial Statements are not indicative of our Company's annual performance and are not comparable with the Audited Consolidated Financial Statements.

Our Company presents its annual financial statements as per Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and its interim financial statements as per Ind AS 34. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its Audited Consolidated Financial Statements to IFRS or U.S. GAAP. Hence, investors should consult their own advisors regarding such differences and their impact on our Company's financial data. Accordingly, the degree to which the Audited Consolidated Financial Statements, the Unaudited Condensed Interim Consolidated Financial Statements, and the Unaudited Special Purpose Interim Consolidated Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document, Ind AS, the Companies Act and the SEBI ICDR Regulations should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. See *"Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition."* on page 76.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise stated or unless context requires otherwise, all figures as at or for respective year/ period end are from or derived from the Audited Consolidated Financial Statements, the Unaudited Condensed Interim Consolidated Financial Statements, and the Unaudited Special Purpose Interim Consolidated Financial Statements , are in decimals and have been rounded off to two decimal points, as has been presented in the Audited Consolidated Financial Statements, the Unaudited Condensed Interim Consolidated Financial Statements, and the Unaudited Special Purpose Interim Consolidated Financial Statements. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP financial measures

Certain non-GAAP measures and certain other statistical information such as EBITDA and EBITDA Margin (together referred as "**Non-GAAP Measures**") presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance.

Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance or liquidity.

Our Statutory Auditors have provided no assurance or services related to any prospective financial information in this Preliminary Placement Document. See "*Use of Proceeds*" on page 81.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used in this Preliminary Placement Document has been obtained or derived from publicly available information as well as other industry publications and sources including the *"Report on Polymer Processing Industry"* dated January 2024 prepared by CARE Analytics and Advisory Private Limited ("**CareEdge Report**"), that we have commissioned for the purpose of the Issue. CARE Analytics and Advisory Private Limited is not related in any manner to our Company, its Subsidiary, Directors, Key Managerial Personnel, members of Senior Management, our Promoters, members of the Promoter Group or the BRLM. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect.

Accordingly, neither the accuracy nor completeness of information contained in the CareEdge Report is guaranteed. The opinions expressed are not recommendations to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

While we have taken reasonable care in the reproduction of the information from the CareEdge Report, neither we nor the BRLM has independently verified this market and industry data, nor do we or the BRLM make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the BRLM can assure potential Investors as to their accuracy. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CareEdge Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate."* on page 69. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our expected results of operations, financial condition, liquidity, prospects, growth, strategies (including, without limitation, any financial or operating projections or forecasts), business plans and dividend policy of our Company and the industry in which we operate. The forward-looking statements contained in this Preliminary Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. In addition, even if the results, performance, achievements or developments are consistent with the forward-looking statements contained in this Preliminary Placement Document, they may not be indicative of results, performance, achievements or developments in subsequent periods.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results, performance, or achievements to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- A significant portion of our revenue from certain customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.

- Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.

- We do not have long-term agreements with most of our suppliers for our raw materials and an increase in the cost of or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.

- We have not entered into any definitive agreements with respect to capital expenditure requirements for purchase of new equipment and machinery at our manufacturing facility at Barjora, West Bengal.

- Our operations are concentrated to certain states in India, and any adverse developments in this region may have an adverse effect on our business, results of operations, financial condition and cash flows.

- We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.

Additional factors that could cause our actual results, performance, or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" and on pages 47, 136, 98 and 126 respectively.

The forward-looking statements contained in this Preliminary Placement Document attributable to us are based on the beliefs of our management, as well as the assumptions made by, and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

The forward-looking statements contained in this Preliminary Placement Document speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we nor the BRLM undertake any obligation to update or revise any of them, whether as a result of new information, future events, change in assumptions or changes in factors affecting these forward-looking statements or otherwise.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All our Directors, Key Managerial Personnel and the members of our Senior Management named in this Preliminary Placement Document, are residents of India and all of the assets of our Company and most of the assets of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others, has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction that is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Our Company and the Book Running Lead Manager cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), the Pound (in ₹ per GBP) and the Euro (in ₹ per EUR) for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

1. U.S.$

On February 23, 2024, the exchange rate was ₹ 82.89 to USD 1.

(₹ per US$)

	Period end(1)	Average(2)	High(3)	Low(4)
	US$	US$	US$	US$
Fiscal ended:				
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
March 31, 2021	73.50	74.20	76.81	72.29
Month ended				
January 31, 2024	83.08	83.12	83.33	82.85
December 31, 2023	83.12	83.28	83.40	83.02
November 30, 2023	83.35	83.30	83.39	83.13
October 31, 2023	83.27	83.24	83.27	83.15
September 30, 2023	83.06	83.05	83.26	82.66
August 31, 2023	82.68	82.79	83.13	82.28

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

2. GBP

On February 23, 2024, the exchange rate was ₹ 104.95 to GBP 1.

(₹ per GBP)

	Period end(1)	Average(2)	High(3)	Low(4)
	GBP	GBP	GBP	GBP
Fiscal ended:				
March 31, 2023	100.95	97.06	102.66	91.95
March 31, 2022	99.55	101.78	104.58	99.36
March 31, 2021	101.87	96.83	102.23	86.62
Month ended				
January 31, 2024	105.31	105.60	106.10	104.74
December 31, 2023	106.11	105.42	106.61	104.60
November 30, 2023	105.87	103.36	105.92	101.12
October 31, 2023	101.16	101.23	102.56	100.39
September 30, 2023	101.67	103.03	104.64	100.92
August 31, 2023	105.09	105.25	106.25	103.93

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

3. EUR

On February 23, 2024, the exchange rate was ₹ 89.71 to EUR 1.

(₹ per EUR)

	Period end(1)	Average(2)	High(3)	Low(4)
	EUR	**EUR**	**EUR**	**EUR**
Fiscal ended:				
March 31, 2023	89.61	83.72	90.26	78.34
March 31, 2022	84.66	86.56	90.51	83.48
March 31, 2021	86.10	86.67	90.31	81.50
January 31, 2024	89.88	90.77	91.92	89.88
December 31, 2023	92.00	90.84	92.45	89.74
November 30, 2023	91.48	89.99	91.64	88.04
October 31, 2023	88.32	87.84	88.49	87.07
September 30, 2023	87.94	88.74	89.62	87.34
August 31, 2023	90.22	90.37	91.06	89.17

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*

Notes:

- *In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.*
- *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 98, 221, 233 and 242, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
XIL / our Company / the Company / the Issuer	Xpro India Limited, a company incorporated in India under the Companies Act, 1956, having its Registered Office at Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India and Corporate Office at 1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company and its Subsidiary, namely, Xpro Global Limited

Company Related Terms

Term	Description
Articles/ Articles of Association/ AoA	The articles of association of our Company as amended from time to time
Audit Committee	Audit committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 166
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of our Company and its subsidiary as of and for the years ended March 31, 2023, 2022 and 2021 which have been prepared in conformity with the Indian Accounting Standards ('**Ind AS**') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, each comprising of the consolidated balance sheet, consolidated statement of profit and loss, including other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the years then ended, and notes to the respective consolidated financial statements, including a summary of significant accounting policies and other explanatory information
Board of Directors/ Board/ our Board	The Board of Directors of our Company, or a duly constituted committee thereof
Chairman/ Chairperson	The chairman of the Board of Directors of our Company, being Sidharth Kumar Birla
Chief Executive Officer	The chief executive officer of our Company, being Chandrasekharan Bhaskar
Chief Financial Officer	The chief financial officer of our Company, being Vinay Kumar Agarwal
Committee of Directors	The committee of directors is constituted by the Board of Directors and comprises of Sidharth Kumar Birla, Ashok Kumar Jha, Utsav Parekh and Chandrasekharan Bhaskar. The Board has authorised the committee of directors for taking necessary actions for the purpose of the Issue.
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, being Kamal Kishor Sewoda
Corporate Office	1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 166
Company Presentations	Investor meetings or presentations by our Company or its agents
Director(s)	Director(s) of our Company, unless otherwise specified
Equity Shares	The equity shares of our Company of face value ₹ 10 each
ESOS – 2008	Xpro India Limited Employees Stock Option Scheme – 2008
ESOS – 2009	Xpro India Limited Employees Stock Option Scheme – 2009

Term	Description
Independent Director(s)	The non-executive, independent directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, being Amitabha Guha, Ashok Kumar Jha, Suhana Murshed, Utsav Parekh, Ragothaman Sethumadhava Rao, Krishnamurthy Balakrishnan, Manoj Mohanka and Nandini Khaitan. For further details, please see the section entitled "*Board of Directors and Senior Management*" on page 166
Key Managerial Personnel/ KMP(s)	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further described in "*Board of Directors and Senior Management – Key Managerial Personnel*" on page 175
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended from time to time
Managing Director	The managing director of our Company, being Chandrasekharan Bhaskar
Non-Executive Director(s)	Non-executive director(s) of our Company, unless otherwise specified
Video Conferencing (VC) / Other Audio-Visual Means (OAVM) facility	Audio- visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting
Promoter	The promoter of our Company is Intellipro Finance Private Limited
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India, Circus Avenue, Kolkata -700 017, West Bengal, India
Remuneration and Nomination Committee	Remuneration and Nomination committee of our Company as disclosed in "*Board of Directors and Senior Management*" on page 166
Risk Management Committee	Risk management committee of our Company, as disclosed in "*Board of Directors and Senior Management*" on page 166
RoC / Registrar of Companies	Registrar of Companies, West Bengal at Kolkata
Shareholder(s)	The holders of the Equity Shares of our Company, from time to time
Statutory Auditors	The statutory auditors of our Company, namely, M/s Walker Chandiok & Co LLP
Senior Management / SMP(s)	Members of the senior management of our Company as determined in accordance with the Regulation 2(bbbb) of the SEBI ICDR Regulations. For details, see *"Board of Directors and Senior Management"* on page 175
Stakeholders Relationship Committee	Stakeholders relationship committee of our Company as disclosed in the section entitled "*Board of Directors and Senior Management*" on page 166
Subsidiary	As on date of this Preliminary Placement Document, our Company has one wholly owned subsidiary, namely, Xpro Global Limited
Unaudited Condensed Interim Consolidated Financial Statements	The unaudited condensed interim consolidated financial statements of our Company and its subsidiary which comprise of the Unaudited Condensed Interim Consolidated Balance Sheet as at December 31, 2023 the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Condensed Interim Consolidated Cash Flow Statement and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the nine month period ended December 31, 2023, and a summary of the material accounting policies and other explanatory information prepared in accordance with Indian Accounting Standard 34, Interim Financial Reporting ('**Ind AS**') 34 prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, each as amended, and other accounting principles generally accepted in India.
Unaudited Special Purpose Interim Consolidated Financial Statements	The unaudited special purpose interim consolidated financial statements prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('**Ind AS**') 34, 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other generally accepted accounting principles in India. However, the Holding Company has not met all the presentation and disclosure requirements otherwise required under the applicable financial reporting framework, hence, comparative information has not been provided in these unaudited special purpose interim consolidated financial statements.
Unaudited Consolidated Financial Results	The unaudited consolidated financial results of our Company and its subsidiary for the quarter ended December 31, 2023 and December 31, 2022 and the consolidated year to date results for the period April 1, 2023 to December 31, 2023 and April 1, 2022 to December 31, 2022, respectively, in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('**Ind AS**') 34, prescribed under section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in

Term	Description
	compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI Listing Regulations.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to Investors on the basis of Application Forms submitted by them, in consultation with the Book Running Lead Manager and in compliance with Chapter VI of the SEBI ICDR Regulations
Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue.
Application Form	The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue
Bid(s)	An indication of interest by a QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bidder(s)	An Eligible QIB who has a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date inclusive of both dates during which Bidders can submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager/ BRLM	The book running lead manager to the Issue namely, Nuvama Wealth Management Limited *(Formerly known as Edelweiss Securities Limited)*
CAN/ Confirmation of Allocation Note	Note or advice or intimation to Bidders confirming the allocation of Equity Shares to such QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such QIBs
Category II foreign portfolio investor(s)	FPIs who are registered as Category II foreign portfolio investors under the SEBI FPI Regulations
Category III foreign portfolio investor(s)	FPIs who are registered as Category III foreign portfolio investors under the SEBI FPI Regulations
Closing Date	The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [●], 2024
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the Book Running Lead Manager
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottee's demat account, as applicable to the relevant Allottee
Eligible FPIs	FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law. In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in "offshore transactions", as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made.
Escrow Account	The account titled "XPRO INDIA LIMITED QIP ESCROW ACCOUNT" to be opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited
Escrow Agreement	The agreement dated February 15, 2024 entered into amongst our Company, the Escrow Agent and the Book Running Lead Manager
Escrow Bank/ Escrow Agent	HDFC Bank Limited
Floor Price	The floor price ₹ 1,158.32 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed at the extra ordinary general meeting through VC/ OAVM facility on January 16, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations

Term	Description
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company.
Issue	The issue and Allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating up to ₹ [•] million pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2024, the last date up to which the Application Forms shall be accepted by our Company (or the BRLM, on behalf of our Company)
Issue Opening Date	[●], 2024, the date on which the acceptance of the Application Forms shall have commenced by our Company (or the BRLM on behalf of our Company)
Issue Price	A price per Equity Share of ₹ [●]
Issue Size	The aggregate size of the Issue, aggregating up to ₹ [•] million
Monitoring Agency	India Ratings and Research Private Limited, being a credit rating agency registered with SEBI, appointed by our Company in accordance with the provisions of the SEBI ICDR Regulations.
Monitoring Agency Agreement	Monitoring agency agreement dated February 2, 2024, entered into between our Company and the Monitoring Agency, for monitoring the use of the Net Proceeds of the Issue in accordance with the terms of this Preliminary Placement Document.
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Net Proceeds	Total proceeds of the Issue will be minus Issue expenses
Pay-In Date	Last date specified in the CAN for the payment of application monies by Bidders in the Issue
Placement Agreement	The agreement dated February 26, 2024 between our Company and the BRLM
Placement Document	The Placement Document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules thereunder
Preliminary Placement Document	This Preliminary Placement Document dated February 26, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
QIBs/ Qualified Institutional Buyers	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being private placement to QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable rules of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all, or part, of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	February 26, 2024, which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue
Stock Exchanges	Together, BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Issue Shares
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ATM	Automated teller machine

Term	Description
BSE	BSE Limited
Basic earnings per share	Basic earnings per share is computed by dividing the consolidated net profit or loss for the period/year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year/period.
CAGR	Compounded annual growth rate
Calendar Year/ CY	Year ending on December 31
Capital Employed	Total Equity plus borrowings including accrued interest
CCI	Competition Commission of India
CIIC	The Confederation of Indian Industry
CDSL	Central Depository Services (India) Limited
CESTAT	Custom Excise and Service Tax Appellate Tribunal
CIN	Corporate identification number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act, 1956	The erstwhile Companies Act, 1956 and the rules made thereunder
Companies Act, 2013 / Companies Act	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
Control	As defined under Regulation 2(i)(e) of the Takeover Regulations
CSO	Central Statistics Organisation
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations
DIN	Director identification number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
Diluted earnings per share	The net profit or loss for the period/year attributable to equity shareholders of the Company and the weighted average number of equity shares outstanding the period/year is adjusted for the effects of all dilutive potential equity shares, except where the result would be anti-dilutive.
EBIT	Profit for the year/ period plus total tax expense plus finance costs
EBITDA	Profit for the period/year less other income and plus depreciation and amortisation expense, finance cost and total tax expense
EBIT Margin	EBIT divided by Revenue from operations
EBITDA Margin	EBITDA divided by Revenue from operations
EGM	Extraordinary general meeting
Factories Act	Factories Act, 1948
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer of Issue of Security by a Person Resident outside India) Regulations, 2017
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII Regulations	The erstwhile Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIIs	Foreign institutional investors as defined under Regulation 2(g) of the SEBI FPI Regulations and registered as such with the SEBI
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
Fixed Assets Turnover Ratio	Revenue from operations divided by Total of Fixed Assets
Form PAS – 4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GBP	Pound Sterling

Term	Description
GDP	Gross domestic product
GIR	General Index Registration number
GoI/ Government	Government of India
Gross Margin	Gross Profit divided by Revenue from operations
Gross Profit	Revenue from operations less cost of materials consumed, cost of services, purchase of traded goods and (increase)/ decrease in inventories of finished goods, work in progress, traded goods and scrap.
GST	Goods and Services Tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
IMF	International Monetary Fund
Income-tax Act/ IT Act	The Income-tax Act, 1961, as amended
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Generally accepted accounting principles in India as notified by the MCA pursuant to Section 133 of the Companies Act read with the Companies (Accounting Standards) Rules, 2021, as amended
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
ISO	International Organisation for Standardisation
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
LLP	Limited Liability Partnership
Ltd.	Limited
MCA	Ministry of Corporate Affairs
MoU	Memorandum of Understanding
Net Debt	Total borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents, current assets – investments, and Tata Capital bill discounting
Net Debt to EBITDA Ratio	Net Debt by EBITDA
Net worth	Paid up share capital plus all reserves and surplus (excluding revaluation reserves)
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
Notified Sections	Sections of the Companies Act 2013 that have been notified by the Government of India
NRI	Non-Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OHSAS	Occupational Health and Safety Assessment Standards
Other Operating Revenue	Revenue from sales of scrap plus export incentives, others, foreign exchange difference on operating assets and liabilities and subsidies/ government grants.
P-Notes	Participatory Notes
p.a.	Per annum
PAN	Permanent account number
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit for the period/year
PAT Margin	Profit for the period/year divided by Revenue from operations
Profit Before Tax Margin	Profit before tax divided by Revenue from operations
RBI Act	The Reserve Bank of India Act, 1934, as amended
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Revenue from operations	Revenue from operations is net of Goods and Service Tax as applicable
ROCE	EBIT divided by Capital Employed
ROE	Profit for the year/ period divided by Average Shareholder's equity
Rule 144A	Rule 144A under the U.S. Securities Act
₹/ Rs. / Rupees/ Indian Rupees	The legal currency of India
Sale of Services	Revenue from job work plus tour and other services, commission and incentives, and die design and preparation charges
S&P CNX NIFTY	Standard And Poor's CNX Nifty
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SENSEX	An index of 30 constituent stocks traded on BSE representing a sample of large, liquid and representative companies
SEZ	Special Economic Zone
STT	Securities Transaction Tax
Supreme Court	Supreme Court of India
Takeover Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Total Borrowings	Total Borrowings is the aggregate of non-current financial liabilities – Borrowings and Current financial liabilities – Borrowings
Total Equity	Equity share capital plus other equity
Total of Fixed Assets	Property, plant and equipment plus capital work-in-progress
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America and its territories and possessions
VAT	Value Added Tax
VCF	Venture capital fund as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

Technical and Industry Terms

Term	Description
ABS	Acrylonitrile butadiene styrene
AC	Air Conditioner
AC/DC	Alternating current / direct current
ATMA	Automotive Tyre Manufacturers Association
BEE	Bureau of Energy Efficiency
BOPP	Biaxilliary oriented polypropylene
C&I	Commercial and Industrial
CGU(s)	Cash-generating unit(s)
COP26	26th session of the Conference of the Parties
CPSU	Public Sector Undertaking
CV	Commercial vehicle
DDT	Dividend distribution tax
E2W	Electric 2-Wheeler
E3W	Electric three-wheeler
E4W	Electric four-wheeler
EV(s)	Electronic Vehicle(s)
GNDI	Gross National Disposable Income
GTAM	Green-Term Ahead Market
HIPS	High Impact Polystyrene
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
ISTS	Inter State Transmission System
LD Polyethylene or LLDPE	Linear low-density polyethylene
LED	Light-emitting diode
OEM	Original Equipment Manufacturers
PE	Polyethylene
PFCE	Private Final Consumption Expenditure
PLI	Production Linked Scheme

Term	Description
PM	Particulate matter
PP	Polypropylene
PV	Photovoltaic
R&D	Research and Development
RAC	Real Application Cluster
RE	Renewable Energy
REC	Renewable Energy Certificates
RPO	Renewable Purchase Obligations
DFIA	Duty-Free Import Authorization
DISCOM(s)	Distribution Company
ECL	Expected credit loss
ESG	Environment, social and governance
EOU	Export Oriented Unit
EIR	Effective interest rate
EPCG	Export Promotion Capital Goods
FAME	Faster Adoption and Manufacturing of (Strong) Hybrid and Electric Vehicles in India
FVTOCI	Fair value through other comprehensive income
IMD	Indian Meteorological Department
LPG	Liquefied petroleum gas
NSM	National Solar Mission
MEIS	Merchandise Exports from India Scheme
MNRE	Ministry of New and Renewable Energy
MSME(s)	Micro, Small & Medium Enterprises
OCI	Other comprehensive income
PMGKAY	Pradhan Mantri Garib Kalyan Anna Yojna
SEZ	Special Economic Zone
SPPI	Solely payments of principal and interest
UNFCCC	United Nations Framework Convention on Climate Change
y-o-y	Year-on-year

SUMMARY OF BUSINESS

Overview

Xpro India Limited is mainly engaged in the business of polymer processing at multiple locations and is a manufacturer in India of coextruded plastic films, thermoformed components, coextruded cast films and speciality films (including dielectric films and special purpose biaxilliary oriented polypropylene ("**BOPP**") Films) . We supply a wide range of products to domestic and international customers operating in electronics, capacitor, white goods (refrigerator), hygiene products and tyre manufacturing sectors. We have long-standing relationships with some of the major Indian and global companies such as Voltas Beko, MRL Tyre, Super Electro Films, Dhruv Industries Limited, JK Tyre, IFB Refrigeration, Supreme Petrochem and Starion India, to name a few. Our strong R&D capabilities enable us to provide tailor-made & specialised solutions for customers, making us the preferred partner of choice. We currently own and operate three facilities in India across West Bengal, Uttar Pradesh and Maharashtra. Due to our large manufacturing capacity, size and the trust created with the marquee customers who have been our long-term clients, we believe our Company has been able to create a market advantage and raised high entry barriers for our potential competition.

Our Company was established as a separate entity via a corporate demerger in 1998 and the units comprising our Company have long been in existence, giving it over 27 years of experience in the extrusion/coextrusion field. We thus aggregate years of experience and are a robust, maturing organization driven by a deep India-centric self-sufficient model.

We are a professionally managed arm of one of India's largest and reputed Industrial House – the BIRLA family. We have a dedicated, and competent workforce of well-trained employees placed at various locations. Manufacturing at all units is carried out by qualified personnel under stringent guidelines and quality standards. For us, continuous product development and high customer service levels are key areas, with an underlying philosophy of providing the highest level of satisfaction to customers, and a passion to ethically excel in all areas of activity.

Our operations are focused on our core competencies, namely polymers processing, and our operations have been structured between Barjora (West Bengal) plant that manufactures a range of dielectric BOPP capacitor films and Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) plants that manufactures polymer based coextruded products (i.e., coextruded plastic sheets, thermoformed components refrigerator liners and coextruded cast films).

The wide range of extruded products and derivatives we manufacture includes coextruded plastic sheets with primary applications for refrigerator door and cabinet liners, and coextruded multilayer cast films finding application as release films in tyre and tread industry and in hygiene (including sanitary napkins and diapers) industry (*Source: CareEdge Report*). Furthermore, the wide range of dielectric film products we manufacture includes normal/smooth films modified with aluminium, zinc, or alloys for good metallization, as well as winding, high-temperature super, cloudy/rough and semi-rough films for room temperature, and high-temperature applications. These films range in thickness from 3 µm to 12 µm. Dielectric films are ideally suited for high performance capacitors, both for normal and high temperature applications, high temperature super grade for AC ageing and ripple current condition at elevated temperature; high roughness/hazy films for oil impregnated medium- and high-voltage application capacitors; and semi-rough films for metallization and oil impregnation for capacitors for AC/DC applications in locomotive & traction control applications (*Source: CareEdge Report*).

Our range of products are critical to the modern industrial manufacturing process of various products, such as fan, cooler, washing machine and air conditioners capacitors, power transmission and distribution capacitors, hybrid or electronic vehicles ("**EV**") cars capacitors, refrigerators, and tyres, among others. In Fiscal 2023 and the nine months ended December 31, 2023, sales of coextruded sheets, cast films and liners represented 67.62% and 66.74% of our revenue from operations, respectively, while sales of biaxially oriented films represented 30.60% and 32.44% of our revenue from operations, respectively.

We directly market our products and services through our marketing team to potential customers within and outside India. Our strong relationships with our customers as well as our strategy to cross-sell our product to existing customers enables us to market our products with a relatively low marketing cost. We also have a strong focus on R&D and as our customers' requirements and specifications can vary across their facilities, our technical teams also focused on development of customized products and services for such customers, which is an iterative process.

As of December 31, 2023, our Company owned and operated three facilities in India, located at Barjora (West Bengal) for the manufacturing of dielectric films with an aggregate production capacity of 4000 MTPA and at Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) for the manufacturing of polymer based coextruded products (i.e., coextruded plastic sheets, thermoformed refrigerator liners and coextruded cast films) with an aggregate production capacity of 12,200 MTPA and 32,500 MTPA, respectively. Our continuous product development for specific applications and equipment updates has helped us in proactively developing technically and ecologically sustainable solutions with clear customer benefits.

Furthermore, India continues to be an attractive growth market for the industrial film industry, driven by ever-increasing demand for such products. According to CareEdge's research, India's dielectric / capacitor films market is anticipated to grow at a CAGR of 11%, India's coextruded plastic sheets market is anticipated to grow at a CAGR of 9.6%, India's thermoformed components market is anticipated to grow at a CAGR of 10% and India's cast extruded films market is anticipated to grow at a CAGR of 10%, for the period between 2024 and 2028 (*Source: CareEdge Report*). The growth in demand is expected to be also supported by India's vision of becoming a US$5 trillion economy by Fiscals 2027 to 2028, and a US$7 trillion economy by 2030, which in turn should drive the industries that are the key end-users of our products (*Source: CareEdge Report*).

The table below sets forth certain financial information for the periods mentioned below, based on our historical financial statements:

Metric	For the nine months ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations (₹ million)	3,370.01	5,109.70	4,717.20	3,733.54
Total income[(1)] (₹ million)	3,440.35	5,148.26	4,735.59	3,754.64
Profit before tax ("**PBT**") (₹ million)	436.42	592.31	405.88	134.80
PBT Margin[(2)]	12.95%	11.59%	8.60%	3.61%
Profit for the period / year (₹ million)	314.45	453.64	449.32	83.54
PAT Margin[(3)]	9.33%	8.88%	9.53%	2.24%
Basic earnings per share (₹)[(4)]	15.90	25.57	25.36[(9)]	7.07
EBITDA[(5)] (₹ million)	493.52	744.29	638.24	403.00
EBITDA Margin[(6)]	14.64%	14.57%	13.53%	10.79%
Return on Equity ("**RoE**")[(7)]	10.69	22.37	34.31	9.72
Return on Capital Employed ("**RoCE**")[(8)]	10.80	23.33	19.93	12.52

Notes:
(1) Total Income includes revenue from operations and other income.
(2) PBT Margin is calculated as profit before tax divided by revenue from operations.
(3) PAT Margin is calculated as profit for the period / year divided by revenue from operations.
(4) Basic earnings per share is calculated as the profit for the period / year attributable to equity shareholders divided by the weighted average number of equity shares outstanding during the period / year.
(5) EBITDA is calculated as profit for the period / year less other income and plus depreciation and amortisation expense, finance cost and total tax expense.
(6) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(7) RoE is calculated as profit for the period / year divided by Average Shareholder's Equity. Average Shareholder's Equity is the sum of the shareholder's equity value at the beginning and end of the period / year, divided by two.
(8) RoCE is defined as Earnings before Interest and Taxes divided by Capital Employed, where Capital Employed is total equity plus borrowings including Accrued Interest.
(9) This number has been adjusted and computed after considering the effect of 5,906,744 bonus shares issued during the year ended March 31, 2023.
(10) See also *"Presentation of Financial and Other Information – Non-GAAP financial measures"* on page 16 and *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Financial Metrics and Certain Non-GAAP Measures"* on page 152 for reconciliation of GAAP to Non-GAAP measures.

Strengths

Diversified multi-locational business operating in niche segments, catering to multiple end user segments and enjoying a strong brand equity

We enjoy a position in the dielectric/capacitor films industry as an Indian manufacturer of dielectric / capacitor films. We are also one of the players supplying coextruded plastic sheets and liners to the refrigerator industry in India. In terms of dielectric films, India remains a significant and growing market for this product with the market anticipated to grow at a CAGR of 11% for the period between 2024 and 2028 (*Source: CareEdge Report*).

Long standing relationships with marquee clientele and a growing client base

Our products and capabilities have also been well recognised by Indian customers. We have developed stable and long-term relationships with our customer base comprising of leading Indian and multinational corporations for more than 10 years. We have a strong list of customers comprising leading Indian and transnational companies (including Voltas Beko, MRL Tyre, Super Electro Films, Dhruv Industries Limited, JK Tyre, IFB Refrigeration, Supreme Petrochem and Starion India, among others) who have chosen us as a key partner over many years, recognizing our products' quality and consistency. Revenue from India and foreign markets such as the United States, Germany and Sri Lanka accounted for 97.36% and 2.64%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2021, 94.82% and 5.18%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2022, 96.55% and 3.45%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2023, 95.67% and 4.33%, respectively, of our revenue from operations (gross of freight & forwarding charges) in the nine months ended December 31, 2022, and 96.61% and 3.39%, respectively, of our revenue from operations(gross of freight & forwarding charges) in the nine months ended December 31, 2023.

A strong manufacturer of industrial polymer products in India, with a consistent track record of growth and improvement of financial metrics

The industry of polymers processing is diverse, with players ranging from miniscule to fairly-large capacities across different products. The profitability of companies in this sector depends upon various factors, such as, among others, product mix and market segment. As polymers are generally freely available at prices synchronized to global prices, technical and service competence are also key attributes to success and profitability. Our operations are backed by the necessary skills and expertise with our core competency lies particularly in the extrusion field, particularly co-extrusion. Our operations are also relatively capital intensive, with raw material and power constitute the largest proportions of direct costs. As our business is essentially a business-to-business supplier, its output is determined by the end-markets of its industrial clients, and as such, demand is affected by factors such as consumer sentiment, production of electrical goods and aggressive pricing tactics adopted by foreign suppliers. However, we believe that opportunities are substantial both in terms of market growth and product diversity, while threats from replacement products are relatively low.

Our ability to remain profitable continues to validate resilience of operations, marketing and technically sound product offerings. We completed an exercise of identifying and driving various sustainable cost reduction and operational efficiency improvement initiatives at our production units. We have demonstrated consistent improvement in our financial and operational metrics over the last three years. For example, our total income increased from ₹3,754.64 million for the year ended March 31, 2021 to ₹5,148.26 million for the year ended March 31, 2023; our profit for the year increased from ₹83.54 million for the year ended March 31, 2021 to ₹453.64 million for the year ended March 31, 2023; and our return on equity increased from 9.72% for the year ended March 31, 2021 to 22.37% for the year ended March 31, 2023.

Extensive manufacturing capacity with highly specialized equipment and technical capabilities

As of December 31, 2023, our Company owned and operated three facilities in India, namely at Barjora (West Bengal) for the manufacturing of Dielectric/Capacitor Films, with an aggregate production capacity of 4,000 MTPA and at Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) for the manufacture of coextruded plastic sheets, thermoformed components and coextruded cast plastic films, with an aggregate production capacity of 12,200 MTPA and 32,500 MTPA, respectively. Our capacity utilization rate in the dielectric/capacitor film line was 90.88% in Fiscal 2023 and 90.17% in the nine months ended December 31, 2023 (calculated as actual production volume divided by installed capacity for the nine months ended December 31, 2023 on a pro rata basis), reflecting near full capacity utilisation of effective capacity at current product mix. Our capacity utilisation rate (in aggregate) in the coextruded plastic sheets, thermoformed components and coextruded cast plastic films lines was 51.39% in Fiscal 2023 and 51.39% in the nine months ended December 31, 2023 (calculated as actual production volume divided by installed capacity for the nine months ended December 31, 2023 on a pro rata basis). Our capacity is designed on peak requirement basis considering the seasonality of the white goods (as other consumer durable) businesses. We carry the core competencies relating to polymer processing and the coextrusion process honed through years of experience of our team. Furthermore, our manufacturing units are self-sufficient managerially to perform their own duties and functions, with support provided at a corporate level as required.

Our dielectric films are specially designed polypropylene films, manufactured in highly specialized equipment through a stenter process in controlled environments and ultra-clean room conditions for a wide range of applications in the capacitor industry (*Source: CareEdge Report*). Our Greater Noida and Ranjangaon units operate multi-layer coextrusion sheet lines, multi-layer coextruded cast film lines and sophisticated thermoforming systems specially tailored for forming of refrigerator door and cabinet liners, designed for high production requirements with auto-sheet loading, pre-heat stations, full microprocessor control and fast tool change capabilities, for continuous vacuum forming for thick-wall applications.

Experienced Board and senior management team

The Board collectively has the governance and professional skills, knowledge and experience required to effectively govern and direct the Company. Sri Sidharth Birla is the Chairman of the Board and has years of experience in business and industry. The management of our organization and conduct of our affairs are handled by our Managing Director & Chief Executive Officer, C. Bhaskar, who leads our management team. We have a strong management team with our Senior President & Chief Operating Officer, H. Bakshi, holding operational responsibility for our day-to-day activities related to manufacturing units. Furthermore, our President (Finance) & Chief Financial Officer, Vinay Agarwal, heads the finance function discharging the responsibilities entrusted to him under the applicable regulations and by the Board. These senior officers are collectively entrusted with ensuring that all of our management functions are carried out effectively and professionally, and duly supported by an experienced team. For further information on our Board and senior management, see "*Board of Directors and Senior Management*" on page 166.

Strategies

India continues to be an attractive growth market for the industrial film industry, driven by ever-increasing demand for such products. According to CareEdge research, India's dielectric / capacitor films market is anticipated to grow at a CAGR of 11%, India's coextruded plastic sheets market is anticipated to grow at a CAGR of 9.6%, India's thermoformed components market is anticipated to grow at a CAGR of 10% and India's cast extruded films market is anticipated to grow at a CAGR of 10%, for the period between 2024 and 2028 (*Source: CareEdge Report*). The growth in demand is expected to be also supported by India's vision of becoming a US$5 trillion economy by Fiscals 2027 to 2028, and a US$7 trillion economy by 2030, which in turn should drive the industries that are the key end-users of our products (*Source: CareEdge Report*).

Expand and upgrade manufacturing capacities of existing products to meet future demands

In line with the Indian government's "Make in India" policy, which encourages companies to on-shore manufacturing in India for domestic customers, we intend to continue to manufacture products for the Indian market locally. We intend to increase our production capacity in India and increase the sales of products manufactured using such expanded capacity to customers in India in the coming years to gain even more competitive advantages available under the "Make in India" policy.

In relation to capacitor / dielectric films, given the use of such films in the production of capacitor, we expect further growth in demand for capacitor / dielectric films in line with growth in electronic production and consumption, including in the EV and solar energy segments (*Source: CareEdge Report*). Particularly in India, the growth in EV adoption is supported by the Government of India's push to expand EV charging infrastructure, the lack of which has been a key concern for customers who would like to purchase EVs (*Source: CareEdge Report*). Accordingly, we intend to expand our existing production and manufacturing capacities for dielectric films to meet the ever-increasing demand of the products we are currently offering.

In relation to coextruded plastic sheets and thermoformed components, both of which are used in the manufacturing of refrigerators, we expect the demand of both products to increase, as supported by the growing urbanisation and real-estate segment in India (*Source: CareEdge Report*). Furthermore, the Government of India is pushing for housing for the middle class and in rural areas, as can be seen from the focus in its interim budget (*Source: CareEdge Report*). India is close to achieving its target of 30 million units of rural housing and aims to build 20 million more units in the next five years (*Source: CareEdge Report*). This is expected to spur more demand in the mid-to-long term for consumer appliances like refrigerators, washing machines and AC, which would in turn increase the demand for coextruded plastic sheets and thermoformed components (*Source: CareEdge Report*). As such, we also intend to possibly expand our existing production and manufacturing capacities for coextruded plastic sheets and thermoformed components to meet any increase in demand.

Scaling our business to a global level

According to CareEdge research, the global dielectric / capacitor films market is anticipated to grow at a CAGR of 8.9%, global coextruded plastic sheets market is anticipated to grow at a CAGR of 7.3%, global thermoformed components market is anticipated to grow at a CAGR of 8.2% and global cast extruded films market is anticipated to grow at a CAGR of 7.8%, during the period between 2024 and 2028 (*Source: CareEdge Report*).

Among others, such growth is expected due to the anticipated growth in the global renewable energy, packaging, pharmaceutical, electronic devices and automotive sectors. Accordingly, we intend to expand our production capacity to meet such global demands and aim to be in the top five amongst non-Chinese companies in terms of production capacity for capacitor / dielectric films.

We currently export dielectric and specialized films to developed markets, such as the US and Germany, and export coextruded sheets for refrigerator application to neighbouring countries, such as Sri Lanka. Furthermore, our Board has approved the setting up of a subsidiary in the United Arab Emirates as a step towards enlarging our footprint in our industry's global supply chain and we aim to establish manufacturing capacities in the Middle East to meet the global demand of our products.

Continue to leverage existing R&D capabilities

We intend to continue to pursue our R&D efforts, with a focus on further customization of products in order to better serve our customers while ensuring cost efficiency and deliver world-class products to address emerging market opportunities both in the domestic and global markets. For example, we intend to leverage our competencies in product niche areas.

We intend to continue to invest in expanding our R&D team and capabilities to enable us to capitalize on long-term growth opportunities and help align ourselves with anticipated demand for our product segments and markets, and better position ourselves to meet the evolving requirements of our customers.

Deepen our commitment to sustainable manufacturing of our products

We undertake and implement an environmental management system and framework even as we continue to focus on value creation for our stakeholders. We enhanced our commitment to environment management by integrating environmentally friendly practices into our business model.

We have the necessary design, quality and inspection systems in place to ensure that the goods and services we provide are safe and sustainable throughout their life cycle. We currently have initiated the efforts to replace part of our energy consumption at the Ranjangaon unit with solar-based energy and to also use coal-based methane gas in place of conventional fuels at our Barjora unit. Furthermore, the location of our Greater Noida and Ranjangaon units are near our customers, thereby resulting in reduced transportation and the associated emission of carbon resulting from it. We remain committed towards ESG norms and protection of the environment, reduction in carbon emission, and utilization of CSR funds through various activities.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 47, 81, 198, 183 and 216, respectively.

Issuer	Xpro India Limited
Face value	₹ 10 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
Floor Price	₹ 1,158.32 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In accordance with the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may, in consultation with the BRLM, offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution dated January 16, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Size	Issue of [●] Equity Shares, aggregating up to ₹ [●] million, at a premium of ₹ [●] each. A minimum of 10% of the Issue Size, i.e., [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs
Date of Board resolution authorizing the Issue	December 19, 2023
Date of Shareholders' resolution authorizing the Issue	January 16, 2024
Dividend	See "*Description of Equity Shares*" and "*Dividends*" on pages 216 and 96 respectively
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 183, 201 and 208, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLM.
Equity Shares issued and outstanding immediately prior to the Issue	20,672,244 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 183
Listing and trading	Our Company has obtained in-principle approval dated February 26, 2024 from NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. Our Company will make application to NSE after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue
Lock-up	For details of the lock-up, see "*Placement – Lock-up*" on page 198
Trading	The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject

	to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See "*Issue Procedure*" and "*Selling Restrictions*" on pages 183 and 201, respectively.	
Use of proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹ [●] million. The net proceeds from the Issue, after deducting Issue related expenses is expected to be approximately ₹ [●] million. See "*Use of Proceeds*" on page 81 for information regarding the use of Net Proceeds from the Issue	
Risk factors	See "*Risk Factors*" on page 47 for a discussion of risks you should consider before investing in the Equity Shares	
Indian taxation	See "*Taxation*" which describes the statement of possible tax benefits available to our Company and its Shareholders under the applicable laws in India, on page 221	
Closing Date	The Allotment of the Equity Shares is expected to be made on or about [●], 2024	
Ranking and dividends	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. See sections "*Dividends*" and "*Description of the Equity Shares*" on pages 96 and 216, respectively	
Security Codes/ Symbols for the Equity Shares	**ISIN**	INE445C01015
	BSE Code	590013
	NSE Symbol	XPROINDIA

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information as extracted from our Unaudited Condensed Interim Consolidated Financial Statements, Unaudited Special Purpose Interim Consolidated Financial Statements and our Audited Consolidated Financial Statements and presented in "Financial Statements" on page 242. The selected financial information presented below should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements", on pages 136 and *242, respectively, for further details.*

The selected financial information presented below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements", on pages 136 and 242, respectively, for further details.

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SUMMARY OF CONSOLIDATED BALANCE SHEET

(₹ in million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
ASSETS					
Non-current assets					
(a) Property, plant and equipment	1,449.29	1,512.48	1,508.13	1,593.58	1,702.33
(b) Right-of-use assets	87.12	92.29	91.01	88.12	88.53
(c) Capital work-in-progress	144.34	32.74	26.12	3.73	3.12
(d) Other intangible assets	-	-	-	-	-
(e) Financial assets					
(i) Investments	47.39	47.71	46.48	49.79	-
(ii) Loans	1.79	4.26	2.21	1.35	0.89
(iii) Other financial assets	32.07	34.56	34.14	45.38	39.13
(f) Deferred tax assets (net)	-	17.24	-	45.45	-
(f) Non-current tax assets (net)	20.31	11.00	17.18	25.61	20.18
(g) Other non-current assets	436.33	38.55	355.74	43.36	5.46
Total non-current assets	**2,218.62**	**1,790.83**	**2,081.02**	**1,896.36**	**1,859.65**
Current assets					
(a) Inventories	500.65	495.47	473.21	456.42	410.38
(b) Financial assets					
(i) Trade receivables	408.00	419.38	509.84	663.45	663.81
(ii) Cash and cash equivalents	1.39	2.01	1.52	187.12	17.07
(iii) Bank balances other than (ii) above	1,285.87	306.69	300.11	47.73	42.32
(iv) Loans	1.04	1.17	1.24	0.94	0.87
(v) Other financial assets	1.43	2.69	1.21	8.27	17.14
(C) Current Tax Asset	-	-	-	-	0.24
(d) Other current assets	33.97	18.60	33.32	36.10	16.58
Total current assets	**2,232.34**	**1,246.01**	**1,320.45**	**1,400.03**	**1,168.41**
Assets held for Sale	-	-	-	52.15	52.15
TOTAL ASSETS	**4,450.96**	**3,036.83**	**3,401.47**	**3,348.54**	**3,080.20**
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	206.72	177.20	182.12	118.14	118.14
(b) Other equity	3,339.78	1,927.98	2,153.45	1,602.13	780.76
Total equity	**3,546.50**	**2,105.18**	**2,335.57**	**1,720.26**	**898.90**
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	50.44	148.86	95.64	637.09	970.07
(ii) Lease liabilities	19.64	23.65	22.70	19.49	21.86
(iii) Other financial liabilities	-	0.66	0.66	0.66	0.66
(b) Provisions	11.58	11.39	1.90	22.18	42.97
(c) Deferred tax liabilities (net)	152.73	-	94.53	-	-
Total non-current liabilities	**234.38**	**184.56**	**215.42**	**679.42**	**1,035.55**
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	183.36	219.99	264.84	240.00	358.84
(ii) Lease liabilities	4.01	3.54	3.64	2.29	1.31
(iii) Trade payables					
- total outstanding dues of micro enterprises and small enterprises	17.41	4.64	14.10	17.61	13.77
- total outstanding dues of creditors other than micro enterprises and small enterprises	407.03	464.81	489.75	561.71	709.72
(iv) Other financial liabilities	32.21	30.65	25.10	24.05	20.29
(b) Other current liabilities	26.05	23.48	53.03	103.20	41.84
Total current liabilities	**670.08**	**747.10**	**850.48**	**948.85**	**1,145.76**
Total liabilities	**904.46**	**931.66**	**1,065.90**	**1,628.27**	**2,181.31**

Particulars	As at December 31, 2023	As at December 31, 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2021
TOTAL EQUITY AND LIABILITIES	**4,450.96**	**3,036.83**	**3,401.47**	**3,348.54**	**3,080.20**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million)

Particulars	For nine months period ended December 31, 2023	For nine months period ended December 31, 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue					
Revenue from operations	3,370.01	3,866.96	5,109.70	4,717.20	3,733.54
Other income	70.34	32.12	38.56	18.39	21.10
Total income	3,440.35	3,899.08	5,148.26	4,735.59	3,754.64
Expenses					
Cost of materials consumed	2,281.00	2,659.26	3,469.50	3,279.74	2,620.08
Changes in inventories of finished products and work-in-progress	(11.18)	3.04	31.53	(23.74)	30.56
Employee benefits expense	247.24	224.58	300.70	301.91	276.14
Finance costs	42.26	56.09	75.32	130.07	165.33
Depreciation and amortisation expense	85.18	87.78	115.22	120.68	123.97
Other expenses	359.43	428.35	563.69	521.04	403.77
Total expenses	3,003.93	3,459.11	4,555.95	4,329.71	3,619.83
Profit before tax	436.42	439.98	592.31	405.88	134.80
Tax expense:					
Current tax	63.97	-	0.78	-	-
Deferred tax expense	58.01	29.02	141.15	(45.45)	53.36
Tax adjustment for earlier period	-	(0.00)	(3.27)	2.01	(2.09)
Total tax expense	121.97	29.02	138.67	(43.44)	51.27
Profit for the period/ year	314.45	410.96	453.64	449.32	83.54
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plans	(0.02)	(1.16)	(0.02)	(1.54)	(3.96)
Income tax relating to items that will not be reclassified to profit or loss	0.00	0.29	0.01	-	-
Items that will be reclassified to profit or loss					
Change in fair value of tax free bonds	0.77	(2.07)	(3.30)	(1.31)	-
Income tax relating to items that will be reclassified to profit or loss	(0.20)	0.52	1.16	-	-
Other comprehensive income for the period/ year, net of tax	0.57	(2.42)	(2.16)	(2.85)	(3.96)
Total comprehensive income for the period/ year (comprising profit after tax and other comprehensive income for the period)	315.01	408.54	451.48	446.47	79.58
Profit for the period/ year attributable to					
Owners of the Company	314.45	410.96	453.64	449.32	83.54
Non-controlling interest	-	-	-	-	-
Other comprehensive income for the period/ year attributable to					
Owners of the Company	0.57	(2.42)	(2.16)	(2.85)	(3.96)
Non-controlling interest	-	-	-	-	-
Total comprehensive income for the period/ year attributable to					
Owners of the Company	315.01	408.54	451.48	446.47	79.58
Non-controlling interest	-	-	-	-	-
Earnings per equity share for the period/ year					

Particulars	For nine months period ended December 31, 2023	For nine months period ended December 31, 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
(of INR 10/- each)					
Basic (INR)	15.90	23.19	25.57	25.36*	7.07
Diluted (INR)	15.90	21.96	24.35	25.05*	7.07

** These numbers have been adjusted and computed after considering the effect of 5,906,744 bonus shares issued during the year ended March 31, 2023.*

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in million)

S. No.	Particulars	For nine months period ended December 31, 2023	For nine months period ended December 31, 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
A	**Cash flow from operating activities**					
	Net profit before tax	436.42	439.98	592.31	405.88	134.80
	Adjustments for:					
	Depreciation and amortisation (net)	85.18	87.78	115.22	120.68	123.97
	Excess liabilities written back	(9.17)	-	(0.02)	(4.96)	(8.73)
	Foreign currency translations (net)	(0.93)	(1.88)	-	-	-
	Interest income	(48.56)	(12.01)	(15.60)	(5.07)	(4.69)
	Finance costs	42.26	56.09	75.32	130.07	165.33
	Profit/ (Loss) on sale of property, plant and equipment (including assets held for sale)	(0.12)	(7.65)	(8.02)	2.90	(0.01)
	Dividend income	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
	Operating profit before working capital changes	**505.07**	**562.29**	**759.20**	**649.50**	**410.68**
	Increase/(Decrease) in Operating profit before working capital changes	**-**	**-**	**109.70**	**238.82**	
	Movement in financial assets	2.26	(2.32)	0.49	3.25	(0.10)
	Movement in trade receivables	102.32	246.06	153.61	0.37	(136.44)
	Movement in other assets	(12.59)	16.75	2.50	(17.81)	29.98
	Movement in inventory	(27.44)	(39.05)	(16.79)	(46.04)	6.96
	Movement in financial liabilities	(60.07)	(103.41)	(78.70)	(134.88)	169.32
	Movement in other liabilities	(26.98)	(11.92)	17.64	61.35	18.79
	Movement in provisions	9.67	(11.94)	(20.30)	(22.33)	(14.87)
	Net cash flow generated from operations (gross)	**492.24**	**656.46**	**817.64**	**493.41**	**484.61**
	Income-tax paid (net)	(67.09)	14.61	10.91	(7.20)	(6.26)
	Net cash flow generated from operating activities (A)	**425.15**	**671.08**	**828.55**	**486.21**	**478.35**
B	**Cash flow from investing activities**					
	Purchase of property, plant and equipment, right-of-use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(214.22)	(28.33)	(363.19)	(65.44)	(23.97)
	Investment in equity shares	(0.13)	-	-	-	-
	Proceeds from sale of property, plant and equipment	1.00	0.06	7.65	13.43	2.05
	Dividend received	0.01	0.01	0.01	0.01	0.01
	Interest received	48.34	10.52	15.60	3.92	4.69
	Investment in fixed deposits	(984.93)	(248.59)	(242.83)	-	2.24
	Investment in Tax-free bonds	-	-	-	(51.10)	-
	Proceeds from maturity of / (investment in) Fixed deposits	-	-	-	(5.41)	-
	Net cash flow used in investing activities (B)	**(1,149.94)**	**(266.33)**	**(582.75)**	**(104.59)**	**(14.98)**
C	**Cash flows from financing activities**					
	Proceeds from convertible warrants	937.26	-	187.45	374.90	-
	Dividend paid	(40.96)	(23.26)	(23.26)	-	-
	Payment of lease liabilities*					(3.92)
	Principal payment of lease liabilities	(2.70)	(1.94)	(2.79)	(1.38)	-
	Interest payment of lease liabilities	(2.12)	(1.98)	(2.74)	(2.54)	-
	Repayment from long-term borrowings	(45.20)	(488.23)	(541.33)	(384.31)	(252.50)
	Repayment of short-term borrowings (net)	(81.48)	(20.01)	24.85	(118.84)	(280.70)
	Interest paid/finance cost	(40.14)	(54.44)	(73.58)	(128.11)	(164.54)
	Proceeds from long-term borrowings	-	-	-	48.69	193.00

S. No.	Particulars	For nine months period ended December 31, 2023	For nine months period ended December 31, 2022	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2021
	Net cash flow (used in) financing activities (C)	**724.66**	**(589.85)**	**(431.40)**	**(211.58)**	**(508.66)**
	Net decrease in cash and cash equivalents (A+B+C)	**(0.13)**	**(185.11)**	**(185.60)**	**170.05**	**(45.30)**
	Cash and cash equivalents at the beginning of the period/ year	**1.52**	**187.12**	**187.12**	**17.07**	**62.36**
	Cash and cash equivalents at the end of the period/ year	**1.39**	**2.01**	**1.52**	**187.12**	**17.07**
	Components of cash and cash equivalents					
	Balances with scheduled banks:					
	- In current accounts	1.11	1.75	1.30	186.86	16.66
	Cash on hand	0.28	0.26	0.21	0.26	0.41
		1.39	**2.01**	**1.52**	**187.12**	**17.07**

**Payment of lease liabilities includes its interest payment. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 136.*

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 126, 98, 136 and 242, respectively, as well as the other financial and statistical information contained in this Preliminary Placement Document. In making an investment decision, you must rely on your own examination of us and our business and the terms of the Issue including the merits and risks involved.

You should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. You should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2021, 2022 and 2023 included herein is derived from the Audited Consolidated Financial Statements and the financial information for the nine months ended December 31, 2022 and December 31, 2023, included herein is derived from the Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 and the Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023, respectively, as included in this Preliminary Placement Document. For further information, see "Financial Statements" on page 242.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the nine months ended December 31, 2022 and 2023 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Report on Polymer Processing Industry" dated January 2024, (the "**CareEdge Report**") prepared and issued by CARE Analytics and Advisory Private Limited and commissioned and paid for by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

INTERNAL RISK FACTORS

1. We derive a significant portion of our revenue from certain customers, and the loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on a limited number of customers for a significant portion of our revenues. Revenues generated from sales to our top 10 customers amounted to ₹2892.77 million, ₹3435.87 million, ₹3796.36 million, ₹2895.86 million and ₹2474.10 million, representing 76.36%, 71.72%, 73.40% and 73.97% and 72.51% of our revenue from operations (gross of freight & forwarding charges) in Fiscals 2021, 2022, 2023 and the nine months ended December 31,2022 and December 31,2023 respectively. While we have developed strong and long-term relationships with certain of our customers, there can be no assurance that our significant customers in the past will continue to place similar orders with us in the future. The loss of one or more of these significant customers or a significant decrease in business from any such key customer, whether due to circumstances specific to such customer or adverse market conditions affecting their respective industry or the economic environment generally, may materially and adversely affect our business, results of operations and financial condition.

Our reliance on a select group of customers may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement of our products and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our significant customers, or that we will be able to significantly reduce customer concentration in the future. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

2. ***We depend on the success of our relationships with our customers. Any adverse developments or inability to enter into or maintain such relationships could have an adverse effect on our business, results of operations and financial condition.***

We perform manufacturing of coextruded plastic sheets, thermoformed components and specialty films for a diverse range of customers within and outside India. Our sales and purchase agreements are typically short and medium-term in nature where the validity of the contracts is within one year, with certain agreements being automatically renewed for a period of one year at a time. These agreements typically impose stringent confidentiality and secrecy obligations on us which typically survive expiry or termination of our contractual terms and require us to comply with various international and organizational codes and practices including the ethical code of conduct in relation to bribery and kickbacks, code of conduct for service providers and privacy policies. Our agreements also require us to strictly adhere to the know-how and technical specifications mentioned therein, and provide our customers the right to inspect our manufacturing facilities for quality assurance system typically after providing reasonable notice to us, and request a sample analysis of the products. In addition, we may indemnify our customers against, amongst others, any claims, demands, losses and suits, arising on account of failure of the product to meet the required specifications.

Our agreements typically require our customers to place purchase orders that include the quantity and price while certain agreements themselves include the purchase prices and minimum purchase quantities for the products during the tenure of the agreement. While typically the purchase price includes the cost of, amongst others, raw materials, packaging, labour, utilities and taxes as well as a margin, and is mutually agreed upon between our customers and us, the purchase price is generally pre-determined either annually or for the tenure of the agreement, which could expose us to volatility in the prices of raw materials and operational costs, which we may be unable to pass onto our customers and accordingly, reduce our profit margins. In addition, certain of agreements require the customers to provide a forecast indicating the quantities of the product they intend to purchase, however these are not binding in nature. In addition, for any changes in the product specifications, manufacturing process, manufacturing site, manufacturing method or raw material used, we are typically required to obtain prior written consent from our customers.

Additionally, to the extent our customer contracts stipulate dispute resolution mechanisms, in the event of contractual disputes, we may be subject to significant costs arising out of bringing or defending claims arising out of our customer contracts. Further, we typically plan and incur capital expenditure for future periods based on letter of intents. However, our inability to successfully enter into long-term contracts may result in us incurring expenses and making investments without a proportionate increase in our revenues. The occurrence of any such event could adversely affect our business and results of operations.

Our business, financial condition and results of operations are dependent on our relationships with such corporations. In the nine months ended December 31, 2023, we manufactured products for over 100 customers, including 7 international customers. The loss of one or more of our significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations and financial condition. We cannot assure you that we will be able to maintain historic levels of business with our significant customers. If we are unable to establish or maintain relationships with companies on the existing terms and conditions or the current commercial arrangements, or if such companies terminate their agreements with us, it could have an adverse impact on our business, financial condition and results of operations. Further, if these companies terminate their agreements with us or suspend our services, it could result in an adverse impact on our relationships and reputation with these companies and could have a significant effect on our ability to provide services and solutions in the future and negotiate new relationships with these companies. While none of our customers have terminated their agreements with us or suspended our services in the past three fiscal years and nine months period ended December 31, 2023, we cannot assure you that our customers will not terminate their agreements with us or suspend our services in the future.

3. ***Our business is dependent on our manufacturing facilities, and we are subject to certain risks in our manufacturing process. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition and results of operations.***

Our business is dependent upon our ability to efficiently manage our manufacturing facilities and the operational risks associated with it, including those beyond our reasonable control. For further information in relation to our manufacturing facilities, see "*Our Business — Production*" on page 133. Any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents, any significant social, political or economic disturbances or infectious disease outbreaks such as the COVID-19 pandemic or regulatory order for shut-down, whether temporary or permanent, could reduce our ability to meet the conditions of our contracts and adversely affect sales and revenues from operations in such period. Disruptions in our manufacturing operations could delay production or require us to temporarily or permanently, cease operations at our manufacturing facilities.

Further, any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. We may also be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Moreover, some of our products are permitted to be manufactured at only such facilities that have received specific approvals, and any shut down of any such facility, including due to non-renewal of specific approvals, will result in inability to manufacture the relevant products for the duration of such shut down. We may also be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades. Further, we may face protests from local communities at our existing facilities or while setting up new facilities, which may delay or halt our operations.

Certain raw materials that we use as well as our finished goods are flammable and require expert handling and storage, failing which we may be exposed to fires or other industrial accidents. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition.

Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products in lieu of the affected manufacturing facilities (or even have the ability to manufacture the same products to begin with), to the extent that all outstanding orders will be filled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to import various supplies and products to meet our production requirements, which could affect our profitability.

4. ***We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.***

We have incurred total borrowings (includes Non-current financial liabilities – Borrowings and Current financial liabilities – Borrowings) of ₹233.80 million as of December 31, 2023. We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings, which typically contain restrictive covenants, including, requirements that we obtain consent from the lenders prior to undertaking certain matters including but not limited to changing or modifying our ownership, altering our capital structure, further issuance of any shares, undertaking any new project or scheme of expansion or acquisition/ investment in other entities, alteration to the constitutional documents of the Company, restructuring or changing the management, changing our shareholding pattern (including reduction/dilution in shareholding of the Promoters and Promoter Group of our Company), and changing the constitution of the Board of Directors. Further, in terms of security, we are typically required to create a charge on all our fixed and current assets (present and future), mortgage on our immovable properties and hypothecation on our movable properties. While there have been no defaults/ delays in repayments, restructuring or covenant breaches in any loans or debt payments in the past three fiscal years and the nine months ended December 31, 2022 and December 31, 2023, there can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. We cannot guarantee that no adverse action will be taken by such lenders against our Company, in terms of the respective financing documentation entered with them.

Furthermore, any fluctuations in the interest rates may directly impact the interest costs of our existing loans and could adversely affect our financial condition. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from our operations or obtain enough capital to service our debt. Our current or future level of leverage could have significant consequences on our Shareholders and our future financial results and business prospects, including increasing our vulnerability to a downturn in business in India and other factors which may adversely affect our operations; limiting our ability to pursue growth plans; requiring us to dedicate a substantial portion of our cash flow from operations to service debt, thereby reducing the availability of cash flows to fund capital expenditures and growth initiatives, to meet working capital requirements and for use in relation to other general corporate purposes or to make dividend payouts; limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; increasing our interest expenditure; and limiting our ability to raise additional funds or refinance existing indebtedness. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Indebtedness*" on page 161.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

5. ***We do not have long-term agreements with most of our suppliers for our raw materials and an increase in the cost of or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.***

We usually do not enter into long-term supply contracts with most of our raw material suppliers. Pricing and production volumes are negotiated for each purchase order. There are no contractual commitments other than those set forth in the purchase orders. The purchase price of our raw materials generally follows market prices. The absence of long-term contracts at fixed prices exposes us to volatility in the prices of raw materials that we require, and we may be unable to pass these costs onto our customers, which may reduce our profit margins. Furthermore, the purchase prices for our customers are pre-determined either annually or for the duration of the agreement and accordingly, any subsequent variation in the price of the raw materials may not be passed onto our customers.

In Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and December 31, 2023, the cost of materials consumed amounted to ₹2,620.08 million, ₹3,279.74 million, ₹3,469.50 million, ₹2,659.26 million and ₹2,281.00 million, representing 70.18%, 69.53%, 67.90%, 68.77% and 67.69%, respectively, of our revenue from operations in the same periods. The price and availability of such raw materials depend on several factors beyond our control, including overall economic conditions, foreign exchange rate, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade and regulatory restrictions. Raw materials are also subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, the quality and availability of raw materials, currency fluctuations, consumer demand, changes in government policies and regulatory sanctions.

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials, such as thermoplastic resins which include polypropylene, special grades for dielectric films and LD Polyethylene, at acceptable prices. For further information, see "*Our Business — Production — Raw Materials*" on page 133. We depend on third-party vendors and suppliers for the purchase of raw materials. We have historically sourced raw materials from multiple vendors in India, South Korea and certain European countries and continue to diversify our procurement base. Although we have not faced significant disruptions in the procurement of raw materials in the past, the occurrence of any such event may adversely affect our business, results of operations and financial condition.

While there have been no material disputes with suppliers in the past three years that have had an impact on the business operations and financials of our Company, we cannot assure you that we will be able to continue to obtain adequate supplies of our raw materials, in a timely manner, in the future. Any such reductions or interruptions in the supply of raw materials or equipment, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner and we may be in breach of our contractual obligations.

6. ***We have not entered into any definitive agreements with respect to capital expenditure requirements for purchase of new equipment and machinery at our manufacturing facility at Barjora, West Bengal.***

We intend to use the Net Proceeds of the Issue, inter alia, towards part funding of our capital expenditure requirements for purchase of new equipment and machinery at our manufacturing facility at Barjora, West Bengal, as set forth in the section *"Use of Proceeds"* on page 81. Out of the total project cost of ₹ 2,846. 10 million, our Company is yet to place orders worth ₹ 786.76 million, aggregating to 27.64% million of the total project cost. We have not entered into any definitive agreements to utilize the Net Proceeds towards the proposed abovementioned capital expenditure. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on civil work, purchase of new equipment and machinery and other miscellaneous work at our manufacturing facility at Barjora, West Bengal. We cannot confirm whether we will be able to undertake civil work and purchase the equipment and machinery at the same price at which we obtained the quotations. Consequently, we may require additional funds towards such capital expenditure.

There can be no assurance that our plans for purchasing new equipment and machinery and civil work at our manufacturing facilities will be implemented as planned or on schedule. We may experience significant delays or mishaps in the implementation of our plans. Further, unforeseen delays may occur due to external factors such as cost overrun, economic conditions, unanticipated expenses or regulatory changes may adversely affect our business operations.

7. ***Our operations are concentrated to certain states in India, and any adverse developments in this region may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our operations and units are all concentrated in Greater Noida, Pune and Kolkata. In the event of any adverse developments in these regions, such as economic slowdown or any other negative developments, including changes related to regulation, political, economic, demographic and others, as well as the occurrence of natural and man-made disasters in these cities, may adversely affect business, financial condition and results of operations. Our manufacturing operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the state government. As a result, any unfavourable policies of the state government or state or local governments in these regions, could adversely affect our business, financial condition and results of operations.

8. ***We are subject to certain business and operational risks consequent to our operations, such as, the manufacture, usage and storage of various substances.***

Our manufacturing processes involve manufacturing, storage and transportation of various flammable substances, such as polymer resins. Accordingly, while we believe we have invested in adequate engineering and safety infrastructure, provided adequate training to our employees and engaged external and internal experts, we may still be subject to operating risks associated with handling of such materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic substances, which in turn may cause industrial accidents, fire, personal injury, loss of human life, damage to our and third-party property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. For instance, on July 25, 2023, one of the motors at the forming station at our Ranjangaon facility malfunctioned into an auto-running cycle and automatically stopped. At the time of de-coupling the motor for repair, one of our employees was injured as the plate of the machine struck such person. While safety measures were undertaken before the removal of the motor and no actions were instituted against us, there can be no assurance that such an accident will not take place in the future or that no actions will be instituted against us. Any of such occurrences may result in the shutdown of one or more of our manufacturing facilities and expose us to civil or criminal liability, including significant penalties, which could have an adverse effect on our results of operations and financial condition.

In addition, our operations are subject to various risks and hazards associated with the manufacturing of our products, which may adversely affect our profitability, including natural calamities, breakdown of operations, loss or shutting down of our manufacturing facilities, failure or substandard performance of equipment, third party liability claims, litigation filed by unsatisfied customers for non-receipt of committed supplies, labour disturbances or strikes due to wage demands, employee frauds and infrastructure failures.

9. We derive a significant portion of our revenues from operations from a limited number of markets and any adverse developments in these markets could adversely affect our business.

We have historically derived a significant portion of our revenues from operations from a limited number of markets, namely, India and foreign markets such as the United States, Germany and Sri Lanka. Revenue from India and foreign markets such as the United States, Germany and Sri Lanka accounted for 97.36% (₹3688.51 million) and 2.64% (₹99.84 million), respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2021, 94.82% (₹4542.50 million) and 5.18% (₹248.03 million), respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2022,96.55% (₹4993.48 million) and 3.45% (₹178.64 million), respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2023, 95.67% (₹3745.26 million) and 4.33% (₹169.47 million), respectively, of our revenue from operations (gross of freight & forwarding charges) in the nine months ended December 31, 2022, and 96.61% (₹3296.46 million) and 3.39% (₹115.73 million), respectively, of our revenue from operations (gross of freight & forwarding charges) in the nine months ended December 31, 2023.

Our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19 in these geographical regions, such as India, the United States, Germany and Sri Lanka. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition. Further, our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies.

10. We may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows.

We may require a substantial amount of capital and may continue to incur significant expenditure in maintaining and growing our existing infrastructure, to purchase equipment and develop and implement new technologies in our new and existing manufacturing facilities. In Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and December 31, 2023, our additions in property, plant and equipment, were ₹36.04 million, ₹24.55 million, ₹33.49 million, ₹4.49 million and ₹23.33 million, respectively, representing 0.97%, 0.52%, 0.66%, 0.12% and 0.69% respectively, of our revenue from operations, in such periods. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Capital Expenditures*" on page 162. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. If our internally generated capital resources and available credit facilities are insufficient to finance our capital expenditure and growth plans, we may, in the future, have to seek additional financing from third parties, including banks, venture capital funds, joint-venture partners and other strategic investors. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions and the effect of events such as the COVID-19 pandemic, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to obtain such financing in a timely manner, at a reasonable cost and on acceptable terms or at all, we may be forced to delay our expansion plans, downsize or abandon such plans, which may materially and adversely affect our business, financial condition and results of operations, as well as our future prospects.

11. Our operations are dependent on research and development, and our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers' demands may adversely affect our business.

The polymer processing industry are characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. The laws and regulations applicable to our products, and our customers' product and service needs, change from time to time, and regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in consumer preferences and to successfully develop and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier and internally produced parts and materials; performance of suppliers; hiring and training of qualified personnel; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets; validation and performance of innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of the new or improved products. There can be no assurance that we will be able to secure the necessary technological knowledge through our strategic acquisitions that will allow us to continue to develop our product portfolio or that we will be able to respond to industry trends by developing and offering cost effective products. As such, we may also be required to make significant investments in R&D, which may strain our resources and may not provide results that can be monetized. If we are unable to obtain such knowledge in a timely manner, or at all, we may be unable to effectively implement our strategies, and our business and results of operations may be adversely affected.

However, investments in research and development for new products and processes may result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals or renewal of the existing approvals for our products or failure of a product to be successful at any stage could adversely affect our business. Consequently, any failure on our part to successfully introduce new products and processes may have an adverse effect on our business, results of operations and financial condition. Further, our competitors may develop competing technologies that gain market acceptance before or instead of our products. We are also subject to the risks generally associated with new process technologies and product introductions, including lack of market acceptance, delays in product development and failure of products to operate properly which may lead to increased warranty claims.

12. We are subject to strict quality requirements, regular inspections and audits, and the success and wide acceptability of our products is largely dependent upon our quality controls and standards. Any failure to comply with quality standards may adversely affect our business prospects and financial performance, including cancellation of existing and future orders which may expose us to warranty claims.

All our products and manufacturing processes are subject to stringent quality standards and specifications as specified by our customers in terms of the various contractual arrangements entered into with them. While we believe we undertake the necessary measures and engage internal and external experts to ensure that our facilities comply with the applicable standards as imposed by our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company, cancellation of the order and even lead to loss of customers. Additionally, it could expose us to monetary liability and/ or litigation. Failure to meet quality and standards of our products and processes can have serious consequences including rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition. This may result in our customers cancelling present or future purchases of our products.

Our business also requires obtaining and maintaining quality certifications and accreditations from independent certification entities. Our Barjora (West Bengal) facility is ISO 9001, ISO 14001, ISO 45001 and ISO 50001 certified; our Greater Noida (Uttar Pradesh) facility is ISO 9001, ISO 14001 and ISO 50001 certified; and our Ranjangaon (Maharashtra) facility is ISO 9001 and ISO 14001 certified. Such specifications and standards of quality is an important factor in the success and wide acceptability of our products. We have applied for renewal of two of our approvals, *vide* application dated December 22, 2023, for the fire NOC bearing no. INS/WB/FSL/2019-2020 dated March 2, 2021 which is set to expire on February 29, 2024 and *vide* application dated February 1, 2024 for certificate for verification of weights issued by Controller of Legal Metrology dated March 6, 2023 which is set to expire on March 9, 2024. While we will endeavour to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. If we fail to comply with applicable quality standards or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business prospects and financial performance will be materially and adversely affected.

The quality of our products is critical to the success of our business, and quality depends on a number of factors, including the design of our system, our quality control training program, and the implementation and application of our quality control policies and guidelines. Any significant failure or deterioration of our quality control system could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our reputation, business, results of operations and financial condition could be materially and adversely affected.

13. Exchange rate fluctuations may adversely affect our results of operations as our sales from exports and a significant portion of our expenditures are denominated in foreign currencies.

We have material exposure to foreign exchange related risks since a portion of our revenue from operations are in foreign currency, including the US Dollar, Euro and Sri Lankan Rupee. In Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and December 31, 2023, sales from exports amounted to ₹99.84 million, ₹248.03 million, ₹178.64 million, ₹169.47 million and ₹115.73 million, representing 2.64%, 5.18%, 3.45%, 4.33% and 3.39%, respectively, of our revenue from operations (gross of freight & forwarding charges) in such periods. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. We may also attempt to mitigate such risks through hedging our foreign currency exposure.

We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. Certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue.

14. If we experience insufficient cash flows to meet required payments on our debt and working capital requirements, our business and results of operations could be adversely affected.

Our business operations require working capital for activities including purchase of raw materials for our manufacturing operations. Presently, we meet our working capital requirements through a mix of internal accruals and working capital facilities from banks and financial institutions. As on December 31, 2023, we had sanctioned working capital facilities amounting to ₹380.80 million. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, timely payment of, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. We cannot assure that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition.

15. ***We are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition.***

Our operations generate pollutants and waste, some of which may be hazardous and flammable. We are therefore subject to a wide range of laws and government regulations, including in relation to safety, health, labour, and environmental protection. These safety, health, labour, and environmental protection laws and regulations impose controls on air and water release or discharge, noise levels, storage handling, the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of certain hazardous waste, and exposure to hazardous substances with respect to our employees, along with other aspects of our manufacturing operations. For instance, there is a limit on the amount of pollutant discharge that our manufacturing facilities may release into the air and water. Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, additional environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities. While we have obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending which includes a producer certificate issued to the Ranjangaon facility by the Central Pollution Control Board and a fire safety certificate issued to the Barjora facility issued by the Directorate of Fire. In addition, we have in the past and may in the future apply for certain additional approvals, including the renewal of approvals which may expire from time to time and approvals required for the expansion or setting up of new medical facilities or the introduction of a medical service or procedure, in the ordinary course of business. While there have been no actions undertaken by the relevant authorities and courts on environmental, safety or labour related non-compliances in the past, including in the previous three financial years and nine months period ended December 31, 2023, there can be no assurance that any material violation may not occur in the future which could have an adverse effect on our business, results of operations and financial condition.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings, in relation to, among others, safety, health and environmental matters, the costs of which may be significant.

16. ***Our manufacturing facilities are operated on land on a leasehold basis. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.***

Our manufacturing facilities in Greater Noida, Kolkata and Pune are operated on land leased from the Greater Noida Industrial Development Authority, West Bengal Industrial Corporation Limited and Maharashtra Industrial Development Corporation, respectively, for a term ranging from 30 to 99 years. While our lease arrangements are typically entered into on a long-term basis, these lease agreements may be terminated in accordance with their respective terms, and any termination of such leases could adversely affect our operations. There can be no assurance that we will be able to retain or renew such leases on same or similar terms, or that we will find alternate locations for the existing manufacturing facilities and offices on terms favorable to us, on an immediate basis, or at all. Failure to identify suitable premises for relocation of existing properties, if required, or in relation to new or proposed properties we may purchase, in time or at all, may halt our operations, temporarily or on a permanent basis, and have an adverse effect on our production, our projected growth, as well as our business and results of operations.

17. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.

Our operations are subject to extensive government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facilities.

Several of these approvals are granted for a limited duration. While none of our approvals have expired as of the date of this Preliminary Placement Document, we will have to make applications for obtaining the approval for their renewals when they do expire. We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

Further, we are required to be in compliance with various laws that are applicable to us. While our Company is in compliance with all corporate governance requirements as on the date of this Preliminary Placement Document, there can be no assurance that such non-compliances will not occur and that the relevant authorities or the RoC will not take cognizance of any future instances of non-compliance and impose penalties on us. While no legal proceedings or regulatory action has been initiated against our Company in relation for any instances of non-compliances, we cannot assure you that no legal proceedings or regulatory actions will be initiated against us in the future in relation to non-compliances or enquiries made, which may have an adverse impact on our business, financial condition and reputation.

18. Our Company was incorporated in the year 1997 and some of the corporate records relating to the allotment of the equity shares by our Company are not traceable

Our Company had allotted 137,113 Equity Shares (including 12 Equity Shares in the share capital suspense account, pending to be allotted as fully paid up to certain non-resident shareholders of Cimmco Birla Limited, without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000, as amended) to the resident/ non-resident shareholders of Cimmco Birla Limited on June 30, 2000 pursuant to the Scheme. However, we have been unable to trace a copy of the in-principle and final approvals issued by the RBI for the aforementioned allotment.

We cannot assure you that we will be able to trace copies of these approvals in the future before the completion of the Issue, or at all, or that legal/ regulatory proceedings or actions will not be initiated against us in the future, in respect of the same. We cannot assure you whether the RBI may direct any action or penalty on us, which may impact our financial condition.

Any such regulatory action may have a material adverse effect on our business and reputation and may require us to divert substantial resources, including our management's attention and time to defend such actions.

19. We may become involved in claims concerning intellectual property rights, and we could suffer significant litigation or related expenses in defending our own intellectual property rights or defending claims that we infringed the rights of others.

As of the date of this Preliminary Placement Document, we have registered two trademarks, under class 99, with the Trade Marks Registry, Government of India. For further information on details of trademarks owned by our Company and applications made for other trademarks, see "*Our Business — Intellectual Property*" on page 135. We believe that our trademarks are important assets to our business. The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. Therefore, we may have to take measures to protect our intellectual property by relying on Indian laws and initiating legal proceedings. However, such measures may not be adequate to prevent unauthorized use of our, intellectual property by third parties and thus, we may not be able to prevent infringement of our intellectual property. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, our current and future trademarks are subject to expiration, and we cannot guarantee that we will be able to renew all of them prior to expiration of the term, or at all. Our inability to renew registration of certain trademarks and loss of such trademarks could have an adverse effect on our business, results of operations, financial condition and cash flows.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, financial condition and cash flows.

20. Any adverse changes in regulations governing our business, products and the products of our customers, may adversely impact our business, prospects and results of operations.

Government regulations and policies of India as well as the countries to which we export our products can affect the demand for, expenses related to and availability of our products. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. Any changes in government regulations and policies, such as the withdrawal of or changes in tax benefits, incentives and subsidies or anti-dumping duties levied by India or other countries, could adversely affect our business and results of operations. Further, regulatory requirements with respect to our products and the products of our customers are subject to change. For instance, the Government of India has in the past proposed to ban certain pesticides, on account of their hazardous nature with the potential to cause severe health problems as well as their environmental impacts. Further, the Government of India has, in the past, imposed restrictions on imports from China and enforced anti-dumping measures. An adverse change in the regulations governing the development of our products and their usage by our customers, including the development of licensing requirements and technical standards and specifications or the imposition of onerous requirements, may have an adverse impact on our operations. Our Company may be required to alter our manufacturing and/or distribution process and target markets and incur capital expenditure to achieve compliance with such new regulatory requirements applicable to us and our customers. We cannot assure you that we will be able to comply with the regulatory requirements. If we fail to comply with new statutory or regulatory requirements, there could be a delay in the submission or grant of approval for manufacturing and marketing new products or we may be required to withdraw existing products from the market. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products and/or we may be deemed to be in breach of our arrangements with our customers. Consequently, there is an inherent risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products, which may adversely impact our business, results of operations and financial condition.

21. ***The demand of our products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business and results of operations.***

A portion of our revenue is generated from exports. In Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and December 31, 2023, revenue from operations (gross of freight & forwarding charges) from exports were ₹99.84 million, ₹248.03 million, ₹178.64 million, ₹169.47 million and ₹115.73 million, which accounted for 2.64%, 5.18%, 3.45%, 4.33% and 3.39%, respectively, of our revenue from operations (gross of freight & forwarding charges) in such periods. For further information on revenues from the various geographies where we export our products, see "*Our Business — Sales and Distributions*" on page 132. Therefore, any developments in the global manufacturing industry or the industries in which our customers operate could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. In February 2022, hostilities between Russia and the Ukraine commenced, which has led to the imposition of sanctions of various Russian interests (and in some cases Belarus) by the European Union, Australia, Canada, Japan, New Zealand, Switzerland, South Korea, the United Kingdom and the United States. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

22. ***Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.***

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. The product requirements of, and procurement practice followed by, our customers also affect our capacity utilization. In recent times, we have made significant investments for the expansion of our manufacturing capacities and are aiming to undertake additional investments to increase our existing capacity. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. Our aggregate capacity utilization per facility was as set forth in the following table:

Facility	For the nine months ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Greater Noida (Uttar Pradesh) – Coextruded plastic sheets and thermoformed components				
Installed capacity [MTPA]	9,150	12,200	12,200	12,200
Actual production volumes [MTPA]	3,811	5,401	4,673	4,443
Capacity utilization	41.65%	44.27%	38.30%	36.42%
Ranjangaon (Maharashtra) – Coextruded plastic sheets, thermoformed components and coextruded cast plastic films				
Installed capacity [MTPA]	24,375	32,500	32,500	32,500
Actual production volumes [MTPA]	13,417	17,571	19,246	20,682
Capacity utilization	55.04%	54.04%	59.22%	63.64%
Barjora (West Bengal) – Dielectric films				
Installed capacity [MTPA]	3,000	4,000	4,000	4,000
Actual production volumes [MTPA]	2,705	3,635	3,833	3,353
Capacity utilization	90.17%	90.88%	95.83%	83.83%

Notes:
(1) For the Greater Noida unit, installed capacity is designed on peak requirement basis considering the seasonality of the white goods calculated on the basis of 3 shifts each being of 8 hours long operating 360 days a year.
(2) For the Ranjangaon unit, installed capacity is designed on peak requirement basis considering the seasonality of the white goods calculated on the basis of 3 shifts each being of 8 hours long operating 360 days a year.
(3) For the Barjora unit, installed capacity is calculated on the basis of 3 shifts each being of 8 hours long operating 360 days a year.
(4) In all cases, installed capacity is determined on basis of a standard product-mix.
(5) For Fiscal 2023, capacity utilization is calculated as actual production volume divided by installed capacity.
(6) For the period ended December 31, 2023, capacity utilization is calculated as actual production volume divided by pro rata installed capacity for nine months.

For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 134. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.
We also face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies, which may result in reduced quantities being manufactured by us resulting in under-utilization of our existing manufacturing capacity. Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders. The changes in demand for their products (which are in turn manufactured by us) could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production and utilization of our manufacturing capacity for a particular product. The specifications that our customers requested are not restricted to one type of product and therefore variations in demand for certain types of products also requires us to make certain changes in our manufacturing processes thereby affecting our production schedules. This may lead to over production of certain products and under production of some other products resulting in a complete mismatch of capacity and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations, financial condition and cash flows.

23. ***Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations.***

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 81 of this Preliminary Placement Document. Our funding requirements are based on management estimates and our current business plans have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost and other financial and operational factors.

Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans.

Further, while our Company intends to utilise the Net Proceeds allocated towards (i) part funding the capital expenditure requirements of our Company for purchase of new equipment and machinery at our manufacturing facility at Barjora, (ii) pre-payment, in full of certain outstanding borrowings availed by our Company, (iii) funding working capital requirements of our Company, (iv) funding expenditure requirements of implementation of enterprise resource planning software system, and (v) general corporate purposes. For further details, see section titled *"Use of Proceeds"* at page 81. The exact amounts that will be utilized from the Net Proceeds will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Further, as per the provisions of the SEBI ICDR Regulations, we are required to appoint a monitoring agency and therefore India Ratings & Research Private Limited has been appointed as the monitoring agency for the Issue. Furthermore, our expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

24. ***An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance.***

We have experienced stable growth over the past three years. Our total income has increased from ₹3,754.64 million in Fiscal 2021, to ₹5,148.26 million in Fiscal 2023. However, there can be no assurance that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. See "*Our Business — Strategies*" on page 129. Our ability to achieve our growth strategies will be subject to a range of factors, including our ability to identify trends and demands in the industry, develop innovative products and technologies, compete with existing companies in our markets, consistently exercise effective quality control, and hire and train qualified personnel. Many of these factors are beyond our control and there is no assurance that we will succeed in implementing our strategy. We may face increased risks when we enter new markets in India and internationally, and may find it more difficult to hire, train and retain qualified employees in new regions. In addition, we may have difficulty in finding reliable suppliers with adequate supplies of raw materials meeting our quality standards.

Our business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. There can be no assurance that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. Our inability to manage our business and implement our growth strategy could have a material adverse effect on our business, financial condition and profitability.

25. ***Failure to maintain confidential information of our customers could adversely affect our results of operations and, or, damage our reputation***

While the agreements with our customers do not expressly include confidentiality clause or non-disclosure obligations, it is a general understanding that we are required to keep confidential, the know-how and technical specifications provided to us by these customers. In the event of any shortcoming in relation to this mutually understood confidentiality understanding with our customers, these customers may terminate their engagements with us or initiate litigation despite any express confidentiality clauses or non-disclosure obligations. While there have been no such instances in the past three fiscal years and the nine months ended December 31, 2022 and December 31, 2023, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us despite any express confidentiality clause or non-disclosure obligation, in addition, to seeking termination of the contracts they have with us. Assertions of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

26. ***The polymer processing industry we are involved in provides for significant entry barriers. We face competition from both domestic as well as multinational corporations and our inability to compete effectively could result in the loss of customers, hence, our market share, which could have an adverse effect on our business, results of operations, financial condition and prospects.***

The polymer processing and manufacturing industry presents significant entry barriers, including technical expertise and experience, the need for high quality machineries and equipment, customer validation and approvals, expectation from customers for process innovation and cost reduction, high quality standards and stringent specifications. We face competition from both domestic and multinational corporations. The

Indian polymer processing industry is fragmented in nature. The key players in this industry in India include Jindal Poly Films Limited, Toray Film, Amber Enterprises India Ltd. and Tervakoski Film, among others (*Source: CareEdge Report*). Our failure to obtain new customers or to retain or increase our existing market share or effectively compete could adversely affect our business, financial condition and results of operations. Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We face pricing pressures from multinational companies that are able to produce their products at competitive costs and consequently, supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our profitability. Also, see "*Industry Overview*" on page 98, for further details on competitive conditions that we face across our various business segments.

In addition, our competitors may develop competing technologies that gain market acceptance before or instead of our products. Our competitors' actions, including expanding manufacturing capacity, expansion of their operations to newer geographies or introducing product segments in which we compete, or the entry of new competitors into one or more of our markets could cause us to lower prices in an effort to maintain our sales volume.

27. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. These transactions principally include remuneration to executive Directors and Key Managerial Personnel. For further information relating to our related party transactions, see "*Financial Statements*", and "*Related Party Transactions*" on pages 242 and 95, respectively. While all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and 2023, the aggregate amount of such related party transactions was ₹33.36 million, ₹28.01 million, ₹42.01 million, ₹81.34 million and ₹72.46 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and 2023 was 0.89%, 0.59%, 0.82%, 2.10% and 2.15%, respectively. While there has been no conflict of interest among our Shareholders in relation to related party transactions entered into the past three fiscal years and the nine months ended December 31, 2022 and December 31, 2023, we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority Shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

28. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 0 to 120 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. In Fiscals 2021, 2022, 2023 and the nine months ended December 31, 2022 and 2023, our trade receivables were ₹663.81 million, ₹663.45 million, ₹509.84 million, ₹419.38 million and ₹408.00 million respectively, while our receivable turnover day was 58 days, 51 days, 42 days, 37 days and 37 days (annualised) respectively, in the same periods. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risk — Credit Ris*k" and "*Financial Statements*" on pages 162 and 242, respectively. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, financial condition and results of operations.

29. ***Our Company, Subsidiary and Directors may get involved in litigation proceedings. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

While we are not involved in any civil or criminal legal proceeding, we are involved in various indirect tax proceedings. Further, there is an outstanding criminal proceeding against one of our directors, Ashok Kumar Jha. Brief details of material outstanding litigation which have been initiated by and against our Company, Subsidiary and Directors, as applicable, are set for the below:

(in ₹ million)

Type of proceedings	Number of cases	Amount
Legal proceedings against our Company		
Material civil litigation	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	-	-
Legal proceedings by our Company		
Material civil litigation	-	-
Criminal matters	-	-
Legal proceedings against our Subsidiary		
Material civil litigation	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	-	-
Legal proceedings by our Subsidiary		
Material civil litigation	-	-
Criminal matters	-	-
Tax proceedings		
Tax matters involving our Company	26	38.83
Tax matters involving our Subsidiary	-	-
Legal proceedings against our Directors		
Material civil litigation	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	1	-
Legal proceedings by our Directors		
Material civil litigation	-	-
Actions and proceedings initiated by statutory and regulatory authorities	-	-
Criminal matters	-	-

We cannot assure you that such outstanding legal proceedings will be decided in our favour or that any financial provisions we have made for such legal proceedings will be sufficient. For further information, see "*Legal Proceedings*" on page 233. We cannot also assure that in the future, our Company, Subsidiary and Directors will not get involved in legal proceedings and that those legal proceedings will be decided in our favor. Involvement in such proceedings could divert our management's time and attention, and consume financial resources. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

30. ***We are dependent on our Promoters, management team, a number of Key Managerial Personnel, members of the Senior Management and persons with technical expertise and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent on our Promoters, Directors, Key Managerial Personnel and members of the Senior Management as well as persons with technical expertise for setting our strategic business direction and managing our business, including the implementation of the projects for which the Net Proceeds are being raised for. Experienced Promoters and senior management team with significant experience in the manufacturing industry lead us. For further information, see "*Board of Directors and Senior Management*" on page 166. We believe that the inputs and experience of certain of our Promoters are valuable for the development of our business and operations and the strategic directions taken by our Company. We are also dependent on our Key Managerial Personnel and members of the Senior Management including our business heads for the day-to-day management of our business operations. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and train experienced, talented and skilled professionals. Competition for individuals with specialized knowledge and experience is intense in our industry. The loss of the services of any key personnel or our inability to recruit or train sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management personnel. If we are unable to attract and retain qualified personnel, our results of operations may be adversely affected.

31. ***Newly developed products may replace our existing products and our research and development efforts may not yield new products, processes and solutions consistently to enable us to remain competitive.***

New alternative products in the market may be developed, which may replace our existing products and/or render our existing products obsolete. While we conduct research and development to develop innovative and cost-effective products, and to broaden our product range, we may not be able to develop new products consistently. Any reduction in the utility of our products in general or to such industries, including due to the emergence of cost effective and more efficient alternatives, may have an adverse impact on the demand for our products and consequently, may have a material adverse impact on our business, results of operations, cash flows and financial condition. Further, there can be no assurance that the lack of demand from any one of these industries can be offset by sales to other industries in which our products find application.

32. ***Significant disruptions of information technology systems or breaches of data security could adversely affect our business.***

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. We also utilize an enterprise resource planning solution which covers production, quality management, finance, sales, plant maintenance, purchase and inventory, across our manufacturing facilities. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. While there have been no such instances in the past three fiscal years and the nine months ended December 31, 2022 and December 31, 2023, such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business and reputation.

33. ***Restrictions on import of raw materials and an increase in shipment cost may adversely impact our business and results of operations.***

In Fiscals 2021, 2022, 2023 and in the nine months ended December 31, 2022 and December 31, 2023, we imported raw materials amounting to ₹443.06 million, ₹633.64 million, ₹690.02 million, ₹528.24 million and ₹516.33 million, respectively, which amounted to 12.24%, 14.63%, 15.15%, 15.27% and 17.19% of our total expenses in the corresponding periods. For further information in relation to our raw materials, see "*Our Business — Production — Raw Materials*" on page 133. While none of our raw material imports are currently regulated by the Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 that, inter alia, allows the concerned authority to take any action if it deems that the chemicals proposed to be imported may cause major accidents or stop an import of chemicals based on safety and environmental considerations, we are unable to assure you that such regulations would not be made more stringent which would consequently restrict our ability to import raw materials from other jurisdictions. We also cannot assure you that, under these circumstances, we will be successful in identifying alternate suppliers for raw materials or we will be able to source the raw materials at favourable terms in a timely manner, or at all. Any restriction on import of raw materials could have an adverse effect on our ability to deliver products to our customers, business and results of operations. Further, any increase in export tariff will increase expenses which in turn may impact our business and results of operations.

34. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

While we have made dividend payments in the past, our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Our Board has approved and adopted a dividend distribution policy effective from February 4, 2022. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our current year profits after tax, accumulated profits from previous financial year(s), various funding requirements and opportunities for investments for future growths. While we have adopted a dividend distribution policy and have issued dividends in the past, we cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

35. ***Certain Promoters, Directors and Key Managerial Personnel are interested in our Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Promoters, Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, and such interests are to the extent of their shareholding in our Company, their rights to nominate directors on our Board pursuant to our Articles of Association. We cannot assure you that our Promoters, Directors and Key Managerial Personnel will exercise their rights to the benefit and best interest of our Company. As Shareholders of our Company, our Promoters, Directors or Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority Shareholders. For further information on the interest of our Promoters, Directors and Key Managerial Personnel of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Board of Directors and Senior Management*", and "*Financial Statements*" on pages 166 and 242, respectively.

36. ***If any of the products of our customers cause, or are perceived to cause, severe side effects, our reputation, revenues and profitability could be adversely affected***

We develop, manufacture and market a diverse range of products, which are subsequently used as by our customers for various end user applications, such as refrigerators, home appliances and tyres, among others. If our customers' products cause, or are perceived to cause, severe side effects to their end-users, we may face a number of consequences, including, a severe decrease in the demand for, and sales of, the relevant products; the recall or withdrawal of the relevant products; withdrawal or cancellation of regulatory approvals for the relevant production facility; damage to our reputation and brand name; and exposure to lawsuits and regulatory investigation relating to the relevant products that result in liabilities, fines or sanctions. As a result of these consequences, our reputation, revenues and profitability may be adversely affected.

37. ***We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.***

As a manufacturing business, our success depends on the smooth supply and transportation of the various raw materials required for our manufacturing facilities and of our products from our manufacturing facilities to our customers, or intermediate delivery points such as ports, both of which are subject to various uncertainties and risks. Our suppliers undertake the delivery of our raw materials and we rely on third-party logistic companies to deliver our products. Transportation strikes may also have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third-party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

38. ***Our commercial success depends on the success of our customer's products with end consumers. Any decline in the demand for our customer's products would adversely impact the demand for our products.***

Our products are used by our customers as raw materials in the production of, amongst others, refrigerators, tyres, cars, air conditioners, washing machine, fan, cooler and electronics. For further information, see "*Our Business — Products*" on page 131. Our commercial success also depends to a large extent on the success of our customers' products with end consumers. The success of the end products manufactured by our customers depends on our customers' ability to identify early on, and correctly assess consumer market preferences. We cannot assure you that our customers will correctly assess consumer preferences in a timely manner or that demand for goods in which our products are used will not decline. If the demand for the products in which our products are used declines, it could have a material adverse effect on our business, financial condition and results of operation.

39. ***Our inability to accurately forecast demand or price for our products and manage our inventory may adversely affect our business, results of operations and financial condition.***

Our inventory consists of thermoplastic resins (raw material) and finished goods inventory of coextruded plastic sheets, thermoformed refrigerator liners, coextruded cast films and dielectric films. Our business depends on our estimate of the demand for our products from customers. For the Financial Years 2021, 2022 and 2023, and the nine months period ended December 31, 2022 and December 31, 2023, our inventories stood at ₹410.38 million, ₹456.42 million, ₹473.21 million, ₹495.47 million, and ₹500.65 million, respectively.

However, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Our ability to maintain as well as expand our international operations is dependent on us providing our products at prices competitive with international as well as local manufacturers. Further, our business involves having robust supply networks in place. To that extent, if any of our competitors is able to garner a better and more cost-efficient supply network, they may be able to provide their products at competitive prices as compared to us. Our inability to price our products at the applicable prices in the international markets, may affect the demand for our products and consequently have a material adverse effect on our results of operations and financial condition.

40. ***We may be subject to product liability claims that could harm our business, financial condition and results of operations.***

We are exposed to risks associated with product liability claims if the use of our products results in personal injury. The products that we produce are subject to risks such as contamination, adulteration and product tampering during their production, transportation or storage. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. While our products are extensively researched before being commercialized, there is no certainty of their long-term effects and any adverse effects caused by such products could adversely affect our business and reputation. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Further, while we seek to conform our products to meet a variety of contractual specifications and regulatory requirements, there can be no assurance that product liability claims or recall claims against us will not arise, whether due to product malfunctions, defects, or other causes. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation, divert our management's time, adversely affect our goodwill and impair the marketability of our products. As on date of this Preliminary Placement Document, we have not obtained product liability coverage.

41. ***An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

Our operations are subject to various risks inherent in the manufacturing industry including defects, malfunctions and failures of manufacturing equipment, fire, riots, strikes, explosions, loss-in-transit for our products, accidents and natural disasters. Our insurance may not be adequate to completely cover any or all of our risks and liabilities. Further, there is no assurance that the insurance premiums payable by us will be commercially viable or justifiable. While there have been no instances in the past three financial years and the nine months ended December 31, 2022 and December 31, 2023 where claims have exceeded the insurance coverage obtained by our Company, we cannot assure you that, in the future, any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance cover for property, plant and equipment (excluding vehicles), stock and cash as of December 31, 2023 was ₹4,905.89 million. Consequently, our insurance cover as a percentage of gross block of property, plant and equipment was 100%, as of December 31, 2023. Our inability to maintain adequate insurance cover in connection with our business could adversely affect our operations and profitability. To the extent that we suffer loss or damage as a result of events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business — Insurance*" on page 135.

42. ***Our operations are dependent on our labour force and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our operations are dependent on our labour force for our manufacturing operations. As of December 31, 2023, we had 205 permanent employees. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled / unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Further, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

43. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.

The cost and availability of capital, among other factors, depend on our credit rating. As of the date of this Preliminary Placement Document, India rating has rated us A- in their credit rating. Our credit rating reflects, amongst other things, the rating agency's opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

44. A shortage or non-availability of essential utilities such as electricity could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our business operations are heavily dependent on continuous and supply of electricity which are critical to our manufacturing operations. While our power requirements are met through local state power grid through interstate open access, we cannot assure you that these will sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Any shortage or non-availability of electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect our business, results of operations and financial condition. Moreover, if we are required to operate for extended periods of time on diesel-generator sets, our cost of operations would be higher during such period which could have an adverse impact on our profitability.

45. Our statutory auditor has identified certain matters of emphasis in their auditor report for the Financial Year ended March 31, 2020.

Our statutory auditor has identified certain matter of emphasis in their audit / review reports as highlighted in the table below.

Period	Reservation, qualification, matter of emphasis and adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
Nine months period ended December 31, 2022	**Reservations:** Nil **Qualifications:** Nil **Adverse remarks:** Nil **Matters of emphasis:** Without modifying our conclusion, we draw attention to Note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements, which describes the basis of its preparation. The Unaudited Special Purpose Interim Consolidated Financial Statements has been prepared by the Holding Company's Management for the purpose of providing comparatives for the preparation of Unaudited Condensed Interim Consolidated Financial Statements of the Holding Company for the nine months period ended 31 December 2023, and for the purpose of including in the Holding Company's Preliminary Placement	Not applicable	

Period	Reservation, qualification, matter of emphasis and adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
	Document/Placement Document for the proposed offering of equity shares by the Holding Company as approved by the Board of Directors on 19 December 2023 through Qualified Institutional Placement and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.		
Financial Year 2020	**Reservations:** Nil **Qualifications:** Nil **Adverse remarks:** Nil **Matters of emphasis:** **Standalone Financial Statement:** We draw attention to Note 50 to the accompanying financial statements, which describes uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the financial results of the Company as at March 31, 2020. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter. **Consolidated Financial Statement:** We draw attention to Note 49 to the accompanying consolidated financial statements, which describes uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the financial statements of the Group as at March 31, 2020. The impact of these uncertainties on the Group's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.	Not applicable	Not applicable

We cannot assure you that our statutory auditor's observations for any future financial period will not contain any matters or remarks that will not affect our business, results of operations, financial condition and cash flows.

46. ***After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company.***

As on December 31, 2023, our Promoters and members of the Promoter Group held 45.26% of the share capital of our Company. For details of their shareholding pre and post Issue, see "*Capital Structure*" on page 90. After the completion of the Issue, our Promoters along with the Promoter Group will continue to collectively hold substantial shareholding in our Company. Our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling Shareholder could also conflict with our interests or the interests of its other Shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details in relation to the interests of our Promoters in the Company, please see "*Board of Directors and Senior Management*" and "*Financial Statements*" on pages 166 and 242, respectively.

47. ***Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity may vary.***

Information relating to the installed manufacturing capacity of our facilities included in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineers, Sukanya Basu and Prasenjit Chakroborty (ANS Consultancy), bearing registration numbers AMIE 3075497 and MIE 40692, respectively, in the calculation of the installed manufacturing capacity of our manufacturing facilities. These assumptions and estimates include the standard capacity calculation practice of our industry after examining the capacities and other ancillary equipment installed at the facilities, the period during which the manufacturing facilities operated in a year/period, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. For further information, see "*Our Business - Capacity and Capacity Utilization*" on page 134. Further, we often increase capacity to meet the anticipated demand of our customers or significantly reduce production of certain products depending on potential orders. Certain products require lesser process time whereas certain products require more process time in the same manufacturing set-out that we have installed. Accordingly, actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Further, the installed capacity, capacity utilisation and other related information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to capacity information that may be computed and presented by other companies. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Preliminary Placement Document.

48. ***Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, CARE Analytics and Advisory Private Limited, to prepare an industry report titled "*Report on Polymer Processing Industry* " dated January 2024, for purposes of inclusion of such information in this Preliminary Placement Document. Further, this report is commissioned and paid for by us. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

49. Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply, such as Iran. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

EXTERNAL RISK FACTORS

Risks Relating to India

50. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, Shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

51. ***Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus and the monkeypox virus. For example, our operations were temporarily suspended from March 24, 2020 due to the Government of India's imposition of a general lockdown, which was extended in multiple phases up to May 31, 2020, after which our operations were resumed. A worsening of the current outbreak of COVID-19 pandemic or monkeypox or future outbreaks of COVID-19 virus or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

52. ***Adverse geopolitical conditions such as increased tensions between India and China or the fallout of the hostilities between Russia and the Ukraine, could adversely affect our business, results of operations and financial condition.***

Adverse geopolitical conditions such as increased tensions between India and China resulting in any military conflict in the region, or the global ramifications stemming out of the hostilities between Russia and the Ukraine which commenced in February 2022, could adversely affect our business and operations. Furthermore, the armed conflict between Israel and the Palestinian militant groups which has been taking place chiefly in and around the Gaza Strip since October 2023, and associated clashes taking place in the West Bank and Israel–Lebanon border, have led to heightened tensions in the wider Middle East region. In October 2023, the Red Sea crisis involving the United States, Iran, Israel and Yemen may have an adverse effect on our business, results of operations and financial condition, as attacks continue to be launched on commercial vessels passing through the Red Sea by Iranian-backed Houthis from Yemen. Any escalation of the conflict to the wider Middle-East region could significantly impact oil prices which could negatively affect the global economy more generally. Such events may lead to countries imposing restrictions on the import or export of products or raw materials, among others, and affect our ability to procure raw materials required for our manufacturing operations. We could also be affected by the introduction of import tariffs in India, or in the countries to which we export our products, or changes in trade agreements between countries.

53. ***A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating improved from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in October 2021 and from BBB with a "negative" outlook to BBB with a "stable" outlook by Fitch in June 2022. India's sovereign ratings from S&P is BBB- with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

54. ***Financial and political instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia.

Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

55. If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements

Any change in Indian tax laws could have an effect on our operations. The government of India announced the union budget for Fiscal 2024 and the finance bill in the Lok Sabha on February 1, 2023. The finance bill has received assent from the President of India on March 30, 2023 and has been enacted as the Finance Act, 2023. The Finance Act, 2023 proposes various amendments to taxation laws in India. Any such and future amendments may affect certain benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax-free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us.

Further, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations, and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent, may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Similarly, changes in other laws may require additional compliances and/or result in us incurring additional expenditure. For instance, the Government of India has notified four labour codes which are yet to come into force as on the date of this Preliminary Placement Document, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. Once these codes are in force, we may be required to incur additional expenditure to ensure compliance with them.

Furthermore, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

For instance, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the Government of India has notified the Finance Act, 2021 and the Finance Act, 2022, which has introduced various amendments to taxation laws in India. Further, the Government of India has announced the union budget for the Fiscal 2024, pursuant to which the Finance Bill has introduced various amendments. The Finance Bill has received assent from the President of India on March 31, 2023, and has been enacted as the Finance Act. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.
We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

56. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

57. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian legal principles related to corporate affairs and validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

58. A third party could be prevented from acquiring control of us post this Issue, because of anti-takeover provisions under Indian law.

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

59. Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLM or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.

Our Company is a company incorporated under the laws of India. A majority of our Company's Directors and officers are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. For details in relation to enforceability of judgments obtained outside India, see "*Enforcement of Civil Liabilities*" on page 29.

Risks Relating to the Equity Shares and this Issue

60. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. There is no guarantee that the Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell the Equity Shares held by them on the Stock Exchange.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the NSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the NSE and BSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

61. The trading volume and market price of the Equity Shares may be volatile following the Issue, and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price will be determined by our Company, in consultation with the Book Running Lead Managers, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The market price of the Equity Shares after the Issue will be determined by the marketplace and may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

(1) quarterly variations in our results of operations;
(2) results of operations that vary from the expectations of securities analysts and investors;
(3) results of operations that vary from those of our competitors;
(4) changes in expectations as to our future financial performance, including financial estimates by analysts and investors;
(5) a change in analysts' recommendations;
(6) announcements about our earnings that are not in line with the analyst and investor expectations;
(7) announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
(8) announcements by third parties or governmental entities of significant claims or proceedings against us;
(9) new laws and governmental regulations applicable to our industry;
(10) additions or departures of key management personnel or members of senior management;
(11) changes in exchange rates;
(12) changes in our shareholder base;
(13) changes in our dividend policy;
(14) changes in our accounting standard, policies, guidance, interpretations and principles;
(15) changes in regulatory and legal environment in which we operate;
(16) fluctuations in stock market prices and volume; and
(17) general economic and stock market conditions.

Changes in relation to any of the factors listed above and sudden changes in the volume and trading price of the Equity Shares could adversely affect the price of the Equity Shares. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell the Equity Shares at or above the Issue Price.

62. An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of one year from the date of allotment of such Equity Shares.

Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of the allotment of the Equity Shares in the Issue, investors subscribing the Equity Shares in the Issue may only sell such Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of such Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares subscribed by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares subscribed by investors. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 208. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

63. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

64. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

65. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 208.

66. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

Our Audited Consolidated Financial Statements for Fiscals 2021, 2022, 2023 and our Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended December 31, 2023, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

67. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

68. ***Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the Bidder’s demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the Bidder’s decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The Bidders shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees’ ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, our Company's subscribed and paid-up capital comprises of 20,672,244 Equity Shares of face value of ₹ 10 each. The equity shares have been listed on NSE since April 27, 2004 and have been permitted to trade on BSE since January 8, 2003, respectively. The Equity Shares are listed and traded on NSE under the symbol XPROINDIA and permitted to be traded on BSE under the scrip code 590013.

On February 23, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 1,186.05 and ₹ 1,186.45 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

Our Company undertook bonus issue of Equity shares on July 6, 2022 (ex-date) and on March 14, 2023 (ex-date) and accordingly, the market price and other information for the periods prior to and post the said corporate actions have been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2023, 2022, and 2021:

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023 (1 April 22 to 5 July 22)	1,476.75	04-Apr-22	2,497	36.91	763.8	05-Jul-22	2,166	16.51	1,049.85
2023 (6 July 22 to 13 March 23)	889.15	12-Jul-22	1,279	11.54	539.1	21-Feb-23	3,536	19.38	720.61
2023 (14 March 23 to 31 March 23)	702.6	22-Mar-23	7,503	53.50	610.2	16-Mar-23	1,236	54.34	736.86
2022	1,618.70	March 24, 2022	12,735	20.55	72.8	April 6, 2021	23,628	1.71	586.54
2021	74.40	March 31, 2021	20,298	1.51	15.1	April 1, 2020	101	0.00	31.18

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*
4. *The Company undertook bonus of Equity Shares on July 6, 2022 (ex-date) and on March 14, 2022 (ex-date). To reflect the impact of bonus issues, period from April 2022 till March 31, 2023 has been divided between pre-bonus and post bonus.*

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2023 (1 April 22 to 5 July 22)	1,483.30	04-Apr-22	21,248	317.51	753.85	05-Jul-22	12,570	95.02	1,026.23
2023 (6 July 22 to 13 March 23)	904.15	11-Jul-22	13,890	120.14	539.35	22-Feb-23	32,572	178.00	707.23
2023 (14 March 23 to 31 March 23)	703.5	22-Mar-23	85,572	609.96	609.25	16-Mar-23	1,01,971	630.98	673.92

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the year (₹)**
2022	1613.75	March 24, 2022	24,472	39.27	72.55	April 6, 2021	73,628	5.17	586.29
2021	73.05	March 31, 2021	10,543	7.77	14.4	April 3, 2020	1,119	0.02	29.93

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*
4. *The Company undertook bonus of Equity Shares on July 6, 2022 (ex-date) and on March 14, 2022 (ex-date). To reflect the impact of bonus issues, period from April 2022 till March 31, 2023 has been divided between pre-bonus and post bonus*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in million)**
January 2024	1,230.15	January 30, 2024	6,292	7.76	1,032.45	January 2, 2024	19,606	20.40	1,150.68	2,26,787	257.03
December 2023	1,185.95	December 18, 2023	14,143	16.43	893.85	December 5, 2023	4,857	4.35	1025.88	2,03,194	213.04
November 2023	1,014.35	November 3, 2023	940	0.95	879.6	November 10, 2023	2,624	2.32	917.53	1,07,001	97.50
October 2023	1,091.10	October 6, 2023	7,838	8.49	940.95	October 25, 2023	13,220	12.41	1027.56	1,25,371	127.36
September 2023	1,056.60	September 29, 2023	3,911	4.05	927.45	September 1, 2023	5,806	5.55	987.68	1,43,368	143.38
August 2023	954.50	August 25, 2023	8,256	7.81	841.2	August 22, 2023	3,496	2.97	893.54	1,05,447	95.87

(Source: www.bseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in million)**
January 2024	1,234.20	January 30, 2024	1,11,710	137.92	1034.8	January 2, 2024	55,920	58.31	1,151.75	19,11,590	2,205.25
December 2023	1,183.30	December 18, 2023	2,12,336	248.08	891.25	December 5, 2023	47,269	42.32	1,026.41	21,70,157	2,327.17
November 2023	1,014.50	November 3, 2023	17,938	18.25	881.85	November 10, 2023	74,435	65.79	917.98	11,07,056	1,018.23
October 2023	1,091.15	October 6, 2023	86,766	94.36	939.25	October 25, 2023	69,902	65.08	1,027.12	11,75,761	1,205.60

September 2023	1,058.05	September 29, 2023	1,08,388	113.33	927.1	September 1, 2023	1,40,101	134.91	987.89	17,46,089	1,749.55
August 2023	953.45	August 25, 2023	47,486	45.04	840.25	August 22, 2023	22,715	19.24	893.42	9,28,626	848.45

(Source: www.nseindia.com)

Notes:

1. *High, low and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

(iii) The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2023, 2022 and 2021:

Fiscal	**Number of Equity Shares Traded**		**Turnover (In ₹ million)**	
	BSE	**NSE**	**BSE**	**NSE**
2023	12,79,745	68,31,964	963.80	5,120.63
2022	34,57,682	1,23,33,699	1,596.48	6,380.90
2021	12,96,483	28,70,987	60.91	112.91

(Source: www.bseindia.com and www.nseindia.com)

(iv) The following tables set forth the market price on the Stock Exchanges on December 20, 2023 being the first working day following the approval of the Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
1,138.45	12,185	1,100.05	1,122.4	14,799	16.88

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹ million)**
1,131.05	1,185.05	1,101.55	1,125.95	1,78,968	205.44

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ [•] million. Subject to compliance with applicable laws, the Net Proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of approximately ₹ [•] million, shall be approximately ₹ [•] million.

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds to finance (in whole or part) one or more, or any combination of the following ("**Objects**"):

(₹ in million)

Sr. No.	Particulars	Amount which will be financed from Net Proceeds
1.	Part funding the capital expenditure requirements of our Company for purchase of new equipment and machinery at our manufacturing facility at Barjora, West Bengal	282.70
2.	Pre-payment, in part of certain outstanding borrowings availed by our Company	98.80
3.	Funding working capital requirements of our Company	660.00
4.	Funding expenditure requirements for implementation of enterprise resource planning software system	35.00
5.	General corporate purposes*	[•]
	Total Net Proceeds	[•]

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The main objects and objects incidental and ancillary to the main objects of the memorandum of association of our Company enable us to undertake (i) existing activities and (ii) the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

(₹ in million)

Sr. No.	Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds		
				Fiscal 2024	Fiscal 2025	Fiscal 2026
1.	Part funding the capital expenditure requirements of our Company for purchase of new equipment and machinery at our manufacturing facility at Barjora, West Bengal	2,846.10	282.70	-	282.70	-
2.	Pre-payment, in part of certain outstanding borrowings availed by our Company;	-	98.80	98.80	-	-
3.	Funding working capital requirements of our Company	-	660.00	150.00	510.00	-
4.	Funding expenditure requirements for implementation of enterprise resource planning software system	35.00	35.00	20.00	7.50	7.50
5.	General corporate purposes*	-	[•]	[•]	-	-

Sr. No.	Particulars	Total estimated costs	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds		
				Fiscal 2024	Fiscal 2025	Fiscal 2026
6.	Total Net Proceeds		[●]			

* *To be determined upon finalisation of the Issue Price and updated in the Placement Document. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business strategy, delay in procuring and operationalizing assets or necessary licenses and approvals, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management and in compliance with the applicable law. If the actual utilisation towards the objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws. For details, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency, which may affect our business and results of operations*" on page 59.

Our Company proposes to deploy the entire Net Proceeds towards the Objects stated above. If the Net Proceeds are not utilized (in full or in part) for the Objects for the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Further, our Company may also utilise any portion of or the entire Net Proceeds, towards the aforementioned Objects, ahead of the estimated schedule of deployment specified above.

Details of the Objects

1. **Part funding the capital expenditure requirements of our Company for purchase of new equipment and machinery at our manufacturing facility at Barjora, West Bengal.**

   Our Company intends to utilise ₹ 282.70 million from the Net Proceeds towards part funding the capital expenditure requirements of our Company, for purchase of new equipment and machinery, at our manufacturing facility at Barjora, West Bengal. Our Company expects to benefit from such investment as we believe our plans and strategy will allow us to meet the anticipated increase in the demand for our products in the future, enable us to supply to the growing markets more efficiently and drive profitability.

   Estimated Cost

   The total estimated cost of funding the capital expenditure requirements of our Company, for civil work, purchase of new equipment and machinery and other miscellaneous work at our manufacturing facility at Barjora, West Bengal is ₹ 2,846.10 million, and such cost has been certified by way of a cost assessment report dated February 26, 2024 issued by Sukanya Basu, Chartered Engineer (ANS Consultancy).

The detailed break-down of estimated cost is set forth below:

(in ₹ million)

S. No.	Item	Total estimated cost	Amount proposed to be funded from Net Proceeds
1.	Civil work	251.86	-
2.	Procurement and installation of machineries	1,926.96	282.70
3.	Miscellaneous (Utility, Ancillary Equipment and other pre-operative expenses)	667.28	-
Total		**2,846.10**	**282.70**

Note: Total estimated cost is as per the cost assessment report dated February 26, 2024 issued by Sukanya Basu (ANS Consultancy).

(i) Procurement and installation of machineries

The total estimated cost for procurement and installation of machineries is ₹ 1,926.96 million, as per the cost assessment report dated February 26, 2024 issued by Sukanya Basu, Chartered Engineer (ANS Consultancy). We have entered into purchase agreements amounting to ₹ 1,459.89 million and we intend to utilise ₹ 282.70 million from the Net Proceeds, towards the procurement and installation of a machinery. The reminder will be funded as follows (i) ₹ 978.25 million will be funded through bank loans (ii) ₹ 167.60 million has been paid as advance by the Company and (iii) ₹ 31.34 million will be funded from the internal accruals of the Company.

The details of the machinery, as approved vide the Board vide resolution dated February 26, 2024, that is intended to be partially funded (to the extent of the amount of ₹282.70) from the proceeds of the Issue are set forth below, which has been certified by Sukanya Basu, Chartered Engineer (ANS Consultancy), pursuant to the cost assessment report dated February 26, 2024:

Sr. No.	Item category	Item	Qty	Unit price (in ₹ million)	Amount (in ₹ million)	Supplier	Agreement/ Order date
1	Machinery	Line BOPP Capacitor – Sequential	1	1,459.89	1, 459.89	European Supplier	December 07, 2022
	Total estimated costs				**1,459.89#**		

#Inclusive of taxes
Note: The aforesaid machinery has been ordered and advance has been paid.

Other expenses

If there is any increase in the estimated costs as mentioned above, the additional costs shall be met from a mixture of debt and internal accruals, as applicable.

No second-hand or used machinery is proposed to be purchased out of the Issue proceeds.

Government approvals

Layout and building plan approvals have been obtained as of such date, accordingly civil work in connection with the capital expenditure at our manufacturing facility at Barjora, West Bengal has commenced as of the date of this Preliminary Placement Document.

The summary of the approvals required to be obtained by us at various stages of the proposed capital expenditure is as follow:

Sr. No	Name of the clearance / approval	Authority	Status of approval (received/ applied for/ not yet applied)
1.	Consent to establish	State pollution control board	Approval received
2.	Layout and building plan approvals	Directorate of Industrial Health & Safety	Approval received

Other than the consent to operate which will be applied post set-up of the main machine line and other than as set out above, we do not need any material approvals or licenses to commission the plant and machinery and to start commercial production at our manufacturing facility at Barjora, West Bengal.

In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For details, see "*Risk Factors – We* *are subject to increasingly stringent environmental, health and safety laws, regulations and standards. Non-compliance with and adverse changes in health, safety, labour, and environmental laws and other similar regulations to our manufacturing operations may adversely affect our business, results of operations and financial condition."* and *"Risk Factors – We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facilities, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations. We are also required to be in compliance with various laws that are applicable to us and any non-compliance may have a material adverse effect on our business, financial condition or results of operation.*" on pages 55 and 56, respectively.

2. Pre-payment, in part of certain outstanding borrowings availed by our Company

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks. The borrowing arrangements entered into by us include *inter alia* term loans and working capital facilities. As of December 31, 2023 we had total outstanding borrowings of ₹ 233.80 million. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 98.80 million for pre-payment, in part, of certain outstanding borrowings availed by our Company.

To the extent required, our Company has obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract pre-payment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds and/or internal accruals.

The pre-payment of these loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio.

Details of utilization

The details of certain outstanding borrowings availed by our Company, proposed for pre-payment, in part, from the Net Proceeds are set forth below:

Sr. No	Name of the lender	Date of the sanction letter / loan agreement / renewal letter / extension letter	Principal loan amount sanctioned (₹ in million)	Balance amount Outstanding as on January 31, 2024 (₹ in million)	Amount proposed to be repaid out of the Net Proceeds (₹ in million)	Interest rate as of January 31, 2024 (% p.a.)	Tenor and Repayment Schedule	Prepayment Penalty	Security	Whether the loan has been utilized for the purpose for which it has been availed	Purpose for which disbursed loan amount was sanctioned and utilized
1.	State Bank of India	January 21, 2021	160.00	76.67	73.30	9.25%	December 31, 2025	Nil	Fixed assets and current assets	Yes	Working capital requirement
2.	Indian Bank	March 30, 2021	43.00	19.46	18.50	9.25%	March 31, 2026	Nil		Yes	
3.	Punjab National Bank	February 02, 2021	23.00	7.68	7.00	9.25%	February 02, 2025	Nil		Yes	Operational liabilities and restarting business
	Total		**226.00**	**103.81**	**98.80**						

Notes:

1. *As certified by B.B. & Associates., Chartered Accountants, by way of their certificate dated February 26, 2024.*
2. *Our Company proposes to utilise an amount of ₹ 98.80 million from the Net Proceeds towards pre-payment of outstanding borrowings availed by our Company.*

3. Funding working capital requirements of our Company

We propose to utilize ₹ 660.00 million from the Net Proceeds to fund the working capital requirements of our Company. We have significant working capital requirements in the ordinary course of business, which we typically fund through internal accruals and availing financing facilities from various lenders. Our business is working capital intensive and our Company avails working capital facilities in the ordinary course of business from various lenders.

Our Company requires additional working capital for executing its current orders and any future orders that may be received, for funding future growth requirements of our Company and for other strategic, business, and corporate purposes.

Basis for estimation of working capital requirement

Set forth below is the working capital of our Company, on a standalone basis, based on the financial statements, as of, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, as certified by B.B. Associates, Chartered Accountants, through their certificate dated February 26, 2024:

The details of our Company's working capital requirements, on a standalone basis, as of, and for March 31, 2023, March 2022, March 2021 and source of funding the same are as set out in the table below:

(₹ in million)

Sr. No	Particulars	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
I.	**Current assets**			
a)	Inventory	473.21	456.42	410.37
b)	Trade Receivable	509.84	663.45	663.81
c)	Cash and Bank Balance	301.35	234.32	58.41
d)	Other Current Assets	35.77	45.28	34.78
	Total current assets (A)	**1,320.17**	**1,399.47**	**1,167.37**
II.	**Current liabilities***			
a)	Trade Payable	503.79	578.95	722.65
b)	Other Current Liabilities	81.78	129.54	63.44
c)	**Total current liabilities (B)**	**585.57**	**708.49**	**786.09**
III.	**Total working capital requirement (A-B)**	**734.60**	**690.98**	**381.28**
IV.	**Funding pattern**			
a)	Internal Accruals/ Borrowings	734.60	690.96	381.28
	Total	**734.60**	**690.96**	**381.28**

Note:
**Current liabilities exclude borrowings.*
1. As certified by B.B. Associates, Chartered Accountants, by way of their certificate dated February 26, 2024.

Assumptions for working capital requirements.

The following table sets forth the details of the holding period for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, which has been computed based on the standalone financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively, of the Company.

Holding levels and justifications for holding period levels

The table below contains the details of the holding levels (days) considered:

Sr. No.	Particulars	Actuals		
		Fiscal March 31, 2023	Fiscal March 31, 2022	Fiscal March 31, 2021
1.	Inventory days	48	49	57
2.	Trade receivables days	42	51	58
3.	Other current assets days	3	3	5
4.	Trade payable days	56	72	87
5.	Other current liabilities days	8	8	15

Note:

As certified by B.B Associates, Chartered Accountants, by way of their certificate dated February 26, 2024.

1. *Inventory days: Average of inventory for the current and previous period / Cost of goods sold for the current period * 365.*
2. *Trade receivable days: Average of trade receivables for the current and previous period/ Revenue from operations for the current period * 365*
3. *Other current assets days: Average of other current assets for the current and previous period/ Revenue from operations for the current period* 365*
4. *Trade payable days: Average of trade payables for the current and previous period / Purchase for the current period * 365*
5. *Other current liabilities days: Average of other current liabilities for the current and previous period / Total Expenses for the current period * 365*

On the basis of existing working capital requirement and holding levels for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, the Board of our Company, pursuant to its resolution dated February 26, 2024 has approved the projected total working capital requirements for Fiscal 2024 as ₹ 1,316.56 million. Accordingly, our Company proposes to utilize ₹ 660.00 million of the Net proceeds towards our estimated working capital requirements, of which ₹150.00 million will be utilized in Fiscal 2024 and ₹510.00 million will be utilized in Fiscal 2025. The balance portion of our working capital requirement shall be met from internal accruals and working capital facilities.

4. Funding expenditure requirements for implementation of enterprise resource planning software system

Our Company proposes to utilize ₹ 35.00 million of the Net proceeds spread over Fiscal 2024, Fiscal 2025 and Fiscal 2026, for funding the expenditure requirements for implementation of enterprise resource planning software system.

The details of the expenditure requirements for implementation of enterprise resource planning software system proposed to be funded from the Net Proceeds of the Issue are set forth below:

Sr. No.	Item category	Description	Total amount (in ₹ million)	Cost per period (in ₹ million)	Amount payable out of the Net Proceeds (in ₹ million)	Name of supplier	Agreement/ Order date
1.	SAP cloud services	Subscription fee to be paid for the next three periods (i.e., from February 1 to January 31 of each year) in connection with the SAP cloud support services	22.37	7.46	22.37	SAP India Private Limited	December 28, 2023
2.	ERP implementation	GROW with SAP S/4HANA, public cloud implementation	13.57	-	12.63	SGN Software Pvt. Ltd	January 05, 2024
Total			**35.94**	**7.46**	**35.00**		

5. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, meeting exigencies and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses in relation to our proposed capital expenditure, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated February 02, 2024, as the size of our Issue exceeds ₹ 10,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The Board of Directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by our Board and/ or a duly authorized committee of our Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed Objects as disclosed above and other applicable laws.

Our Company will have flexibility in deploying the Net Proceeds received by our Company from the Issue in accordance with applicable laws. Pending utilisation for the purposes described above, our Company intends to temporarily invest funds in creditworthy liquid instruments, including money market mutual funds and deposits in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, or in short term debt and/or long-term debt. Such investments would be in accordance with the investment policies as approved by our Board from time to time and applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither of our Promoters, members of the Promoter Group and our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters, members of the Promoter Group and our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.

CAPITALISATION STATEMENT

The following table sets forth the capitalisation of our Company, on a consolidated basis, as at December 31, 2023 which has been derived from the Unaudited Condensed Interim Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 136 and 242, respectively.

(₹ in million; except ratios)

Particulars	Pre-Issue (as at December 31, 2023)	Post Issue as adjusted of Issue*#
Borrowings		
Non-current financial liabilities – Borrowings (A)	50.44	[●]
Current financial liabilities – Borrowings (B)	183.36	[●]
Total borrowings (C) = (A+B)	**233.80**	**[●]**
Equity		
Equity share capital^ (D)	206.72	[●]
Other equity (E)	3,339.78	[●]
Total equity (F) = (D+E)	**3,546.50**	**[●]**
Total (C+F)	**3,780.30**	**[●]**
Total borrowings/ Total equity (C/F)	**0.07**	**[●]**

** The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the determination of terms of the Issue and hence, the same have not been provided in the above statement.*

 # Without consideration of share issue expenses and for any other transactions or movements in such financial statement line items post December 31, 2023.

^ Includes 12 Equity Shares in the share capital suspense account, pending to be allotted as fully paid up to certain non-resident shareholders of Cimmco Birla Limited, without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000, as amended and 1 Equity Share in the share capital suspense account, pending to be allotted as fully paid to a non-resident Shareholder, by way of bonus share in terms of RBI regulations.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on date of this Preliminary Placement Document is as follows:

(*₹ in million, except Equity Share data*)

	Particulars	Aggregate value at face value (except for securities premium account)
A.	**AUTHORISED SHARE CAPITAL**	
	35,000,000 Equity Shares of ₹ 10 each	350.00
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL PRIOR TO THE ISSUE**	
	20,672,244* Equity Shares of ₹ 10 each	206.72
C.	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT(1)**	
	Up to [●] Equity Shares aggregating up to ₹ [●] million(2)	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●]* Equity Shares(2)	[●]
E.	**SECURITIES PREMIUM ACCOUNT**	
	Prior to the Issue	1,471.74
	After the Issue(2)(3)	[●]

(1) *The Issue was approved by the Board of Directors vide a resolution passed in its meeting held on December 19, 2023. Subsequently, our Shareholders, through a special resolution vide an extraordinary general meeting, approved the Issue on January 16, 2024.*

(2) *To be determined upon finalization of the Issue Price.*

(3) *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue.*

**Includes 12 Equity Shares in the share capital suspense account, pending to be allotted as fully paid up to certain non-resident Shareholders, without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000, as amended and 1 Equity Share in the share capital suspense account, pending to be allotted as fully paid to a non-resident Shareholder, by way of bonus share in terms of RBI regulations.*

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

Date of Issue/ Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
November 26, 1997	7	10	10.00	Cash	Initial subscription to the MoA	7	70
February 4, 2000	6,993,330	10	-	Other than cash	Allotment pursuant to the scheme of arrangement between Cimmco Birla Limited and Xpro India Limited and their respective shareholders sanctioned by the High Courts of Calcutta and Madhya Pradesh vide orders dated April 12, 1999 and October 7, 1999	6,993,337	69,933,370
June 30, 2000	137,113*#	10	-	Other than cash	Allotment pursuant to the scheme of	7,130,450	71,304,500

Date of Issue/ Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					arrangement between Cimmco Birla Limited and Xpro India Limited and their respective shareholders sanctioned by the High Courts of Calcutta and Madhya Pradesh vide orders dated April 12, 1999 and October 7, 1999		
November 30, 2002	619,550	10	24.00	Cash	Preferential Allotment	7,750,000	77,500,000
March 15, 2004	2,325,000**	10	-	Other than cash	Bonus issue in the ratio of 3 Equity Shares for every 10 Equity Shares held	10,075,000	100,750,000
August 7, 2007	425,000	10	41.50	Cash	Preferential Allotment	10,500,000	105,000,000
April 4, 2008	500,000	10	41.50	Cash	Preferential Allotment against conversion of warrants	11,000,000	110,000,000
June 1, 2010	64,000	10	11.00	Cash	Allotment pursuant to ESOS – 2008	11,064,000	110,640,000
August 16, 2010	50,000	10	11.00	Cash	Allotment pursuant to ESOS – 2008	11,114,000	111,140,000
May 7, 2011	126,000	10	30.85	Cash	Allotment pursuant to ESOS – 2009	11,240,000	112,400,000
June 6, 2011	129,000	10	11.00	Cash	Allotment pursuant to ESOS – 2008	11,369,000	113,690,000
May 4, 2012	126,000	10	30.85	Cash	Allotment pursuant to ESOS – 2009	11,495,000	114,950,000
May 11, 2012	164,500	10	11.00	Cash	Allotment pursuant to ESOS – 2008	11,659,500	116,595,000
December 7, 2017	154,000	10	30.85	Cash	Allotment pursuant to ESOS – 2009	11,813,500	118,135,000
July 6, 2022	5,906,744	10	-	Bonus	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Shares held	17,720,244	177,202,440
Allotments of Equity Shares in the last one year preceding the date of this Preliminary Placement Document							
March 14, 2023	328,000	10	762.00	Cash	Preferential allotment pursuant to	18,048,244	180,482,440

Date of Issue/ Allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					exercise of the rights attached to warrants		
March 14, 2023	164,000	10	-	Bonus	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Shares held, pursuant to conversion of warrants	18,212,244	182,122,440
July 9, 2023	1,640,000	10	762.00	Cash	Preferential allotment pursuant to exercise of rights attached to warrants	19,852,244	198,522,440
July 9, 2023	820,000	10	-	Bonus	Bonus issue in the ratio of 1 Equity Share for every 2 Equity Shares held, pursuant to conversion of warrants	20,672,244	206,722,440

**Includes 12 Equity Shares in the share capital suspense account, pending to be allotted as fully paid up to certain non-resident shareholders of Cimmco Birla Limited, without payment being received in cash in terms of Regulation 7 of Notification No. FEMA 20/2000 RB of May 3, 2000, as amended.*

***Includes 1 Equity Share in the share capital suspense account, pending to be allotted as fully paid to a non-resident Shareholder, by way of bonus share in terms of RBI regulations.*

#We have been unable to trace the in-principle and final approvals received from the RBI in relation to the allotment dated June 30, 2000. For further details, please see "Risk Factors – Our Company was incorporated in the year 1997 and some of the corporate records relating to the allotment of the equity shares by our Company are not traceable" on page 56.

Preference shares

As on the date of this Preliminary Placement Document, our Company does not have any outstanding preference shares.

Warrants

Except as disclosed below, our Company does not have any outstanding warrants as on the date of this Preliminary Placement Document:

Date of Issue/ Allotment	Number of warrants allotted	Application price per warrant (₹)	Issue price per warrant (₹)	Nature of consideration	Reason/ Nature of allotment
January 29, 2024*	1,435,750	341.25	975.00	Cash	Preferential allotment of warrants, each carrying the right to subscribe to 1 Equity Share upon the payment of the balance 65% of the issue price, at any time within 18 months from the date of allotment of the warrants.

** Allotment pursuant to a special resolution passed vide an extraordinary general meeting dated January 16, 2024*

Pre-Issue and post-Issue shareholding pattern of Company

The pre-Issue and post-Issue shareholding pattern of our Company, as on February 16, 2024, is set forth below:

Sr. No.	Category	Pre-Issue (as of February 16, 2024)		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoter's holding#**				
1.	Indian				
	Individual/ HUF	3,06,352	1.48	[●]	[●]
	Body Corporates	90,49,574	43.78	[●]	[●]
	Sub-Total	**93,55,926**	**45.26**	**[●]**	**[●]**
2.	Foreign promoters			[●]	[●]
	Sub-Total (A)	**93,55,926**	**45.26**	**[●]**	**[●]**
B.	**Non-Promoter's holding**				
1.	Institutional investors				
	Mutual Funds	10,428	0.05	[●]	[●]
	Alternate Investment Funds	1,56,520	0.76	[●]	[●]
	Banks	4,956	0.02	[●]	[●]
	Other Financial Institutions	2,325	0.01	[●]	[●]
	Foreign Portfolio Investors Category I	24,77,045	11.98	[●]	[●]
	Foreign Portfolio Investors Category II	7,628	0.04	[●]	[●]
	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	7,800	0.04	[●]	[●]
	Sub - Total (a)	**26,66,702**	**12.90**	**[●]**	**[●]**
2.	Non- Institutional investors				
	Bodies corporate	8,76,009	4.24	[●]	[●]
	Directors and relatives	4,06,438	1.97	[●]	[●]
	Indian public	60,76,626	29.40	[●]	[●]
	Others including Non-resident Indians (NRIs)	12,90,543	6.24	[●]	[●]
	Sub - Total (b)	**86,49,616**	**41.84**	**[●]**	**[●]**
	Non-Promoter Non-Public (Employee Benefit Trust)	-	-	[●]	[●]
	Sub – Total (c)	**-**	**-**	**[●]**	**[●]**
	Sub – Total (B) = (a+b+c)	**1,13,16,318**	**54.74**	**[●]**	**[●]**
	Grand Total (A+B)	**2,06,72,244**	**100.00**	**[●]**	**[●]**

** The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of February 16, 2024.*
**The post-Issue shareholding pattern has intentionally been left blank and will be filled-in before filing of the Placement Document with the Stock Exchanges.*
 # Includes the shareholding of the members forming part of Promoter Group.

Other Confirmations

(i) Except as stated in "*– Equity Share capital history of our Company*" above, our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

(ii) Our equity shares have been listed for a period of at least one year prior to December 19, 2023, being the date of the issuance of the notice for the extraordinary general meeting conducted on January 16, 2024, to the Shareholders for the approval of this Issue.

(iii) Our Company does not have any outstanding employee stock option plan or scheme.

(iv) There will be no change of control of our Company pursuant to the Issue.

(v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

(vi) The Promoters, the Directors, the Key Managerial Personnel and members of the Senior Management of our Company do not intend to participate in the Issue.

(vii) Except as stated above in "– *Warrants*" are no outstanding options or rights to convert debentures, loans or other instruments convertible into Equity Shares as on the date of this Preliminary Placement Document.

Proposed Allottees in the Issue

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 241.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) Nine months period ended December 31, 2023; (ii) Nine months period ended December 31, 2022; (iii) Fiscal 2023; (iv) Fiscal 2022; and (v) Fiscal 2021, as per the requirements under Ind AS 24, see the section entitled "*Financial Statements*" on page 242.

DIVIDENDS

The declaration and payment of dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. For further information, see *"Description of the Equity Shares*" on page 216.

Our Board has approved and adopted a formal dividend distribution policy on February 4, 2022 in terms of Regulation 43A of the SEBI Listing Regulations to regulate the process of dividend declaration and its pay-out. The dividend distribution policy of our Company specifies that: (i) financial parameters *inter alia* current year profit after tax, accumulated profits from previous financial years, fund requirements to finance the working capital needs of the business of the Company, fund requirements for routine capital expenditure; and (ii) external factors such as prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws, or the Company's borrowing arrangements and such other factors as deemed appropriate by the Board, shall be given before declaring dividends.

The dividends declared and paid by our Company on the Equity Shares during the nine months ended December 31, 2023, and in Fiscals 2023, 2022 and 2021 are as follows:

Particulars	January 1, 2024 till the date of this Preliminary Placement Document	Nine months period ended December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
No. of equity shares	N.A.	N.A.	18,212,244	11,813,500	N.A.
Nominal value per share (in ₹)	N.A.	N.A.	10	10	N.A.
Dividend paid (in ₹ million)	N.A.	40.96###	23.26##	N.A.	N.A.
Dividend recommended per Share (in ₹)	N.A.	N.A.	2.00	2.00	N.A.
Rate of dividend# (%)	N.A.	N.A.	20	20	N.A.
Dividend Distribution Tax (%)	N.A.	N.A.	N.A.*	N.A.*	N.A.
Dividend Distribution Tax (in ₹ million)	N.A.	N.A.	N.A.*	N.A.*	N.A.
Mode of payment of dividend	N.A.	N.A.	[Electronically**]	[Electronically**]	N.A.
Paid/Not Paid	N.A.	N.A.	Paid on August 22, 2023	Paid on July 4, 2022	N.A.

**TDS applicable*
***In cases where the bank account details were not available, dividend warrants were issued to the Shareholders.*
 # Rate of Dividend =Amount of Dividend / Face Value of the share X 100
Relates to Fiscal 2021-2022 and approved by the shareholders on June 24, 2022. The amount excludes unclaimed dividend.
Related to Fiscal 2022-2023and approved by the shareholders on August 10, 2023. The amount excludes unclaimed dividend.

Our Board may also, from time to time, declare interim dividends. However, our Company has not declared any interim dividends in the last three Fiscals.

The amounts declared as dividend in the past are not indicative of dividend which may be declared by our Company, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, Company's financial requirements including present and future organic and inorganic growth opportunities and other relevant factors as mentioned above. Please also see the sections titled "*Taxation*" and "*Risk Factors*" on pages 221 and 47, respectively.

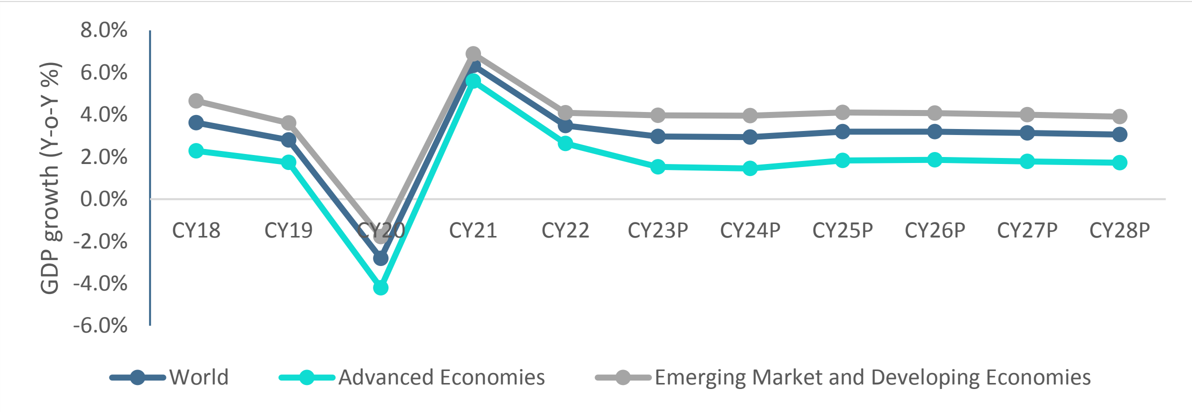
INDUSTRY OVERVIEW

The information contained in this section is taken from the CareEdge Report. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

OVERVIEW OF THE GLOBAL ECONOMY

As per the International Monetary Fund's ("**IMF**") World Economic Outlook growth projections released in October 2023, the global economic growth for CY22 stood at 3.5% on a year-on-year ("**y-o-y**") basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY23 is projected to slow down further to 3.0% and 2.9% in CY24, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain tightened. For the next 4 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection;
Source: IMF – World Economic Outlook, October 2023

GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY19	**CY20**	**CY21**	**CY22**	**CY23P**	**CY24P**	**CY25P**	**CY26P**	**CY27P**	**CY28P**
India	3.9	-5.8	9.1	7.2	6.3	6.3	6.3	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.0	4.2	4.1	4.1	3.7	3.4
Indonesia	5.0	-2.1	3.7	5.3	5.0	5.0	5.0	5.0	5.0	5.0
Saudi Arabia	0.8	-4.3	3.9	8.7	0.8	4.0	4.2	3.3	3.3	3.1
Brazil	1.2	-3.3	5.0	2.9	3.1	1.5	1.9	1.9	2.0	2.0
Euro Area	1.6	-6.1	5.6	3.3	0.7	1.2	1.8	1.7	1.5	1.3
United States	2.3	-2.8	5.9	2.1	2.1	1.5	1.8	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (October 2023)

OVERVIEW OF THE INDIAN ECONOMY

GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

India's real GDP grew by 9.1% in FY22 and stood at approximately Rs. 149 trillion despite the pandemic and geopolitical Russia-Ukraine spill overs. In Q1FY23, India recorded 13.1% y-o-y growth in real GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.2% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during

Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, real GDP for full-year FY23 was valued at approximately Rs. 160. trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favourable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities. This momentum was maintained in the Q2FY24 with GDP growth at 7.6%, mainly supported by acceleration in investments. However, private consumption growth was muted due to weak rural demand and some moderation in urban demand amid elevated inflationary pressures in Q2FY24. On the supply side, a significant improvement in manufacturing and construction activities supported growth. Overall, the economy expanded by 7.7% in H1FY24 compared to 5.3% in H2FY23.

GDP Growth Outlook

- Driven by resilience in urban demand and the front loading of the government's capital expenditure, the H1FY24 witnessed a strong growth. While festive cheer will support urban demand in Q3, the outlook for rural demand revival remains clouded amid monsoon deficiency and likely hit to the agricultural production.
- The recent announcements of various relief measures such as LPG price reduction and extension of Pradhan Mantri Garib Kalyan Anna Yojna ("**PMGKAY**") are expected to provide some cushion and so far, investment demand has remained robust. However, there could be some moderation in H2FY24 as both the government and private sector may restrain their capital spending ahead of the general elections. Despite some expected moderation in the H2FY24, India's overall GDP growth for FY24 is expected to remain on a firm footing.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments.
- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Taking all these factors into consideration, in December 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 7% y-o-y for FY24.

RBI's GDP Growth Outlook (Y-o-Y %)

FY24P (complete year)	Q3FY24P	Q4FY24P	Q1FY25P	Q2FY25P	Q3FY25P
7%	6.5%	6%	6.7%	6.5%	6.4%

Note: P-Projected; Source: Reserve Bank of India

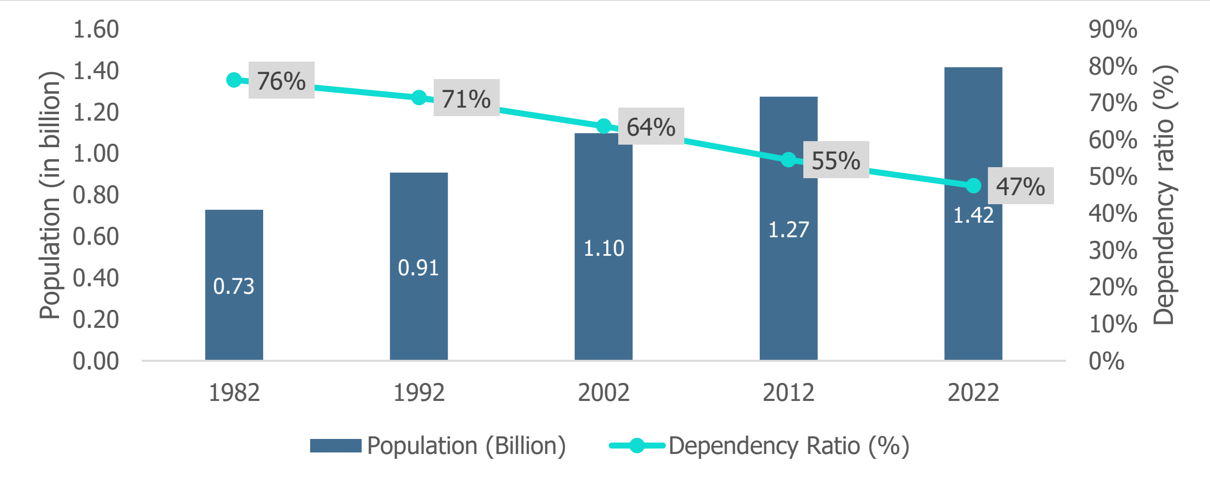
Overview on Key Demographic Parameters

Population Growth and Urbanization

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1982, which has reduced to 47% in 2022. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

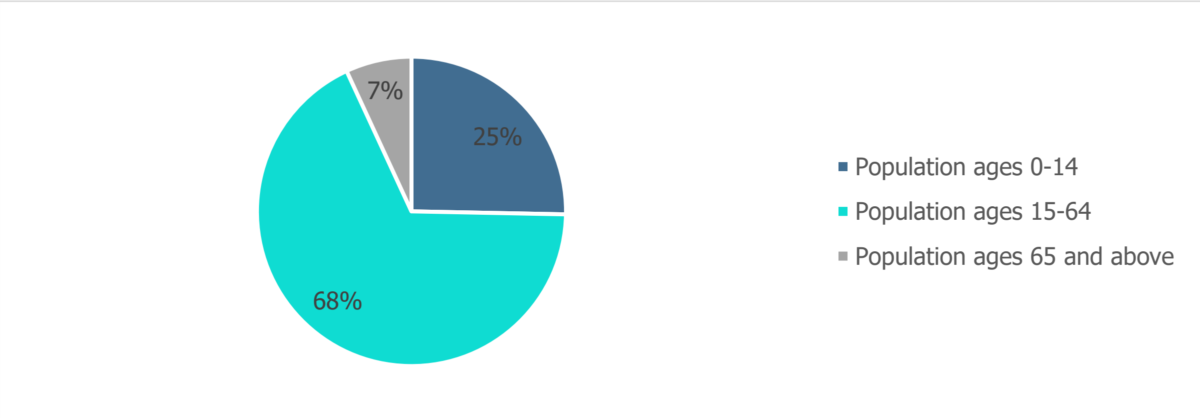
Trend of India Population vis-à-vis dependency ratio



Source: World Bank Database

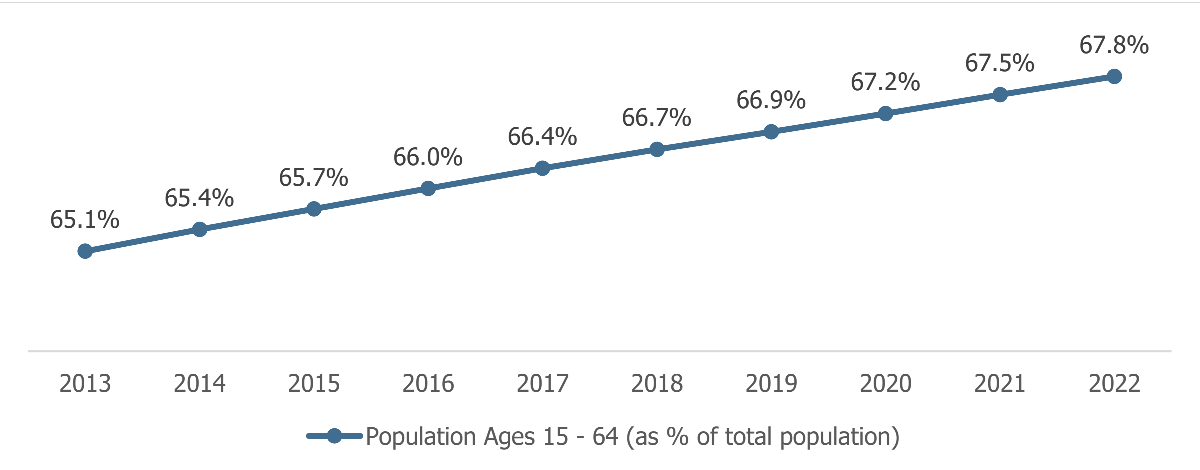
With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

Age-Wise Break Up of Indian population



Source: World Bank Database

Yearly Trend - Young Population as % of Total Population

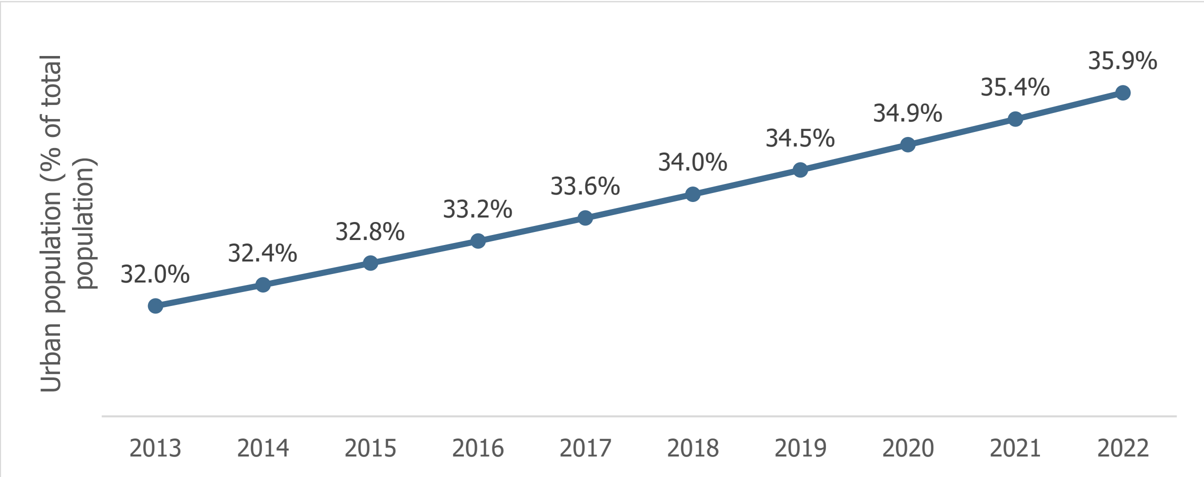


Source: World Bank Database

Urbanization

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 403 million (31.6% of total population) in 2012 to 508 million (35.9% of total population) in 2022. People living in Tier-2 and Tier-3 cities have greater purchasing power.

Urbanization Trend in India

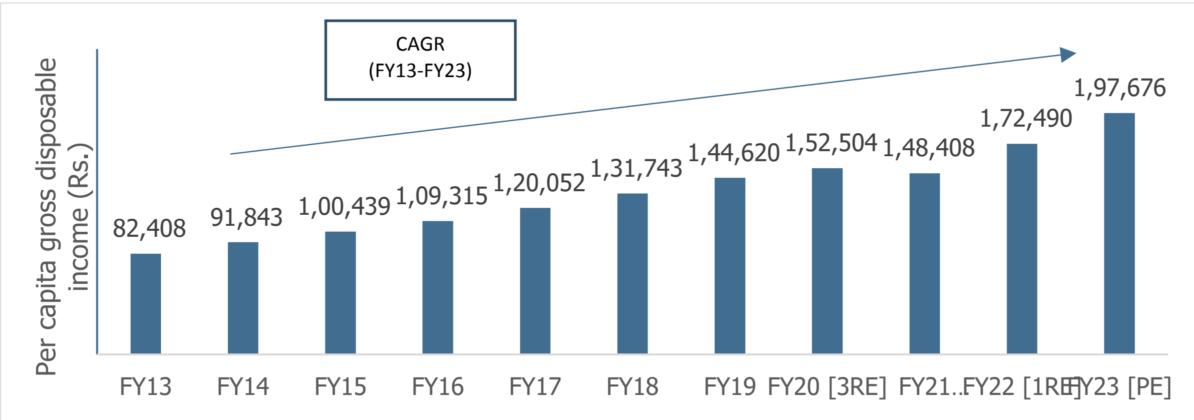


Source: World Bank Database

Increasing Per Capita Disposable Income

Gross National Disposable Income ("**GNDI**") is a measure of the income available to the nation for final consumption and gross savings. Between the period FY13 to FY23, per capita GNDI at current prices registered a CAGR of 9.1%. More disposable income drives more consumption, thereby driving economic growth.

Trend of Per Capita Gross National Disposable Income (Current Price)

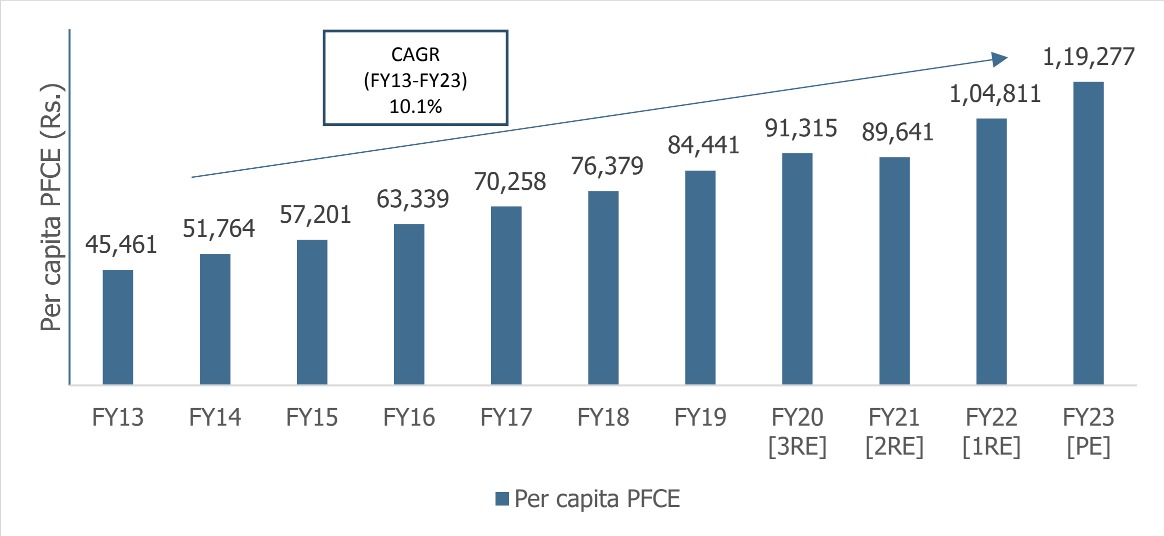


Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Increase in Consumer Spending

With increase in disposable income, there has been a gradual change in consumer spending behavior as well. Private Final Consumption Expenditure ("**PFCE**") which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 10.1%. Following chart depicts the trend of per capita PFCE at current prices:

Trend of Per Capita Private Final Consumption Expenditure (Current Price)



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

Others

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. It is expected to grow at 6.3% in CY24 compared to the world GDP growth projection of 3%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit, and GST collections have shown improvement in FY23. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

Further, as per the Indian Meteorological Department ("**IMD**"), the rainfall witnessed a deficit until September 2023. A drop in yield due to irregular monsoons and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Moreover, the consumption demand is expected to pick up in Q3FY24 due to the festive season. Going forward, the rising domestic demand will be driven by the rural economy's performance and continual growth in urban consumption. However, high domestic inflation and global headwinds pose a downside risk to domestic demand.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 10 lakh crores for FY24. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private capital expenditure and investment cycle.

OVERVIEW OF THE POLYMER PROCESSING INDUSTRY

The polymer processing industry is a global market with major contributions from diverse locations. The use of lightweight materials in the automotive and aerospace industries, the creation of bio-based polymers, and an emphasis on recycling and circular economy projects are some market trends.

The polymer processing sector is dynamic and always changing due to the emergence of new technologies and the pursuit of environmentally friendly and sustainable solutions by various sectors. Technological developments in the fields of materials research, processing, and recycling support the industry's continuous expansion.

The polymer films and sheets find applications in packaging, construction, agriculture, healthcare, and others. They are of varied thicknesses and finishes are developed by industry players for different industries. The growth demand within India's overall polymer processing industry is expected to be also supported by India's vision of becoming a USD 5 trillion economy by 2027 to 2028, and a USD 7 trillion economy by 2030, which in turn should drive the industries that are the key end-users of our products.

These polymer films and sheets can broadly be classified under:

Coextruded Plastic Sheet	Thermoformed Liners
Dielectric/Capacitor Films	Cast Extruded Films

Dielectric or Capacitor films are a kind of insulating plastic film as a dielectric which are largely poor conductor electricity. Whereas Coextruded multi-layer film is produced by a compound moulding technique that simultaneously extrudes thermoplastic resin with multiple extruders and passes that through a single die to build-up layers of melted resin both on the inside and outside of a film. It can be used as a solar cell backplane, building cladding, agricultural film, packaging industry, etc. The thermoformed liners are a film produced by thermoforming technology, which is mainly used in packaging, household appliances, automotive parts, building products and chemical containers. Lastly, cast extruded films is the process of melting plastic resins and wounding them into rolls. The product of the cast film extrusion process is plastic films with a vast range of colours, finishes, and printing. It is ideal for producing food packaging and technical, stretch, and bubble film.

These films used in a variety of industrial applications with an extremely wide range of downstream applications, from construction applications to consumer electronics. Each of these types are analysed further below:

Overview of the Coextruded Plastic Sheets Market

The key applications of Coextruded Plastic Sheets are largely seen in refrigerator door and cabinet liners, luggage (shell), automotive (flooring, trims, panels), disposable cups and containers stationary (files and folders) along with Industrial thermoforming applications, such as furniture, packaging & bathroom cabinets.

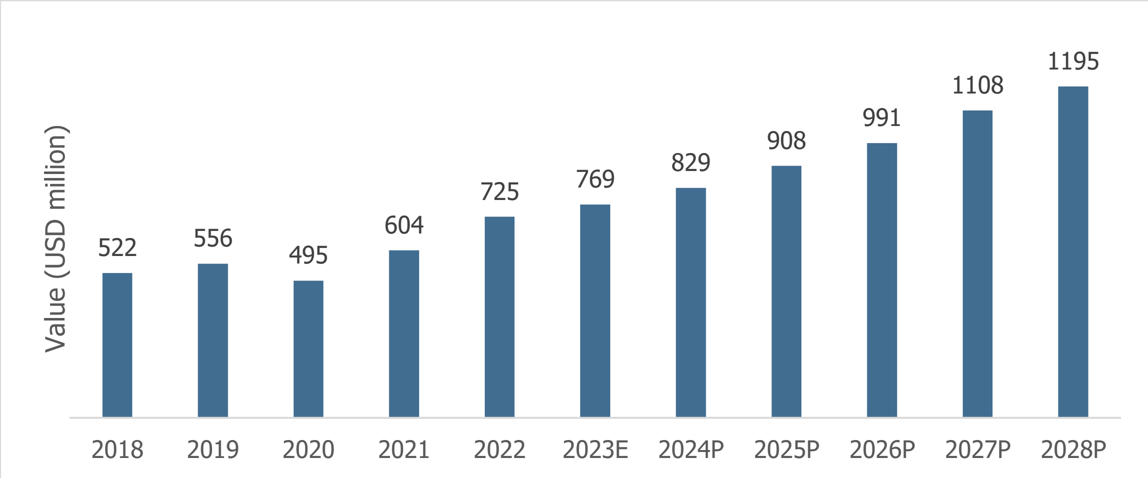


Hence, the demand for coextruded plastic sheets is largely supported by growing urbanization and growing real-estate segment.

Indian Coextruded Plastic Sheets Market

The Indian coextruded plastic sheets were valued at USD 725 million 2022, which is expected to reach USD 769 million by 2023. For the forecast period 2024-2028, the market is predicted to grow at a CAGR of 9.6%.

Indian Market Size of Coextruded Plastic Sheets



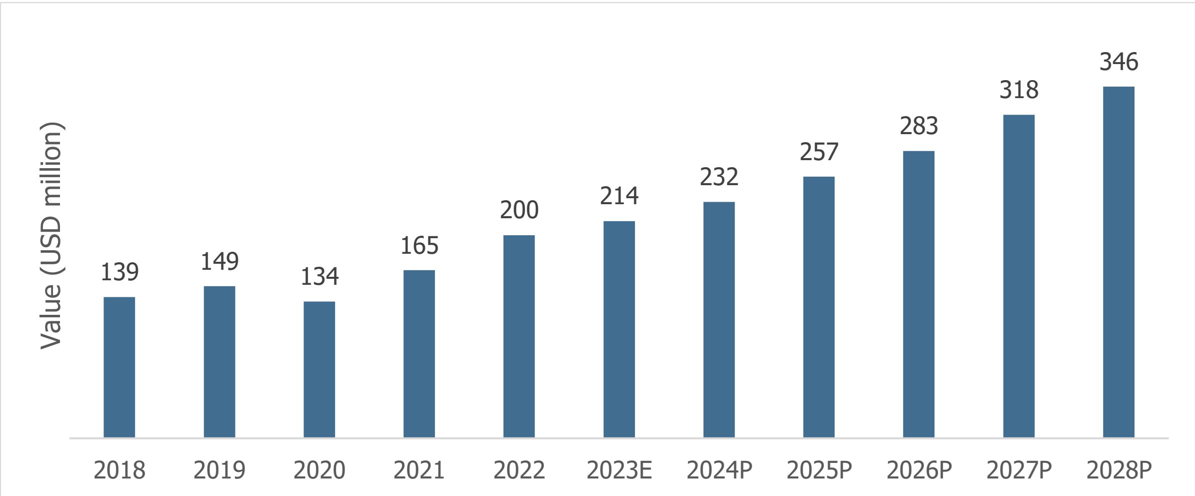
Note: E-Estimated, P-Projected; Source: Maia Research, CareEdge Research

Overview of the Thermoformed Liners Market

Indian Thermoformed Liners Market

The Indian thermoformed liners market size was valued at USD 200 million in 2022, which is expected to reach USD 214 million by 2023. For the forecast period 2024-2028, the market is anticipated to register a CAGR of 10%.

Indian Market Size of Thermoformed Liners

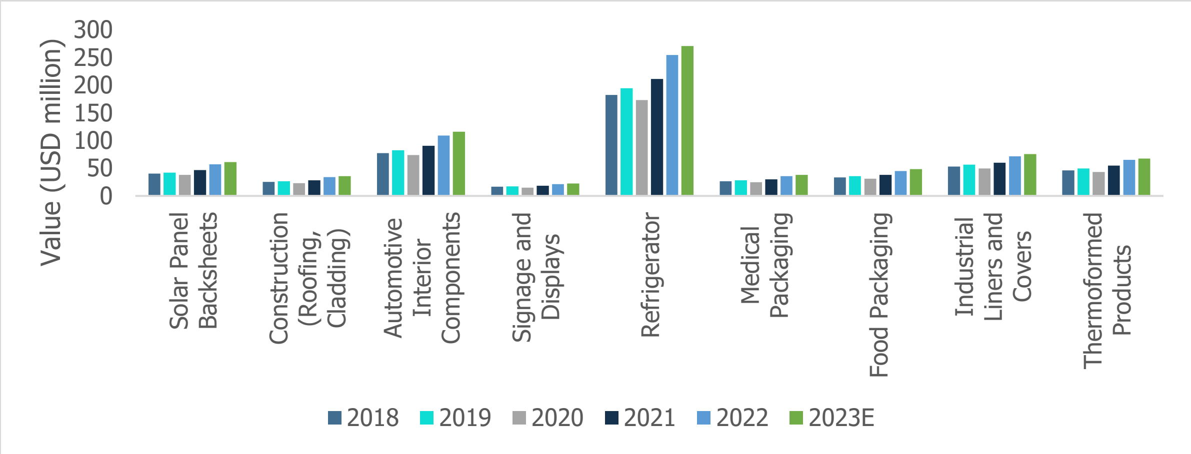


Note: E-Estimated; Source: Maia Research, CareEdge Research

Market Analysis by Application for Coextruded Plastic Sheets Market and Thermoformed Liners

In India, the major segments where Coextruded Plastic Sheets are used include Solar Panel Backsheets, Construction (Roofing, Cladding), Automotive Interior Components, Signage and Displays, Refrigerator, Medical Packaging, Food Packaging, Industrial Liners and Covers, Thermoformed Products and others. Among which, the major share is derived from refrigerator segment which contributed about 35% in the total market size. This market share was followed by automotive interior component 15%, Industrial liners 10%, thermoformed products 9% and solar panel backsheet 8%.

Market Analysis of Coextruded Plastic Sheets of by Application for India



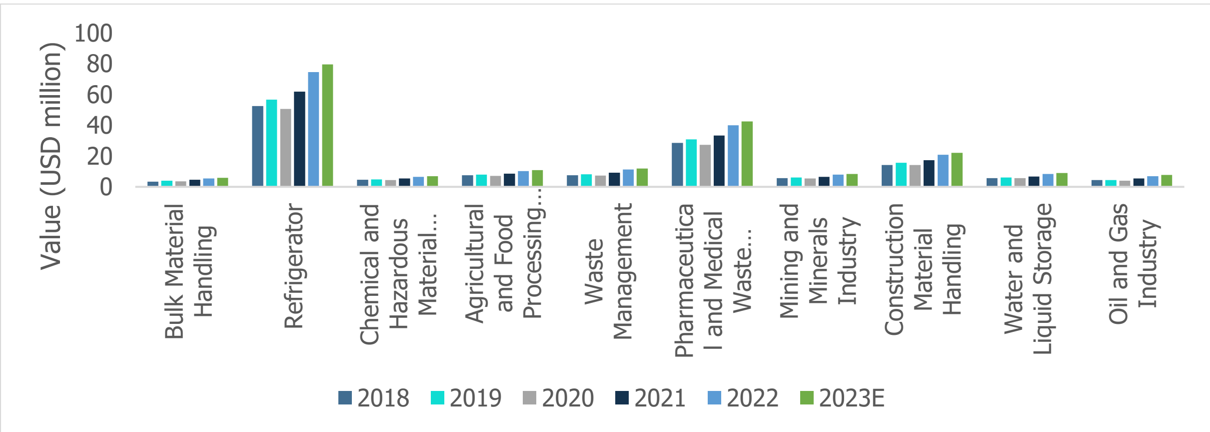
Note: E-Estimated; Source: Maia Research, CareEdge Research

The major form of contribution from refrigeration segment in Indian Coextruded Plastic Sheets market was valued around USD 254 million in 2022 which is further expected to reach USD 271 million. Along with refrigerators, growth of other segments also augurs well for coextruded plastic sheets in long run.

The Government of India is pushing for housing for the middle class and in rural areas, as can be seen from the focus in its lates interim budget. India is close to achieving its target of 30 million units of rural housing and aims to build 20 million more units in the next five years. This is expected to spur more demand in the mid-to-long term for consumer appliances like refrigerators, washing machines and AC, which would in turn increase the demand for coextruded plastic sheets and thermoformed liners.

The major segments where thermoformed liners are used include Bulk Material Handling, Refrigerator, Chemical and Hazardous Material Storage, Agricultural and Food Processing Bins, Waste Management, Pharmaceutical and Medical Waste Disposal, Mining and Minerals Industry, Construction Material Handling, Water and Liquid Storage, Oil and Gas Industry and other segments. Wherein, refrigerator segment held major share of about 37% in 2022. This was followed by Pharmaceutical and Medical Waste Disposal segment 20%, Construction Material Handling 10%, Waste Management 6% and Agricultural and Food Processing Bins 5%.

Market Analysis of Thermoformed Liners by Application for India

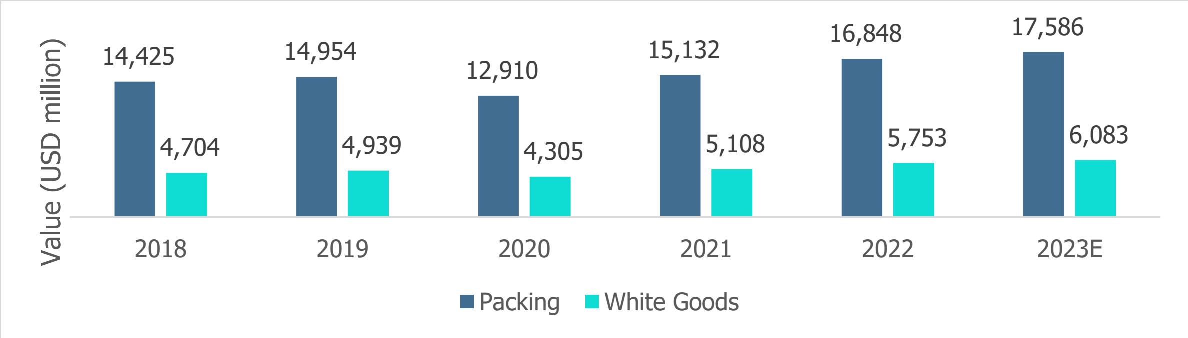


Note: E-Estimated; Source: Maia Research, CareEdge Research

For thermoformed liners, the major contributor segment refrigerator contributed about USD 75 million in 2022 which is expected to reach USD 79 million by 2023. Overall, the growth of each of these segments is expected to drive demand for thermoformed liners in long term.

In broader sense, the application of coextruded plastic sheets and thermoformed liners globally is largely into white goods and packaging segment.

Global Trend in Packaging and White Goods Segments



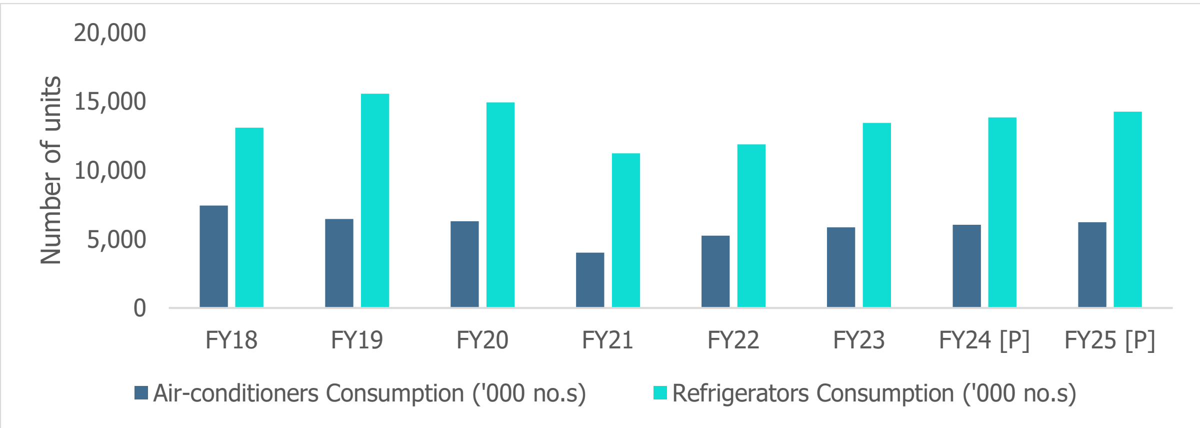
Note: E-Estimated, P-Projected; Source: Maia Research, CareEdge Research

The global white goods segment was valued around USD 5,753 million in 2022, which is expected to reach USD 6,083 million in 2023. Whereas, during 2022, global packaging segment was valued about USD 16,848 million which is expected to grow by 6% and reach USD 17,568 million in 2023.

Overview of Indian White Goods Industry

The consumption volume during the period April 2023 – October 2023 was 2,746 thousand units for air conditioners and 7,861 thousand units for refrigerators. This demand is expected to boost in subsequent quarters supported by festive sentiments and upcoming summer season. With this, this consumption demand is expected to register growth between 3%-5% in near term in FY24 and FY25.

Sales Trend of Air conditioners and Refrigerators



Note: P- Projected; Source: CMIE, CareEdge Research

Such growing demand may drive manufacturers to focus on both the domestic and international markets. With a global emphasis on energy efficiency and environmental sustainability, manufacturers are likely to develop and export products that adhere to international standards and regulations. Furthermore, government initiatives promoting manufacturing, such as 'Make in India' may encourage local manufacturers to produce goods not only for the domestic market but also for exports.

Coextruded plastic sheet and thermoformed liners play various roles in the white goods segment, which includes appliances such as refrigerators, washing machines, dishwashers, and other household appliances. These films are used for different purposes, contributing to the functionality, aesthetics, and protection of white goods.

The refrigerators and air conditioners manufacturer rely heavily on imports of the component. The government's Production Linked Scheme ("**PLI**") for such white goods segment is expected to support capacity addition and reduce import dependence. This in medium to long term is expected to drive the export of white goods.

The key export destinations for air conditioners exports are UAE, USA, Saudi Arabia, Netherlands and Nepal, while for refrigerators the same are Nepal, Taiwan (Taipei), UAE, Nigeria and Australia.

Growth Drivers for White Goods Segment

The white goods industry in India, which includes products like refrigerators and air conditioners, and other major household appliances, has experienced significant growth over the years. Several factors contribute to the expansion of the white goods industry in India are:

- Rising Disposable Income

  As the Indian economy continues to grow, there is an increase in disposable income among the middle-class population. This rise in purchasing power has led to higher consumer spending on durable goods like refrigerators, washing machines, and air conditioners. Furthermore, recovery in rural markets and increase in demand due to the same.

- Urbanization

  The ongoing process of urbanization has resulted in a shift in lifestyles and living standards. Urban areas, where a considerable portion of the population resides, often have higher demand for white goods due to the convenience and comfort they offer. Furthermore, changing consumer preferences and lifestyles, particularly in urban areas, have led to an increased demand for technologically advanced and feature-rich appliances. Wherein, consumers are willing to invest in appliances that offer efficiency, convenience, and smart features.

- Government Initiatives

  Government initiatives such as 'Make in India' and 'Housing for All' have encouraged domestic manufacturing and infrastructure development. Government's focus on housing for middle class and rural areas as well as solar energy will boost sales of products such as fridge and other white good .This, in turn, has positively impacted the white goods industry, providing opportunities for growth and expansion.

- Easy Financing Options

  The availability of easy financing options, including consumer loans and attractive EMI schemes, has made it more convenient for consumers to purchase high-value white goods. This has stimulated demand for even high-end white goods in the market.

- Increasing Awareness of Energy Efficiency

  Growing awareness about environmental sustainability and energy efficiency has prompted consumers to opt for energy-efficient appliances. Manufacturers as well are focusing on producing appliances that comply with energy efficiency standards, which further drives consumer interest.

- Technological Advancements

  Continuous technological advancements in the white goods industry, such as the integration of IoT (Internet of Things) features, smart home capabilities, and improved energy efficiency, attract consumers looking for modern and innovative solutions. This bodes well for white goods industry by catering to such modern and innovative solutions.

- E-Commerce Growth

  The growth of e-commerce platforms has provided consumers with easy access to a wide range of white goods. Online retailing offers competitive pricing, convenience, and a variety of choices which significantly help in contributing to the overall industry growth.

- Global Investments and Partnerships

  International collaborations, investments, and partnerships in the white goods sector have facilitated technology transfer, improved product quality, and expanded market reach for Indian manufacturers. For instance, in 2018, Voltas Limited, an Indian air conditioning and engineering company, entered into a joint venture with Arcelik, a Turkish multinational manufacturer of home appliances. The partnership aimed to manufacture and market refrigerators, washing machines, and other home appliances in India. This instance highlights that the such collaborations often leverage the strengths of both parties, combining global technology and expertise with local market knowledge and distribution networks.

- Emerging Trade Corridors

  The announcement of a new economic corridor spanning the trade route originating in India, through the Gulf Cooperation Council (GCC) and Jordan, extending across the Mediterranean towards Europe was declared during the recent G20 summit. The India-Middle East-Europe Economic Corridor would provide an additional trade route for shipments between Europe and India. This bodes well for exports originating from India.

Government Policies and Schemes

There are several government policies and schemes in India that directly or indirectly impact the white goods industry. These policies aim to promote manufacturing, sustainable practices, and consumer welfare. Some of such key policies and schemes are:

- <u>Production-Linked Incentive (PLI) Scheme</u>

  The PLI Scheme for White Goods is designed to create a complete component ecosystem for Air Conditioners and LED Lights Industry in India and make India an integral part of the global supply chains.

- <u>Make in India</u>

  Launched in 2014, the 'Make in India' initiative encourages domestic manufacturing and aims to transform India into a global manufacturing hub. The policy provides incentives and support for industries, including white goods, to boost local production and reduce dependence on imports.

- <u>Energy Efficiency Labelling Program (BEE Star Ratings)</u>

  The Bureau of Energy Efficiency (BEE) in India implements the Energy Efficiency Labelling Program, which assigns star ratings to appliances based on their energy efficiency. Higher star ratings indicate better energy efficiency. In some cases, appliances may even receive a higher star rating, such as 3-star, 4-star, or 5-star plus ratings. This program aims to promote the adoption of energy-efficient appliances and reduce electricity consumption. The BEE Star Ratings program has had a positive impact on the market, influencing both manufacturers and consumers. Manufacturers strive to improve the energy efficiency of their products to achieve higher star ratings, while consumers are encouraged to make eco-friendly choices.

Overview on Dielectric / Capacitor Films Market

Dielectric films, often referred to as capacitor films, are materials used in the construction of capacitors. Capacitors store and release electrical energy and consist of two conductive plates separated by an insulating material, which is the dielectric. The dielectric film plays a crucial role in the capacitor's performance by preventing direct electrical contact between the plates while allowing the storage and release of electric charge.

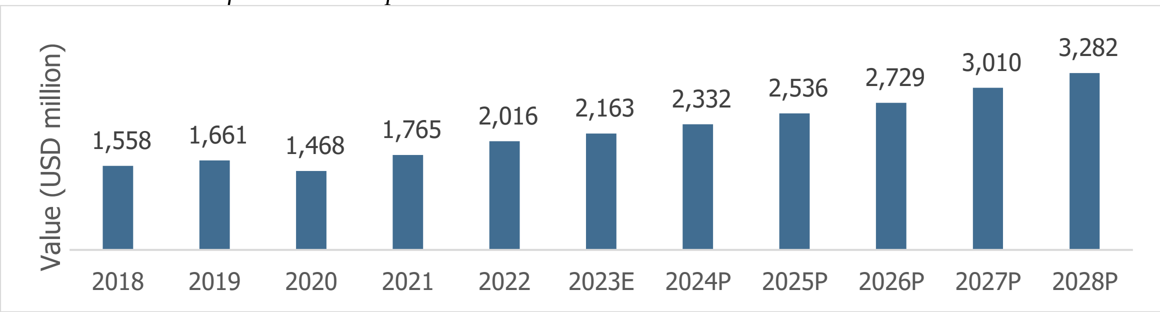


Dielectric films are ideally suited for high performance capacitors, both for normal and high temperature applications, high temperature super grade for AC ageing and ripple current condition at elevated temperature; high roughness/hazy films for oil impregnated medium- and high-voltage application capacitors; and semi-rough films for metallization and oil impregnation for capacitors for AC/DC applications in locomotive & traction control applications.

Global Dielectric / Capacitor Films Market

The global market size of capacitor films industry was valued at USD 2,016 million in 2022 which is expected to grow by 7.3% and reach USD 2,163 million in 2023. For the forecast period 2024 to 2028, the market is foreseen to grow at a CAGR of 8.9%.

Global Market Size of Dielectric/Capacitor Films



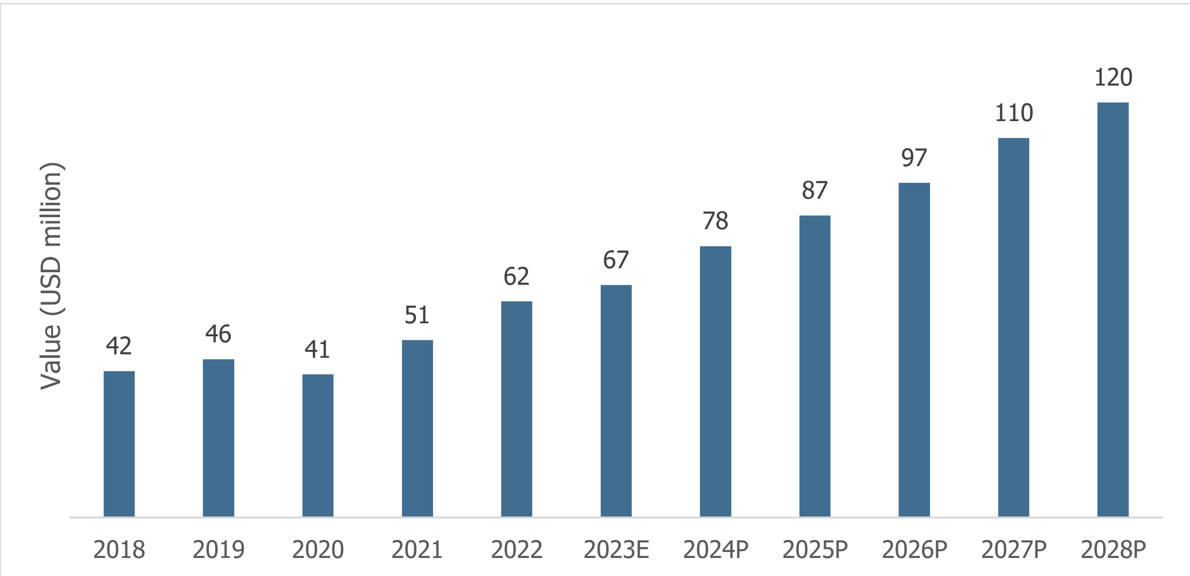
Note: E-Estimated, P – Projection; Source: Maia Research, CareEdge Research

The global dielectric/capacitor films segment has several growth drivers contributing to its expansion. Segments which act as key growth drivers include increasing demand for electronic devices, such as smartphones, tablets, and wearables, growing interest in energy storage solutions including batteries and supercapacitors, increasing reliance of automotive industry on capacitors and growing usage of medical applications like imaging equipment and diagnostic devices. Moreover, the expansion of renewable energy technologies, such as wind and solar power, also involve the use of capacitors with dielectric films. These films contribute to the efficiency and reliability of capacitors in inverters and power electronics used in renewable energy systems. Thus, boding well for overall dielectric and capacitor films segment.

Indian Dielectric / Capacitor Films Market

Dielectric films, also known as capacitor films, find applications in various industries, and their use is crucial in electrical and electronic components. The Indian Dielectric/Capacitor Films Market was valued at USD 62 million in 2022 which is further expected to reach USD 67 million by 2023 registering 8% growth. For the forecast period 2024-2028, the market is anticipated to grow at a CAGR of 11%.

Indian Market Size of Dielectric/Capacitor Films

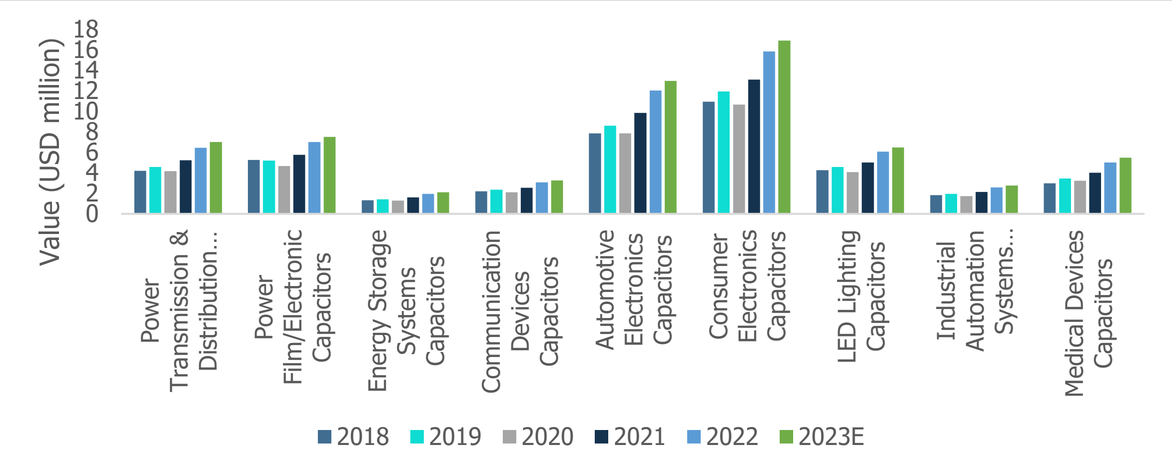


Note: E-Estimated, P-Projected; Source: Maia Research, CareEdge Research

Market Analysis by Application for Dielectric/Capacitor Films

In India, the dielectric/capacitor films are largely used in multiple segments like power transmission and distribution, communication, automotive, consumer durables, LED lightings, medical devices and other segments. Wherein, consumer durable and electronic segment held the major share with 25% in 2022, followed by automotive 19%, power film capacitors 11%, power transmission 10% and the same 10% for industrial automation.

Market Analysis of Dielectric/Capacitor Films by Application for India



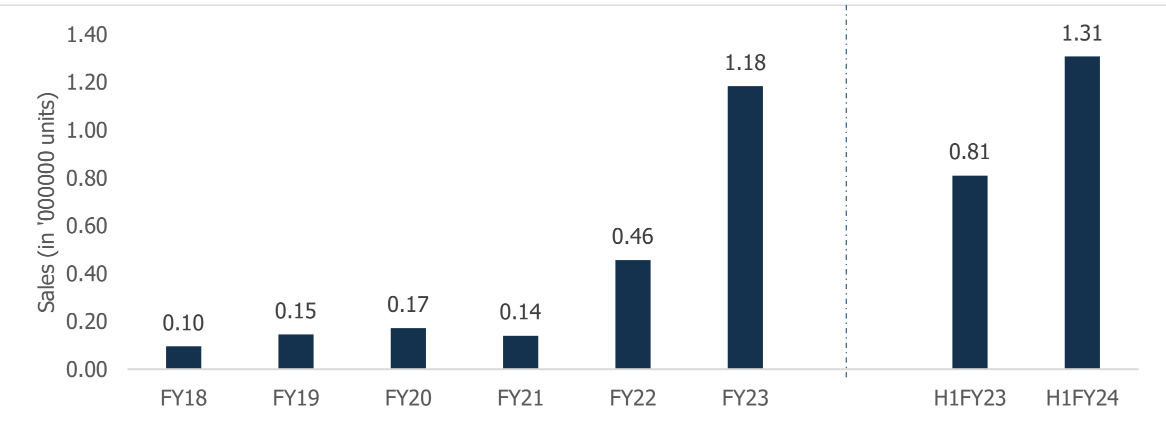
Note: E-Estimated, Source: Maia Research, CareEdge Research

The consumer electronic capacitors which is one of the major applications is expected to reach USD 17 million in 2023 marking 7% growth. This growth can be owed to some of the economic factors, including rising disposable income which contribute to increased consumer spending on electronic devices and gadgets. Affordability and financing options also play a role in driving demand of consumer electronics. Thus, growth of consumer electronics along with other segments like power transmission and distribution, communication and medical devices bodes well for Indian Dielectric/Capacitor Films.

In relation to capacitor / dielectric films, given the use of such films in the production of capacitor, further growth is expected in demand for capacitor / dielectric films in line with growth in electronic production and consumption, including in the EV and solar energy segments. Particularly in India, the growth in EV adoption is supported by the Government of India's push to expand EV charging infrastructure, the lack of which has been a key concern for customers who would like to purchase EVs.

Overview on Electric Vehicle Segment

Total Electric Vehicle Sales in India



Source: Center for Energy Finance, CareEdge Research

Overall, the penetration of EVs has increased to 5.12% of the total vehicle sales in FY23. This can be compared to the ambitious targets set by the Government of India at 30% EV penetration by 2030.

Capacitor films find various applications in the electric vehicle (EV) segment, contributing to the performance, protection, and overall functionality of electric vehicles. Some common applications of capacitor films in the electric vehicle industry are as insulation materials for batteries, conformal coatings, insulation materials for charging cables, interior applications such as decorative films, anti-scratch coatings, and protective films for touchscreens and displays, films with solar control properties etc. These applications demonstrate how capacitor films contribute to the efficiency, safety, and aesthetics of electric vehicles, supporting the broader goals of the automotive industry's transition to electric mobility.

Electric Vehicles and Charging Infrastructure

India has been actively promoting the adoption of electric vehicles ("**EVs**") as part of its efforts to reduce greenhouse gas emissions, improve air quality, and decrease dependence on fossil fuels. Accordingly, the EV market in India has been witnessing steady growth. The sales of electric cars, two-wheelers, and three-wheelers have been increasing in recent years, driven by government incentives, decreasing battery costs, and the introduction of new EV models by domestic and international manufacturers.

Total EV Sales

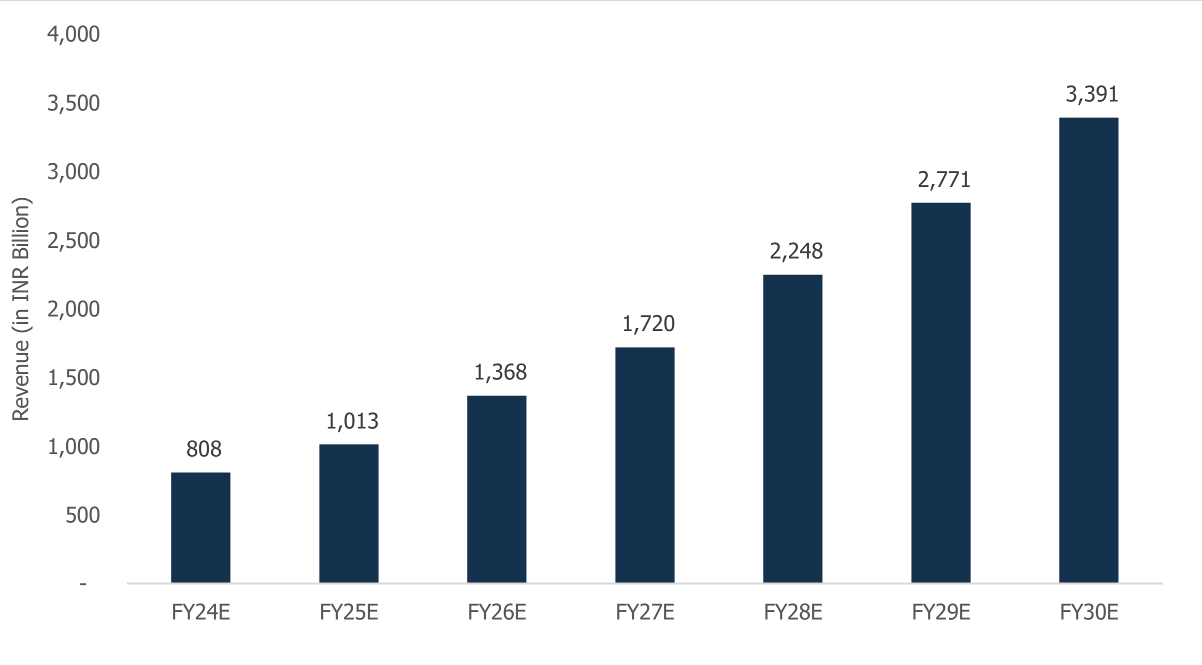
EV Sales (in Units)	FY18	FY19	FY20	FY21	FY22	FY23	H1FY24
Two-wheeler	1,897	25,393	24,839	40,837	2,52,547	7,27,434	4,27,844
Three-wheeler	92,395	1,18,944	1,40,683	88,378	1,82,587	4,04,231	8,28,836
Four-wheeler	1,362	1,632	2,727	4,588	18,565	47,383	47,726
Goods vehicle	993	517	50	28	2,452	3,049	2,979
Total EV sales units	**96,647**	**1,46,486**	**1,68,299**	**1,33,831**	**4,56,151**	**11,82,097**	**13,07,385**

Source: Centre of Energy Finance, CareEdge Research

Moreover, the Indian government has implemented several policies and incentives to promote EV adoption. Additionally, the government has set a target to achieve 100% electric mobility for public transport and 40% electrification of private vehicles by 2030. As per NITI Aayog estimates, India's EV sales are estimated to be at 70% for commercial cars, 30% for private cars, 40% for buses, and 80% for two-wheelers and three-wheelers respectively by 2030. The current market size of electric two-wheelers (E2Ws largest segment in EV), electric three-wheelers (E3Ws) and electric four-wheelers (E4Ws) is estimated to be around ~ INR 90 billion, ~ INR 100 billion, and ~ INR 85 Billion, respectively.

Whereas the expected revenue generation from overall EV sales is estimated to reach approximately ~ INR 4,000 billion (Bn) around 2030 in India. The sales across each EV vehicle segment are expected to clock strong growth going forward owing to the government's push towards green mobility.

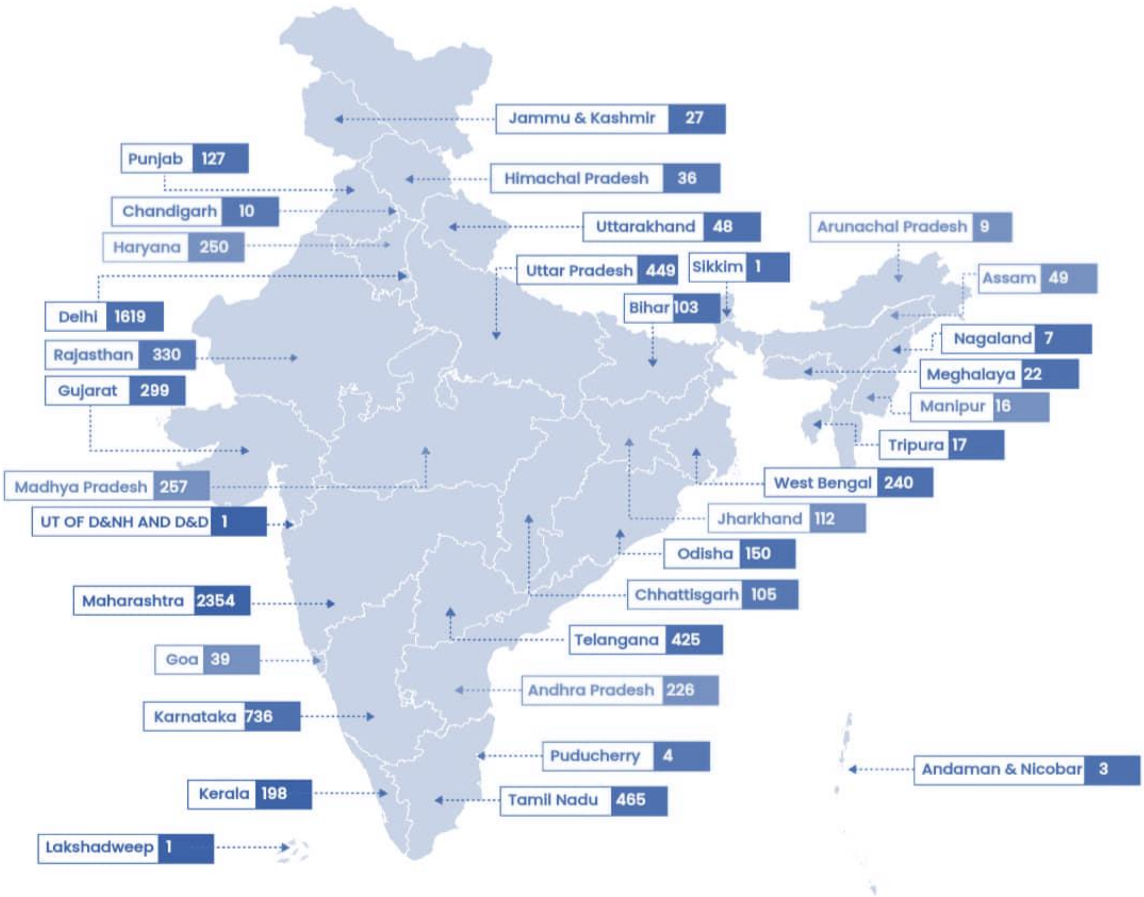
Annual Revenue Forecast from EV Sales



Source: Centre of Energy Finance, CareEdge Research

As per the data of the Bureau of Energy Efficiency, there are 8,735 public charging stations and 84 charge point operators across India. Maharashtra has emerged as the frontrunner in supporting EVs, with 2,354 public charging stations, followed by Delhi with 1,619 charging stations, while Karnataka boasts 736 charging stations. Tamil Nadu, Uttar Pradesh, and Telangana have 465, 449, and 425 charging stations, respectively. Moreover, the government is providing incentives for businesses to set up private charging stations.

Total number of charging stations as of March 2023



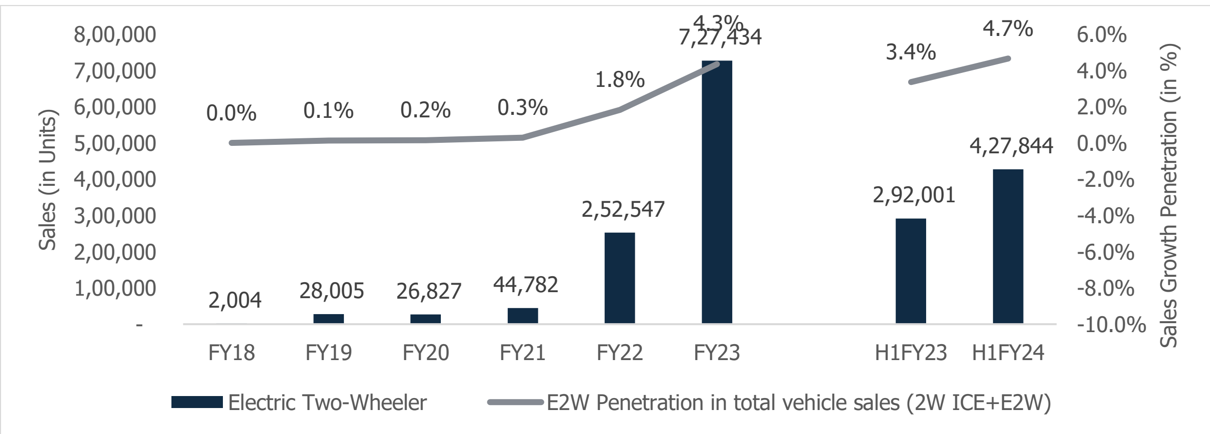
Source: Bureau of Energy Efficiency, CareEdge Research

Further, the government plans to have 500,000 public charging stations by 2025.

<u>Electric 2-Wheeler ("**E2W**") Market in India in the Past 5 Years</u>

E2Ws are a key segment of the electric vehicle market in India, with growing interest among consumers and increasing government support for electric mobility.

Sales units of E2Ws and Penetration of E2W in overall two-wheeler volumes



Source: Centre for Energy Finance, CareEdge Research

The EV two-wheeler segment's penetration within the total Indian two-wheeler market was around 4.4% in FY23 and it grew to around ~5% in H1FY24. In addition, the E2W segment contributes approximately 63% of the total EV market sales. Also, the E2W technology has now matured to a significant level, with several manufacturers entering the market with saleable products.

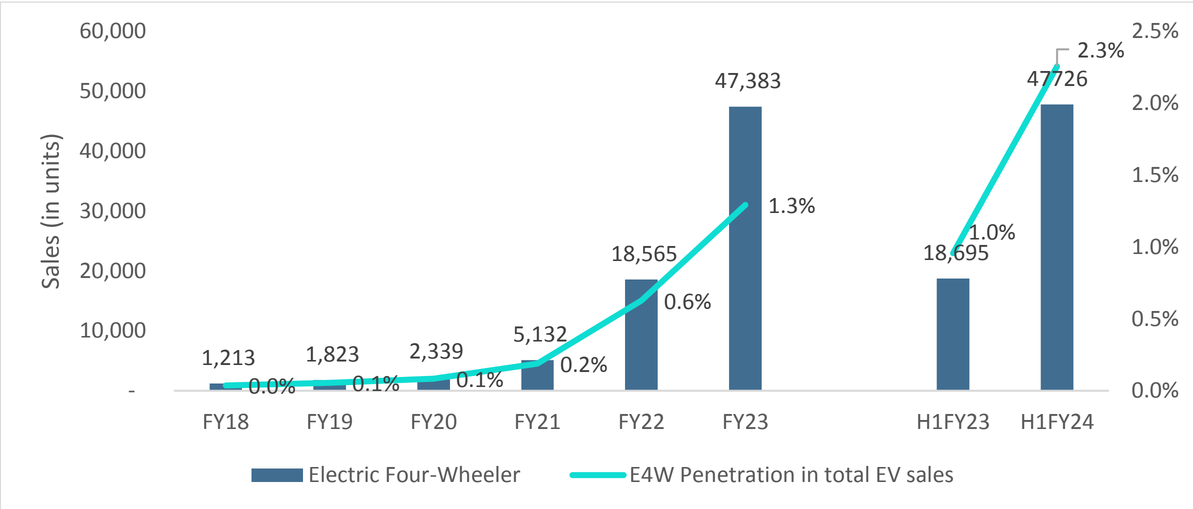
This segment is gaining demand for its usage in the fleet and local mobility like shorter distance commutes and B2B usage such as hyper-local deliveries. It is also being used in quick commerce and last-mile delivery industries.

Moreover, in the electric two-wheeler segment, electric scooters are a favorite choice for consumers so far, accounting for the majority of sales. Also, numerous expected launches in the high-speed E2W market in the coming years may provide some traction to this segment.

Electric Four-Wheelers Industry

Electric four-wheeler ("**E4Ws**") sales have grown at a significant pace in the past few years. The sales of E4W during H1FY24 stood at 47,726 units. The compounded annual growth rate (CAGR) of E4W during the period FY18 to FY23 stood around 108%. The sales have grown despite the Covid-19 outbreak and the subsequent imposition of the lockdown. As there are limited models available in the E4W segment, major OEMs have planned to introduce more EV models in the future, suitable for the Indian market which could possibly boost their adoption and increase competition in the market.

E4Ws sales and E4Ws penetration in overall 4Ws sales volumes in India



Source: CEEW (Centre for Energy Finance), Vahaan Dashboard

Key Regulatory and Policy Incentives to Support EV Value Chain in India

Budget Announcements 2023-24

In the Union Budget 2023-24, the government has allocated INR 35,000 crore to achieve the energy transition, energy security and net zero objectives, which will help the EV industry to work alongside them in addressing the issues related to the Climate Crisis.

- The Finance Minister has announced that the customs duties exemption has been extended for the import of goods and machinery required to manufacture lithium-ion cells for EV batteries. This will ensure more local production and manufacturing of Li-On batteries, thus keeping a check on the prices of electric vehicles. The minister also proposed continuing the concessional duty on lithium-ion battery cells for another year. This would give automobile OEMs a boost to launch more EVs with high local content.

- Battery energy storage systems will be promoted by the government to steer the economy on a sustainable development path with a capacity of 4,000 MWh.

- The government has announced an outlay of Rs. 19,700 crores for the Green Hydrogen Mission. With this mission, the government aims to reach a production capacity of 5 million metric tonnes by 2030. This will facilitate the transition to low carbon intensity and reduce the dependency on fossil fuels. This move will further boost hydrogen fuel-powered mobility in India.

FAME I and II Schemes

The government launched FAME (Faster Adoption and Manufacturing of (Strong) Hybrid and Electric Vehicles in India) in 2015 with the objective of promoting and facilitating the adoption of electric vehicles in India. The second phase of the scheme FAME II was launched in April 2019 for three years with a total budgetary support of Rs 10,000 crore. In FY22, the government has also increased the allocation for EV subsidies to push green mobility. These subsidies being offered are expected to address some of the key challenges such as high upfront costs and a lack of charging infrastructure. As per the 2022-23 budget, the subsidy under the FAME scheme framework is projected at Rs. 2,908 crores for FY23, which is 3.5x times more than the Rs. 800 crores for FY22.

Furthermore, the centre gives a low GST rate of 5% on all EVs, which is far lower than the tax burden imposed on gasoline and diesel automobiles. Moreover, first-time individual EV buyers who take out a loan can earn tax savings of up to Rs 1.5 lakh under Section 80EEB of the Income Tax Act. The Ministry of Road Transport and Highways issued a statement in August 2021 exempting electric vehicles from paying costs for registration certificate issuance or renewal.

Battery Swapping

In the Budget 2022-23, it was announced that a Battery Swapping Policy for electric vehicle charging in congested areas will be drafted soon. The Indian government has plans to finalize incentives for electric cars (EVs) under its new battery exchange scheme. The policy would initially focus on battery swap services for electric scooters, motorcycles, and three-wheeled auto-rickshaws, which may help in increasing the deployment of EVs for last-mile delivery and ride-sharing. EV drivers can use Battery Swapping to replace discharged batteries with freshly charged ones at swap stations.

Latest PLI Scheme

The Union Budget 2023-24 has earmarked Rs 8,083 crore for production-linked incentive (PLI) schemes, the bulk of the money going to large-scale electronics manufacturing, pharma, auto and auto components, and food processing. The allocation is a substantial jump from the revised Budget estimates for these schemes in FY22-23, which is pegged at Rs 4,800 crore. This will further encourage the development of advanced automotive products, the most prominent of which is battery electric technology.

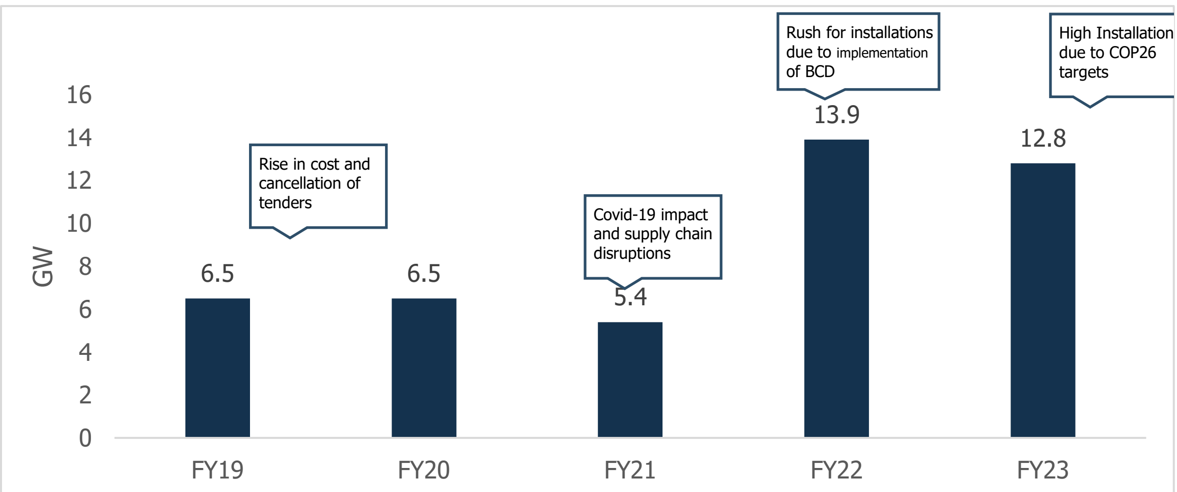
BS-VI Norms

The Bharat Stage-6 norms are standards instituted by the government to regulate the emission of air pollutants from motor vehicles. With appropriate fuel and technology, they limit the release of air pollutants such as nitrogen oxides, carbon monoxide, hydrocarbons, particulate matter (PM), and sulphur oxides from vehicles using internal combustion engines. As the stage goes up, the control over emissions becomes stricter.

<u>Overview on Solar and Wind Segment</u>

As of November 2023, solar energy contributed 17% of the installed power generation capacity in India. Moreover, the contribution of solar energy to India's power consumption has grown from 2.8% in FY19 to 6.3% in FY23.

Trend in Yearly Solar Capacity Installation



Source: CEA, CareEdge Research; Note: This includes onshore, offshore, rooftop and utility solar capacity installations.

Solar energy is an integral part of India's National Action Plan on Climate Change with the National Solar Mission ("**NSM**") being one of the key solar-focused programs. India has made a commitment to decrease the emissions intensity of its Gross Domestic Product ("**GDP**") by 45% by 2030, compared to 2005 levels. Additionally, India aims to attain a non-fossil fuel-based installed power generation capacity of approximately 50% (500 GW) by 2030. These targets were proposed at the 26th session of the Conference of the Parties ("**COP26**") to the United Nations Framework Convention on Climate Change ("**UNFCCC**"), which took place in Glasgow, United Kingdom, in November 2021.

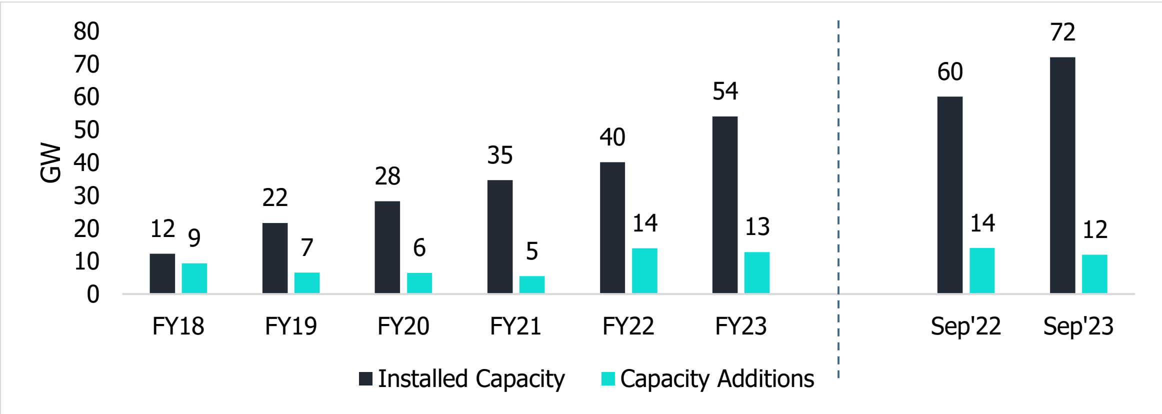
The Indian government has implemented a number of policies, including the Solar Park Scheme, Pradhan Mantri Kisan Urja Suraksha evam Uttam Mahabhiyan ("**PM KUSUM**"), Public Sector Undertaking ("**CPSU**"), Grid Connected Solar Rooftop Schemes, and other initiatives like domestic modules production, Renewable Energy Certificates ("**REC**"), Renewable Purchase Obligations ("**RPO**"), must run status, waiver of Inter State Transmission System ("ISTS") charges, etc.

Capacitor films play crucial roles in the solar and wind energy sectors, contributing to the efficiency, durability, and performance of various components. Some of the common application of such films in solar energy sector include its use as sheets in photovoltaic ("**PV**") modules, encapsulation films, front Sheets and top coatings, anti-reflective coatings, adhesive films for module assembly, reflective films etc.

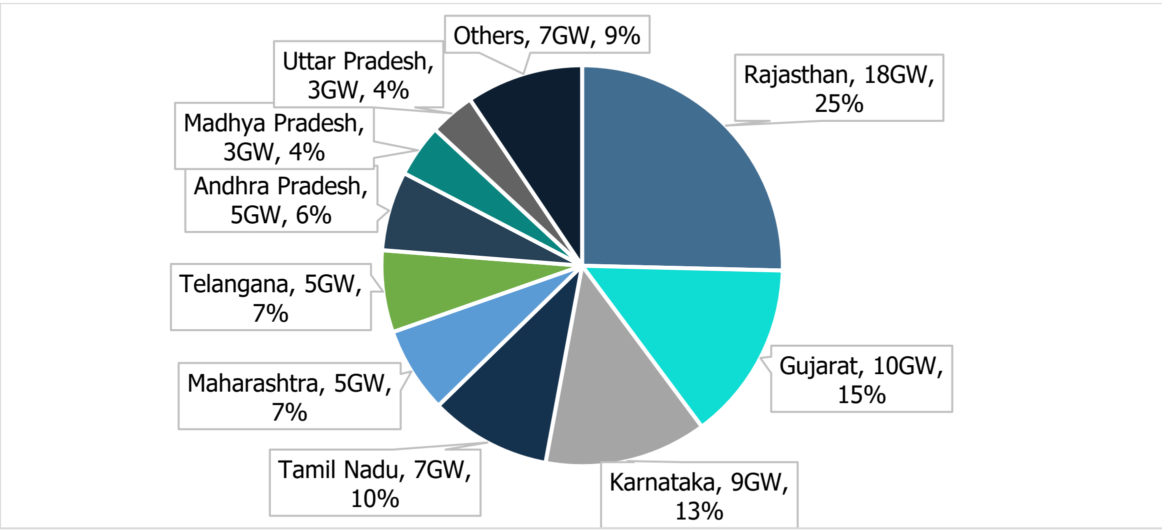
While, for wind energy segment the common application involve usage as surface protection of wind turbine blades, bonding composite materials used in wind turbine blades, assembly of various components in wind turbine towers, corrosion protection etc.

The outlook for the global wind and solar energy segments is largely positive, with ongoing trends favoring the growth of renewable energy. This bodes well for capacitor films segment in long run.

Trend in Solar Installations



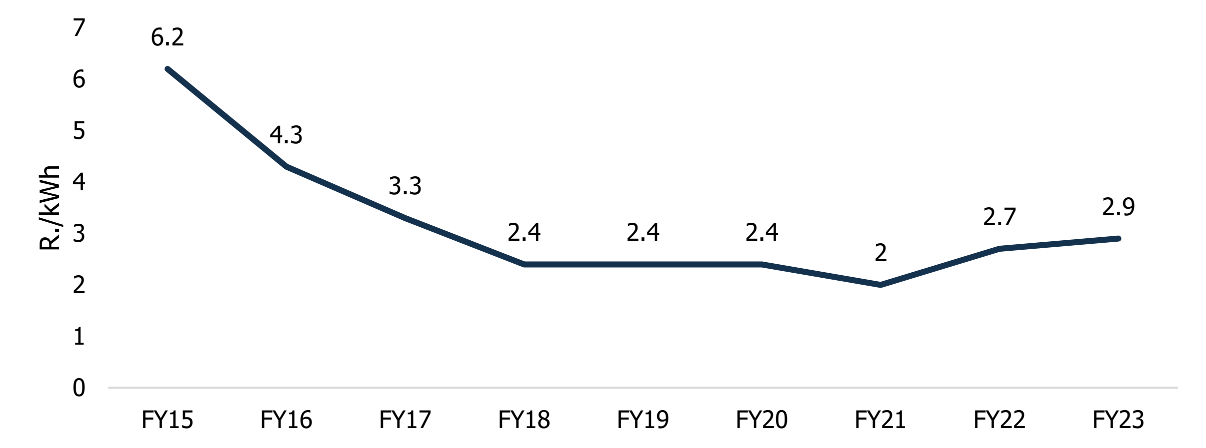
State-Wise Installed Capacity of Solar as of September 2023



Solar Tariff Trend

The solar tariffs in India are now competitive and have achieved grid parity due to technological improvements, economies of scale, and reduction in solar cells/module prices. There has been a steep decrease in solar tariffs in India from Rs. 6.2 kWh in FY15 to Rs. 2.9 in FY23.

Trend in Solar Tariff



Source: MNRE, CareEdge Research ; Note: For FY22 and FY23, tariffs represent average of projects bid during the respective periods.

Growth Drivers for Solar Segment

- *Declining Prices of Modules and Other System Components*

  Solar module costs have sharply declined over the past decade. Whereas the balance of system cost has been reduced due to technological advancements, better designs leading to low material consumption, product standardization, economies of scale, etc. The declining cost has further led to lower funding requirements and improvement in the overall project economics of the solar power projects.

- *Fiscal and Regulatory Incentives*

  India's present electricity generation is highly reliant on non-renewable natural resources like coal. Government initiatives such as subsidy programmes and laws are pushing power production firms to engage in this industry. These include Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan Yojana, Rooftop Phase-II, Atmanirbhar Bharat- PLI scheme in Solar PV manufacturing, imposition of Basic Customs Duty of 25% on solar cells and 40% on solar modules, 100% FDI, waiver of ISTS charges, setting up ultra-mega RE parks, grid-connected rooftop solar scheme, etc. To ensure timely payment to the RE generators, the government has issued orders that power shall be dispatched against the letter of credit or advance payment

- *Renewable Purchase Obligation ("**RPO**")*

  The Ministry of Power has declared the RPO target till FY30 by which the obligated entities are obliged to purchase a certain percentage of electricity from renewable energy sources, as a percentage of the total consumption of electricity or buy, in lieu of that, renewable energy certificates (REC) from the market. As per the targets set, an RPO of 43.33% is proposed to be achieved by FY30.

- *Infrastructure Support from the Government*

  The Ministry of New and Renewable Energy (MNRE) is implementing the scheme for the development of solar parks and ultra-mega solar power projects, under which, the infrastructure such as land, roads, transmission systems (internal and external), pooling stations, etc., is developed with all statutory clearances/approvals. Thus, solar project developers have plug-and-play benefits.

  Further, under Mode 8 of the Solar Park Scheme, a facilitation charge of Rs. 0.05/unit of power being generated from the projects in the parks is provided to the states in order to encourage the state governments to provide necessary assistance to the Solar Power Park Developers (SPPDs) in identification and acquisition of land, to facilitate in obtaining all required statutory clearances, etc.

- *Traction in the Commercial and Industrial Segment*

  The Commercial and Industrial ("**C&I**") segment is increasingly looking to procure solar power for their operations either through rooftop solar projects or through open access. This preference is being driven by the following factors: (a) commitment of corporates to decarbonizing their operations and supply chains, driven by ESG considerations; and (b) improvement in economic viability given the decline in project costs. Considering that the C&I segment consumes more than half of the power consumed in the country, the growing preference of this segment towards renewable energy will drive solar capacity additions.

- *Green-Term Ahead Market*

  The Green-Term Ahead Market ("**GTAM**") platform was launched in September 2020 to enable bulk electricity buyers (DISCOMs and corporates with more than 1MW contracted load) to procure renewable energy on a short-term basis from sellers (merchant RE producers, DISCOMs having excess RE beyond RPO, etc.). This platform is targeted at encouraging RE-rich states to develop RE beyond their RPO. Furthermore, it would also encourage more merchant power capacities

- *Low Cost, Construction and Operation Risk*

  Amongst the renewable power sources, solar is the least expensive technology, as per MW basis. Further, the construction timeline of solar capacities is lower compared to most other power generation technologies. Considering the shorter construction timelines, the construction risk for solar power is lower.

- *Waiver of ISTS Charges*

  The Ministry of Power first announced the waiver of the inter-state transmission system (ISTS) charges on the transmission of electricity generated from solar and wind projects in 2019. The ministry has been extending the deadline to encourage further development of renewable energy projects. The CERC extended the commissioning deadline of solar and wind projects to be eligible for a waiver of ISTS charges to October 1, 2023, from June 30, 2023. The ISTS charges waiver shall be applicable for 25 years from the date of commissioning for the transmission of power to entities having RPO. Furthermore, the CERC notified the CERC (Sharing of ISTS Charges and Losses) (First Amendment) Regulations, 2023, which shall come into effect from October 1, 2023. Under this regulation, the ISTS charges shall be waived for a period of 25 years for renewable energy generating stations, renewable energy hybrid generating stations, and pumped hydroelectric stations, which shall commence operations up to June 30, 2025.

- *Fewer Environmental Concerns Unlike Thermal Power*

  There are no significant emissions during solar power generation. Therefore, there are fewer environmental concerns with solar power generation, unlike thermal power.

- *Implementation of New Technologies*

  India has been experimenting with new techniques to place solar power in agricultural lands, canals, and other bodies of water. These new and novel technologies, such as agrivoltaics, canal top PV, and floating PV, are still in their early stages of development and have higher installation prices. However, they present significant opportunities for future growth.

- *PLI Scheme for Domestic Module Manufacturers*

  In November 2020, the government approved the PLI scheme for High Efficiency Solar PV Modules (Tranche-I) with a proposed outlay of Rs 4,500 crore. The allocation under this scheme was fully utilized. Subsequently, the government approved Tranche-II of the PLI scheme in September 2022 with an outlay of Rs 19,500 crore. Under this scheme, PLI will be disbursed for 5 years post-commissioning of solar PV manufacturing plants on sales of high-efficiency solar PV modules from the domestic market. The scheme envisages 65,000 MW per annum manufacturing capacity of fully and partially integrated solar PV modules at an investment of Rs 94,000 crore and import substitution of Rs 1.37 lakh crore.

- *Interest from International Investors*

  The government's thrust on the sector, ambitious renewable energy targets, and consistently growing power demand coupled with the security of government-backed 25-year PPAs, are key factors attracting the interest of global investors to the renewable energy sector in India. FDI up to 100% is permitted in the renewable energy sector under the automatic route. No prior government approval is required.

- *Decarbonization Efforts by Corporations*

  Many Indian corporates are taking efforts to decarbonize internally and become carbon-neutral by 2050. These companies have increased investments in areas like renewable power, waste heat recovery systems, efficient machinery, and renewable fuels. They have also started to help their suppliers and other members of the value chain to achieve sustainability. Besides, companies have started to set carbon pricing to ensure that the targets are achieved.

Overview on Cast Extruded Films Market

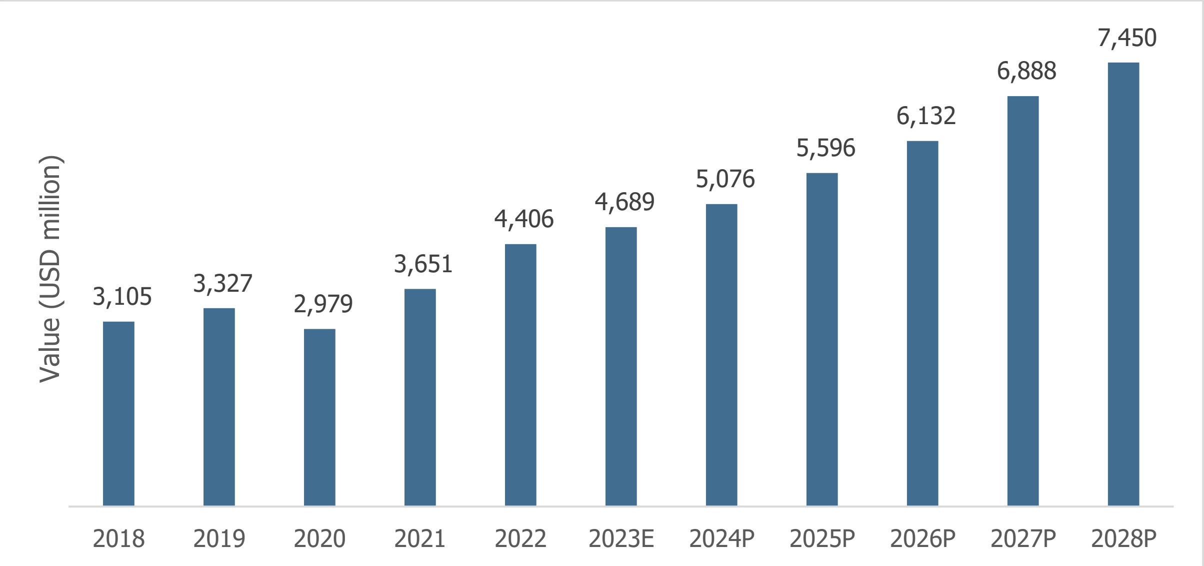
Specialty coextruded cast films refer to a category of plastic films that are produced using a coextrusion process, involving the simultaneous extrusion of multiple layers of different materials. These films are designed for specific applications that require unique properties, such as enhanced barrier performance, high strength, optical clarity, or other customized characteristics. These largely include:

- Stretch Wrap Film - Cast coextruded LLDPE based film designed for use in pallet stretch wrap and food bundle overwraps.
- Soft Blister Film - Specially formulated coextruded film for medical disposables packaging.
- Release Film - Embossed or plain films based on polyethylene tailor-made for use in rubber, tyre & tread and conveyor belting industry.
- Cast Polypropylene Film - Unoriented polypropylene film for application in packaging & lamination and stationery products. Available in natural (high transparent) or white and various grades including Heat Sealable, Restorable, Metallisable, Cold Twist Wrap, Embossed and High Stiffness.
- Hygiene film - Specially formulated cast coextruded film based on polyethylene for use as diaper backing film, in sanitary napkins and in surgical drapes.

Indian Cast Extruded Films Market

The Indian cast extruded films market size was valued at USD 4,406 million in 2022, which is further expected to reach USD 4,689 million in 2023. For the forecast period 2024-2028, the market size is foreseen to expand at a CAGR of 10%.

Indian Market Size of Cast Extruded Films

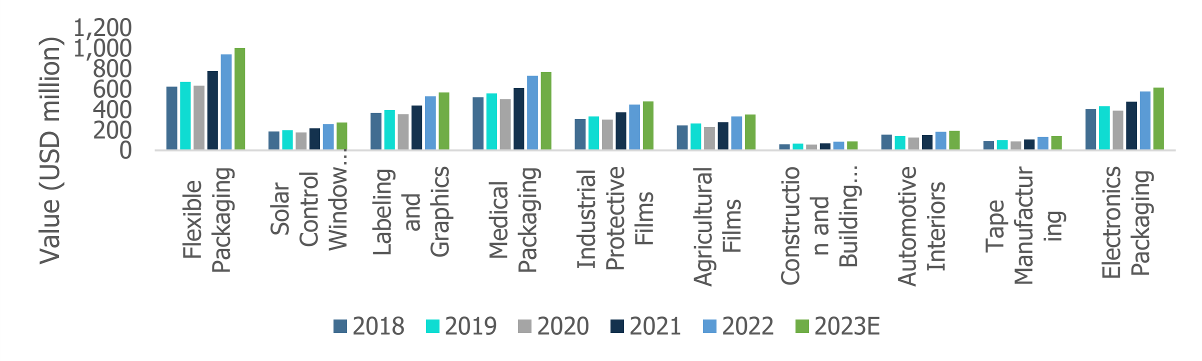


Note: E-Estimated; Source: Maia Research, CareEdge Research

Market Analysis by Application for Cast Extruded Films

In India, major segments where cast extruded films are used include Flexible Packaging, Solar Control Window Films, Labelling and Graphics, Medical Packaging, Industrial Protective Films, Agricultural Films, Construction and Building Materials, Automotive Interiors, Tape Manufacturing, Electronics Packaging and Other segments. Wherein, flexible packaging held major share with 21% in 2022, followed by medical packaging 17%, electronic packaging 13%, labelling and graphics 12% and industrial protective film 10%.

Market Analysis of Cast Extruded Films by Application for India



Note: E-Estimated; Source: Maia Research, CareEdge Research

The major contributor segment flexible packaging segment contributed about USD 942 million in 2022 to cast extruded films market which is expected to reach USD 104 million by 2023. Overall, the growth of each of these segments is expected to drive demand for cast extruded films market.

These films play various roles in the tyre manufacturing and automotive industries, contributing to the production, performance, and appearance of tyres as well. The tyre industry was valued to about USD 4,735 million in 2022 and is further expected to increase to USD 5,040 million in 2023.

The tyre industry is closely tied to the automotive sector. As the automotive industry undergoes transformations, including the shift toward EVs, autonomous driving, and lightweight materials, the tyre industry adjusts to meet the changing demands. There is a growing demand for high-performance tyres, driven by consumer preferences for improved handling, fuel efficiency, and safety. This ultimately augurs well for cast extruded films segment.

Overview on Indian Tyre Industry

The tyre industry in India has the potential to become a global leader in Indian manufacturing, especially with the current search for alternatives to China due to geo-political tensions. The industry exemplifies the Make in India initiative, having achieved self-reliance and emerging as a major exporter of tyres to over 170 countries, including the US and Europe as evidenced by the rising demand for Indian-made tyres.

In FY23, the tyre industry witnessed growth driven by domestic demand from Original Equipment Manufacturers ("**OEM**") as well as replacement segments. The recovery in the automotive industry was largely led by a revival in the passenger vehicle as well as commercial vehicle space. The demand outlook, especially in PV & CV space in India continued to grow, while demand in the replacement segment remains muted. The size of the Indian tyre industry is estimated to be around Rs 75,000 crores in 2021-22 as per the Automotive Tyre Manufacturers Association ("**ATMA**"). With 28 tyre companies and 62 tyre manufacturing plants, this sector produces the largest variety of tyres in the world.

The tyres industry has high correlation with the automobile industry. Over the past few years, the production of tyre industry has been in line with the production and sales of the automobiles. Apart from the demand for tyres from the auto OEMs (Original Equipment Manufacturers), the industry's demand is also supported by stable replacement volumes which constitutes approximately half of the total demand for tyres.

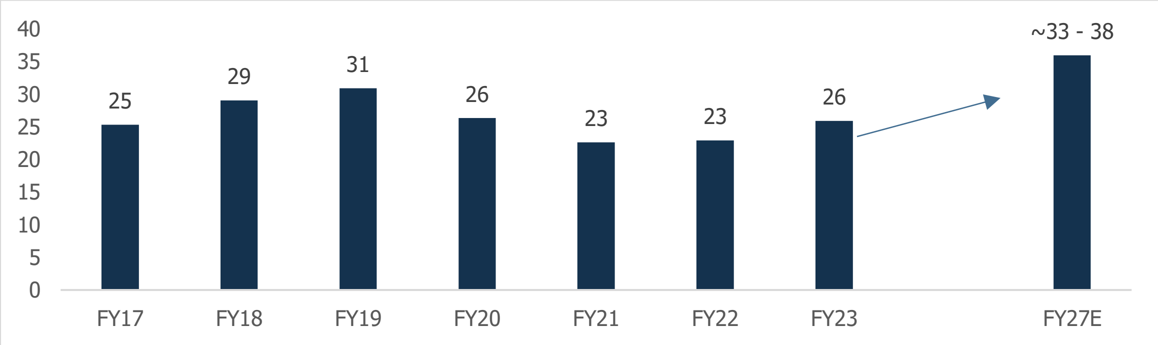
India Automobile Industry Production Trend (in units)

Category	FY18	FY19	FY20	FY21	FY22	FY23
Passenger Vehicles	4,020,267	4,028,471	3,424,564	3,062,280	3,650,698	45,78,639
Commercial Vehicles	895,448	1,112,405	756,725	624,939	805,527	10,35,626
Three Wheelers	1,022,181	1,268,833	1,132,982	614,613	7,58,669	8,55,696
Two Wheelers	23,154,838	24,499,777	21,032,927	18,349,941	1,78,21,111	1,94,59,009
Total	**29,094,447**	**30,914,874**	**26,353,293**	**22,655,609**	**2,30,40,066**	**2,59,31,867**

Source: SIAM, CareEdge Research; Note: Data excludes quadricycles production trend

India's total tyre exports grew with a CAGR of 18% over FY18-FY23 with India's tyre imports declined at a CAGR of 39.6% over the same period.

Outlook for Indian automobile industry production (in million units)



Source: CareEdge Research estimates, SIAM

<u>Overview on Indian Hygiene Industry</u>

The personal hygiene market covers a broad spectrum of products and practices designed to promote cleanliness, health, and well-being. This includes feminine hygiene products, incontinence garments, disinfectants, hand sanitisers, masks, gloves, stretchable caps, and antimicrobial wipes.

Key Growth Drivers:

- <u>Increasing Awareness of Hygiene's Role in Preventing Diseases</u>

  The sudden awareness of hygiene's crucial role in preventing disease transmission has spurred unprecedented market growth for health and hygiene players. This is significantly attributed to the pandemic's impact. Accordingly, market players have leveraged the opportunity, thereby converting their assembly lines into hygiene product manufacturing units. Further, the focus on health and hygiene has increased due to the rising prevalence of infectious and chronic diseases. Personal hygiene is pivotal in preventing disease spread and elevating overall quality of life.

- <u>Rising Disposable Incomes</u>

  The thriving economy translates to increased disposable income further leading to higher expenditure on personal care products. Similarly, this further facilitates consumerism which drives the demand for diverse products in diverse industries. Rising disposable income is often associated with an improved standard of living. As people experience an increase in their financial resources, they tend to prioritize personal care and hygiene to maintain or enhance their quality of life. Moreover, with more disposable income, individuals are likely to prioritize health and wellness. Personal care and hygiene products are seen as essential for maintaining good health, preventing illness, and promoting overall well-being.

- <u>Growing Urbanization and Changing Lifestyles</u>

  The surging urbanization has increased the adoption of hygiene products. People are increasingly utilising convenient and on-the-go personal hygiene items to align with their busy lifestyles. In addition, the preference for easy-to-use and portable products, such as wet wipes, pocket sanitisers, and travel-sized items, is on the rise, saving time while enhancing hygiene. Besides, the growing demand for workplace-friendly feminine hygiene products contributes to market growth. Further, innovations like eco-friendly and organic hygiene solutions are gaining traction due to changing lifestyles and increased environmental consciousness.

- <u>Advancements in Product Formulation and Packaging Technologies</u>

  Ongoing advancements in product formulations and packaging technologies have facilitated more advanced and effective hygiene solutions. Consumers seeking enhanced products are drawn to these innovations, indicating a shift in trends and the integration of these products into regular consumer routines.

- <u>Expanding Distribution Channels and E-Commerce Platforms</u>

  The expansion of distribution channels and the rise of e-commerce platforms have made hygiene products more accessible across various regions. This convenience factor has played a significant role in driving industry growth.

Challenges

- <u>Poverty is High in Developing and Under-Developed Countries</u>

High levels of poverty persist in developing and underdeveloped countries. People in these regions prioritize income to meet immediate needs like food and clothing, relegating sanitation and hygiene to lower priority. On the other hand, due to poverty, the scarcity of resources makes it difficult for individuals to afford basic hygiene items, such as soap for handwashing. For instance, some women in rural parts of India resort to using alternatives like cloth, dried leaves, newspapers, or ashes during their menstrual cycles due to financial constraints. This lack of awareness about needs and demands, particularly in remote rural areas, complicates setting implementation priorities.

- Lack of Information on Hygiene Infrastructure and Practices

  Due lack of information on hygiene infrastructure and practices poses a challenge. The lack of recent and reliable data on the status of existing hygiene infrastructure and practices, including their functionality and the benefits of certain hygiene practices, hinders effective planning. In rural areas, where information might exist, high levels of illiteracy impede community members from comprehending hygiene messages, making implementation challenging. Some people only access hygiene information in fragments, lacking full awareness of the benefits, further complicating implementation.

- Cultural and Behavioral Factors

  Cultural and behavioral factors profoundly influence the behaviors and beliefs of individuals, leading people in developing nations to resist new hygiene facilities and ideas. Additionally, cultural differences result in varied perspectives on hygiene between men and women. Different ethnic groups hold diverse beliefs and customs related to hygiene, requiring sensitivity to cultural nuances when introducing new products and overcoming traditional practices.

- Competition and Market Saturation

  Intense competition and market saturation are prevalent in the hygiene industry. Saturation in certain product categories poses challenges for companies aiming to differentiate themselves in the market. Therefore, continuous innovation becomes crucial for staying ahead and maintaining a competitive edge.

- Economic Volatility

  Economic volatility can impact consumer spending patterns. During economic downturns, consumers may reduce non-essential purchases, affecting the sales of certain hygiene products. This economic uncertainty adds another layer of challenge for businesses in the hygiene industry.

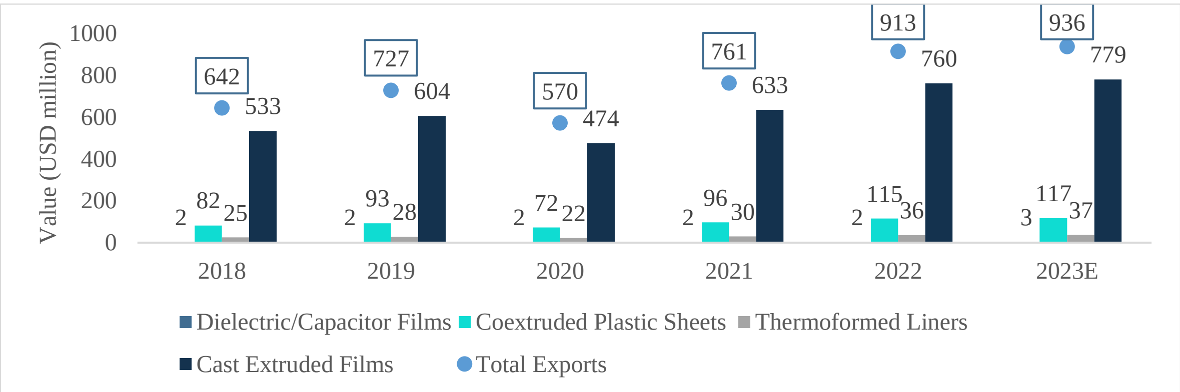
Government Schemes for Menstrual Hygiene

The Ministry of Health and Family Welfare has introduced a scheme for the promotion of menstrual hygiene among adolescent girls in the age group of 10-19 years in rural areas. The scheme was initially implemented in 2011 in 107 selected districts in 17 States wherein a pack of six sanitary napkins called "Freedays" was provided to rural adolescent girls for Rs. 6.

Export and Import Trend of Polymer Films and Sheets

Over the past five years (2018-2022), the export trend for these four segments have registered growth at a CAGR of 9%. Wherein, Cast Extruded Films remain the major product segment for exports. The total exports of these four segments were valued at USD 913 million in 2022, which is expected to reach USD 936 million in 2023.

Export Trend



Note: E-Estimated; Source: Maia Research, CareEdge Research

In 2022, the key 5 destinations for exports include USA with major share of about 51%, followed by UAE 9%, UK 9%, Australia 5%, Germany 4% and remaining countries 22%. This market share trend is expected to remain nearly same in 2023 as well. The exports to USA were valued at USD 467 million in 2022 and is expected to increase at USD 476 million in 2023.

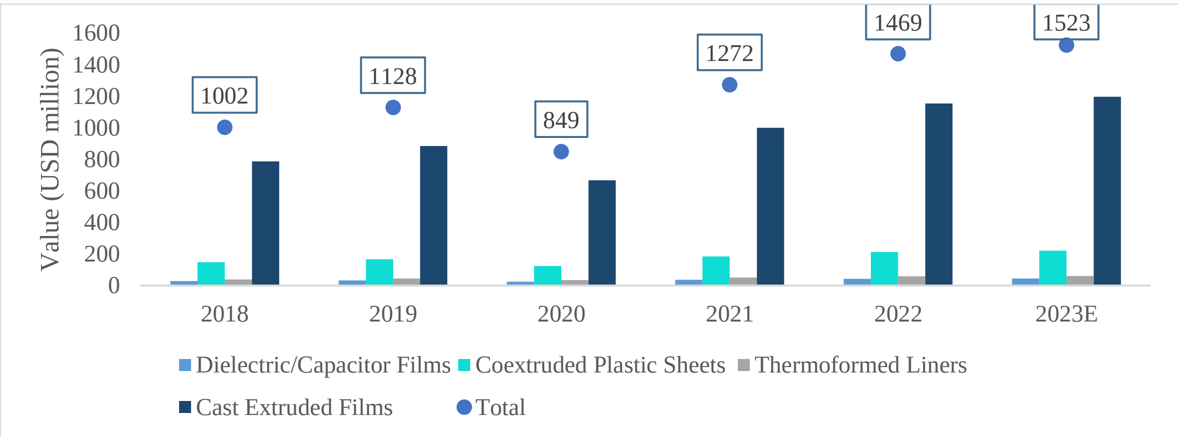
Top 5 export destinations

Top 5 destinations	2018 (USD Million)	2019 (USD Million)	2020 (USD Million)	2021 (USD Million)	2022 (USD Million)	2023E (USD Million)
USA	339	382	297	394	467	476
UAE	56	65	51	68	83	86
UK	57	64	50	66	79	81
Australia	33	37	29	39	47	49
Germany	29	33	26	34	41	42

Note: E-Estimated; Source: Maia Research, CareEdge Research

The import trend for these four segments was valued at USD 1,469 million in 2022 which is expected to reach USD 1,523 million in 2023. The main reason leading for increased imports is competitive pricing in India. However, for the long run, India is striving to reduce the import dependence.

Import Trend



Note: E-Estimated; Source: Maia Research, CareEdge Research

Government Policies

The government is consistently supporting polymer processing sector through various PLI as well as export incentive schemes. Some of these are as below:

- Export Incentive Schemes – Foreign trade policy has introduced the Merchandise Exports from India Scheme (MEIS) in order to provide incentives to the exporters of goods. Merchandise Exporter (including SEZ Units and EOU Units not availing Direct Taxation benefits) is covered under the scheme which is eligible for rewards in the form of 'Duty Credit Scrips'. Under the duty exemption and remission schemes enable you to the duty-free import of inputs for export production with export obligation. This export incentive scheme consists of:
    - *Advance Authorization Scheme*: Under this scheme of advance authorisation duty-free import of inputs are allowed which are physically incorporated in the export product with minimum 15% value addition. This scheme has a validity of 12 months for making imports and a period of 18 months for the fulfilment of Export from the date of issue.
    - *Advance Authorization for annual requirement*: Exporters having past export (for at least 2 years) are sanctioned to Advance Authorization for the Annual requirement and only issued for items having Standard Input Output Norms.
    - *Duty-Free Import Authorization ("**DFIA**") Scheme*: DFIA is issued in order to allow duty-free import of input with a minimum requirement of 20% and are exempted only from the payment of basic customs duty.

- Duty Drawback of Customs/Central Excise Duties/Service Tax: Under this scheme product made out of duty paid inputs first exported and thereafter refund of duty is claimed which are administered by Department of Revenue in two ways: (i) All Industry Rates: As per Schedule; or (ii) Brand Rate: As per application on the basis of data/document. Under Export Promotion Capital Goods ("**EPCG**") scheme import of capital goods at zero customs duty is allowed under export incentive scheme for producing quality goods and services to enhance India's export competitiveness and also allow you import of capital goods for pre-production and post-production.

- PLI Programs – On November 20, 2020, the Cabinet approved a PLI program for 10 high-potential industries, including automotive, batteries, pharmaceuticals, telecommunications networks, food and textiles. The scheme, which is expected to provide benefits worth USD 19.72 billion over five years, will set a high bar for businesses to take advantage of the incentives. The initiative reasserts the government's 'Make in India' target and removes long-standing bias against MSMEs. By helping the manufacturing sector ensure economies of scale with modern, high-end technologies, the program will promote investment, attract foreign direct investment, expand domestic capacity and improve competitiveness.

COMPETITIVE ANALYSIS

Dielectric / Capacitor Films Competitive Analysis

Xpro India Ltd.

XPRO India Ltd is mainly engaged in the business of polymer processing at multiple locations and is a manufacturer in India of coextruded plastic films, thermoformed liners, coextruded cast films and speciality films (including dielectric films and special purpose BOPP Films).

In its Coextruded Products, Xpro manufactures coextruded multilayer plastic sheets and coextruded multilayer cast films and operates eight multilayer sheet lines and five sophisticated thermoforming systems designed for forming of refrigerator door and cabinet liners, as well as two co-extruded multilayer cast film manufacturing lines.

Primary application of coextruded multilayer plastic sheets are for refrigerator door and cabinet liners, while coextruded multilayer cast films find application as release films in tyre and tread industry and in hygiene (including sanitary napkins and diapers) industry.

Biaxial dielectric films are used as key components in capacitors of various sizes. Xpro's dielectric films are specially designed polypropylene films, manufactured in highly specialized equipment through a stenter process in controlled environments and ultra-clean room conditions for a wide range of applications in the capacitor industry.

The wide range of dielectric/capacitor film products includes normal/smooth films modified for good metallisation with aluminium, zinc, or alloy and winding, for normal and high-temperature applications, High Temperature and High temperature Super grade Dielectric Films, Semi-rough films for metallisation and oil impregnation for locomotive applications, and Hazy (Rough) films for oil impregnation capacitors.

Application areas include use in Capacitors for use in Fan, Cooler, Washing Machine and Air Conditioners, Power Transmission & Distribution Capacitors, Power Film/Electronic Capacitors, Magnetic Lighting Ballast Capacitors, Motor Run Capacitors, Microwave Oven Capacitors, Low Voltage industrial Power Factor Correction Capacitors, AC and Pulse Film Capacitors, Interference Suppression Capacitors, Energy Storage applications, DC Link Capacitors, Capacitors for Hybrid/EV cars, and use in Non-conventional energy systems.

Xpro India Limited produced 26,607 MT in FY23. This mainly includes Dielectric Films and Coextruded products.

Financials

Financials of XPRO India Ltd. (Figures are in Rs. Crs)

Particulars	FY21	FY22	FY23	H1FY23	H1FY24
Revenue	373.35	471.72	510.97	293.64	240.87
EBITDA	40.30	63.82	74.43	42.14	34.15
EBITDA Margin(%)	10.79%	13.53%	14.57%	14.35%	14.18%
PAT	8.35	44.93	45.36	34.62	20.77
PAT Margin(%)	2.24%	9.53%	8.88%	11.79%	8.62%
ROCE	12.52%	19.93%	23.33%	14.73%	7.59%

Particulars	FY21	FY22	FY23	H1FY23	H1FY24
Production:					
Dielectric Films	3353 MT	3833 MT	3635 MT		
Coextruded Products	25125 MT	23919 MT	22972 MT		

Source: Company Annual Report; CareEdge Research

Jindal Poly Films Limited

Jindal Poly Films Limited is a part of B.C. Jindal Group, offering a wide range of products including polyester & polypropylene films, power generation, cold rolled steel strips, galvanized sheets, etc and hence are into multiple business other than dielectric/capacitor films.

The company started producing polyester yarn in 1985 and diversified in 1996 by producing BOPET films. In 2003, the company acquired Rexor S.A.S in France, which produces metallised and coated films, tear tape, stamping foil, security thread, and other high-value products.

The manufacturing plant at Nashik in Maharashtra is the world's largest facility for the production of BOPET and BOPP films. They are also the 8th largest BOPET film manufacturer in the world.

From 2019 onwards the company's production capacity enhancement was done to take BOPP capacity to 2,94,200 TPA and BOPET capacity to 1,70,000 TPA. Jindal Poly Films Limited has multiple line of business other than Dielectric Films.

Financials

Particulars	FY21	FY22	FY23	H1FY23	H1FY24
Revenue	4082.28	5877.58	4696.87	3006.61	1865.25
EBITDA	1100.47	1412.52	360.42	415.86	38.73
EBITDA Margin(%)	26.96%	24.03%	7.67%	13.83%	2.08%
PAT	790.88	1196.23	318.93	800.55	109.80
PAT Margin(%)	19.37%	20.35%	6.79%	26.63%	5.89%
ROCE	26.86%	25.00%	2.25%	3.69%	-0.81%
Capacity					
BOPET	1,70,000 TPA	1,70,000 TPA	1,70,000 TPA		
BOPP	2,94,200 TPA	2,94,200 TPA	2,94,200 TPA		
CPP	33600 TPA	33600 TPA	33600 TPA		

Source: Jindal Poly Films Limited's Annual Report; CareEdge Research

Coextruded Plastic Sheets, Thermoformed Liners, Cast Extruded Sheets Competitive Analysis

Toray Films

Toray Group was established in 1926, as a manufacturer of viscose rayon alongside all three major synthetic fibres such as nylon, polyester, and acrylic.

Toray Group combines nanotechnology with its core technologies of organic synthetic chemistry, polymer chemistry and biotechnology, based on which it globally develops the foundation businesses of fibres & textiles and plastics & chemicals as well as businesses such as IT-related products, carbon fibre composite materials, pharmaceuticals & medical products, and environment & engineering, including water treatment.

The head office is in Tokyo and they currently operate in 29 countries as of March 2023.

Financials

Particulars	CY21	CY22	CY23
Revenue	4855.28	4652.44	4859.75
EBITDA	1388.79	1361.84	1421.54
EBITDA Margin (%)	28.60%	29.27%	29.25%

Source: Maia Research Analysis; CareEdge Research

Amber Enterprises India Ltd.

Amber started its journey from a single factory in Punjab in 1994. Their manufacturing facilities have a high degree of backward integration and are strategically located.

Amber Enterprises India Ltd is a prominent solution provider for the HVAC Industry in India. It has a dominant presence in RACs complete built units and major RAC components with 27 manufacturing facilities across India focusing on different product segments. They are present in 9 states of India.

It has undertaken a journey from sheet metal manufacturing to becoming a recognised OEM player in the air conditioning industry. In 2011, the company was publicly listed and diversified its product portfolio in the segment of room air conditioners, components (RAC & non-RAC), motors, electronics, and mobile air conditioners through various acquisitions.

Financials

Particulars	FY21	FY22	FY23	H1FY23	H1FY24
Revenue	3030.52	4206.40	6927.10	2576.17	2629.05
EBITDA	220.29	275.38	417.93	135.92	191.48
EBITDA Margin(%)	7.27%	6.55%	6.03%	5.28%	7.28%
PAT	83.28	111.32	163.78	40.60	40.96
PAT Margin(%)	2.75%	2.65%	2.36%	1.58%	1.56%
ROCE	6.32%	5.97%	8.45%	2.29%	2.98%

Source: Company Annual Report; CareEdge Research

<u>Tervakovski Film</u>

Tervakoski Film started in 1921. It caters to the capacitor needs of multiple industries.

Tervakoski's hazy and metallised film can be used for all applications that require long durability and face high-stress levels. This includes a wide range of impregnated high voltage power and filter film capacitors (HVAC and HVDC) for HV power grids and metallised films for DC capacitors, e.g. for Smart Grid Applications.

Financials

Particulars	CY21	CY22	CY23
Revenue	355.74	345.15	372.11
EBITDA	94.68	88.23	94.35
EBITDA Margin(%)	26.62%	25.56%	25.36%

Source: Maia Research Analysis; CareEdge Research

OUR BUSINESS

Unless the context requires otherwise, the financial information corresponding to (i) Fiscals 2021, 2022 and 2023 has been derived from the Audited Consolidated Financial Statements, and (ii) the nine months ended December 31, 2022 and 2023 has been derived from the Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 and the Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023, respectively.

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the nine months ended December 31, 2022 and 2023 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Report on Polymer Processing Industry" dated January 2024, (the "**CareEdge Report**") prepared and issued by CARE Analytics and Advisory Private Limited and commissioned and paid for by our Company in connection with the Issue. The data included herein includes excerpts from the CareEdge Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CareEdge Report and included herein with respect to any particular calendar year or Fiscal refers to such information for the relevant calendar year or Fiscal.*

For further information, see "Industry Overview" on page 98 and "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate" on page 69. Also see "Industry and Market Data" on page 19.

Overview

Xpro India Limited is mainly engaged in the business of polymer processing at multiple locations and is a manufacturer in India of coextruded plastic films, thermoformed components, coextruded cast films and speciality films (including dielectric films and special purpose biaxilliary oriented polypropylene ("**BOPP**") Films) . We supply a wide range of products to domestic and international customers operating in electronics, capacitor, white goods (refrigerator), hygiene products and tyre manufacturing sectors. We have long-standing relationships with some of the major Indian and global companies such as Voltas Beko, MRL Tyre, Super Electro Films, Dhruv Industries Limited, JK Tyre, IFB Refrigeration, Supreme Petrochem and Starion India, to name a few. Our strong R&D capabilities enable us to provide tailor-made & specialised solutions for customers, making us the preferred partner of choice. We currently own and operate three facilities in India across West Bengal, Uttar Pradesh and Maharashtra. Due to our large manufacturing capacity, size and the trust created with the marquee customers who have been our long-term clients, we believe our Company has been able to create a market advantage and raised high entry barriers for our potential competition.

Our Company was established as a separate entity via a corporate demerger in 1998 and the units comprising our Company have long been in existence, giving it over 27 years of experience in the extrusion/coextrusion field. We thus aggregate years of experience and are a robust, maturing organization driven by a deep India-centric self-sufficient model.

We are a professionally managed arm of one of India's largest and reputed Industrial House – the BIRLA family. We have a dedicated, and competent workforce of well-trained employees placed at various locations. Manufacturing at all units is carried out by qualified personnel under stringent guidelines and quality standards. For us, continuous product development and high customer service levels are key areas, with an underlying philosophy of providing the highest level of satisfaction to customers, and a passion to ethically excel in all areas of activity.

Our operations are focused on our core competencies, namely polymers processing, and our operations have been structured between Barjora (West Bengal) plant that manufactures a range of dielectric BOPP capacitor films and Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) plants that manufactures polymer based coextruded products (i.e., coextruded plastic sheets, thermoformed components refrigerator liners and coextruded cast films).

The wide range of extruded products and derivatives we manufacture includes coextruded plastic sheets with primary applications for refrigerator door and cabinet liners, and coextruded multilayer cast films finding application as release films in tyre and tread industry and in hygiene (including sanitary napkins and diapers) industry (*Source: CareEdge Report*). Furthermore, the wide range of dielectric film products we manufacture includes normal/smooth films modified with aluminium, zinc, or alloys for good metallization, as well as winding, high-temperature super, cloudy/rough and semi-rough films for room temperature, and high-temperature applications. These films range in thickness from 3 µm to 12 µm. Dielectric films are ideally suited for high performance capacitors, both for normal and high temperature applications, high temperature super grade for AC ageing and ripple current condition at elevated temperature; high roughness/hazy films for oil impregnated medium- and high-voltage application capacitors; and semi-rough films for metallization and oil impregnation for capacitors for AC/DC applications in locomotive & traction control applications (*Source: CareEdge Report*).

Our range of products are critical to the modern industrial manufacturing process of various products, such as fan, cooler, washing machine and air conditioners capacitors, power transmission and distribution capacitors, hybrid or electronic vehicles ("**EV**") cars capacitors, refrigerators, and tyres, among others. In Fiscal 2023 and the nine months ended December 31, 2023, sales of coextruded sheets, cast films and liners represented 67.62% and 66.74% of our revenue from operations, respectively, while sales of biaxially oriented films represented 30.60% and 32.44% of our revenue from operations, respectively.

We directly market our products and services through our marketing team to potential customers within and outside India. Our strong relationships with our customers as well as our strategy to cross-sell our product to existing customers enables us to market our products with a relatively low marketing cost. We also have a strong focus on R&D and as our customers' requirements and specifications can vary across their facilities, our technical teams also focused on development of customized products and services for such customers, which is an iterative process.

As of December 31, 2023, our Company owned and operated three facilities in India, located at Barjora (West Bengal) for the manufacturing of dielectric films with an aggregate production capacity of 4000 MTPA and at Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) for the manufacturing of polymer based coextruded products (i.e., coextruded plastic sheets, thermoformed refrigerator liners and coextruded cast films) with an aggregate production capacity of 12,200 MTPA and 32,500 MTPA, respectively. Our continuous product development for specific applications and equipment updates has helped us in proactively developing technically and ecologically sustainable solutions with clear customer benefits.

Furthermore, India continues to be an attractive growth market for the industrial film industry, driven by ever-increasing demand for such products. According to CareEdge's research, India's dielectric / capacitor films market is anticipated to grow at a CAGR of 11%, India's coextruded plastic sheets market is anticipated to grow at a CAGR of 9.6%, India's thermoformed components market is anticipated to grow at a CAGR of 10% and India's cast extruded films market is anticipated to grow at a CAGR of 10%, for the period between 2024 and 2028 (*Source: CareEdge Report*). The growth in demand is expected to be also supported by India's vision of becoming a US$5 trillion economy by Fiscals 2027 to 2028, and a US$7 trillion economy by 2030, which in turn should drive the industries that are the key end-users of our products (*Source: CareEdge Report*).

The table below sets forth certain financial information for the periods mentioned below, based on our historical financial statements:

Metric	**For the nine months ended December 31, 2023**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Revenue from operations (₹ million)	3,370.01	5,109.70	4,717.20	3,733.54
Total income(1) (₹ million)	3,440.35	5,148.26	4,735.59	3,754.64
Profit before tax ("**PBT**") (₹ million)	436.42	592.31	405.88	134.80
PBT Margin(2)	12.95%	11.59%	8.60%	3.61%
Profit for the period / year (₹ million)	314.45	453.64	449.32	83.54
PAT Margin(3)	9.33%	8.88%	9.53%	2.24%
Basic earnings per share (₹)(4)	15.90	25.57	25.36(9)	7.07
EBITDA(5) (₹ million)	493.52	744.29	638.24	403.00
EBITDA Margin(6)	14.64%	14.57%	13.53%	10.79%
Return on Equity ("**RoE**")(7)	10.69	22.37	34.31	9.72
Return on Capital Employed ("**RoCE**")(8)	10.80	23.33	19.93	12.52

Notes:

(1) Total Income includes revenue from operations and other income.
(2) PBT Margin is calculated as profit before tax divided by revenue from operations.
(3) PAT Margin is calculated as profit for the period / year divided by revenue from operations.
(4) Basic earnings per share is calculated as the profit for the period / year attributable to equity shareholders divided by the weighted average number of equity shares outstanding during the period / year.
(5) EBITDA is calculated as profit for the period / year less other income and plus depreciation and amortisation expense, finance cost and total tax expense.
(6) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(7) RoE is calculated as profit for the period / year divided by Average Shareholder's Equity. Average Shareholder's Equity is the sum of the shareholder's equity value at the beginning and end of the period / year, divided by two.
(8) RoCE is defined as Earnings before Interest and Taxes divided by Capital Employed, where Capital Employed is total equity plus borrowings including Accrued Interest.
(9) This number has been adjusted and computed after considering the effect of 5,906,744 bonus shares issued during the year ended March 31, 2023.
(10) See also *"Presentation of Financial and Other Information – Non-GAAP financial measures"* on page 16 and *"Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Financial Metrics and Certain Non-GAAP Measures"* on page 152 for reconciliation of GAAP to Non-GAAP measures.

Strengths

Diversified multi-locational business operating in niche segments, catering to multiple end user segments and enjoying a strong brand equity

We enjoy a position in the dielectric/capacitor films industry as an Indian manufacturer of dielectric / capacitor films. We are also one of the players supplying coextruded plastic sheets and liners to the refrigerator industry in India. In terms of dielectric films, India remains a significant and growing market for this product with the market anticipated to grow at a CAGR of 11% for the period between 2024 and 2028 (*Source: CareEdge Report*).

Long standing relationships with marquee clientele and a growing client base

Our products and capabilities have also been well recognised by Indian customers. We have developed stable and long-term relationships with our customer base comprising of leading Indian and multinational corporations for more than 10 years. We have a strong list of customers comprising leading Indian and transnational companies (including Voltas Beko, MRL Tyre, Super Electro Films, Dhruv Industries Limited, JK Tyre, IFB Refrigeration, Supreme Petrochem and Starion India, among others) who have chosen us as a key partner over many years, recognizing our products' quality and consistency. Revenue from India and foreign markets such as the United States, Germany and Sri Lanka accounted for 97.36% and 2.64%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2021, 94.82% and 5.18%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2022, 96.55% and 3.45%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2023, 95.67% and 4.33%, respectively, of our revenue from operations (gross of freight & forwarding charges) in the nine months ended December 31, 2022, and 96.61% and 3.39%, respectively, of our revenue from operations(gross of freight & forwarding charges) in the nine months ended December 31, 2023.

A strong manufacturer of industrial polymer products in India, with a consistent track record of growth and improvement of financial metrics

The industry of polymers processing is diverse, with players ranging from miniscule to fairly-large capacities across different products. The profitability of companies in this sector depends upon various factors, such as, among others, product mix and market segment. As polymers are generally freely available at prices synchronized to global prices, technical and service competence are also key attributes to success and profitability. Our operations are backed by the necessary skills and expertise with our core competency lies particularly in the extrusion field, particularly co-extrusion. Our operations are also relatively capital intensive, with raw material and power constitute the largest proportions of direct costs. As our business is essentially a business-to-business supplier, its output is determined by the end-markets of its industrial clients, and as such, demand is affected by factors such as consumer sentiment, production of electrical goods and aggressive pricing tactics adopted by foreign suppliers. However, we believe that opportunities are substantial both in terms of market growth and product diversity, while threats from replacement products are relatively low.

Our ability to remain profitable continues to validate resilience of operations, marketing and technically sound product offerings. We completed an exercise of identifying and driving various sustainable cost reduction and operational efficiency improvement initiatives at our production units. We have demonstrated consistent improvement in our financial and operational metrics over the last three years. For example, our total income increased from ₹3,754.64 million for the year ended March 31, 2021 to ₹5,148.26 million for the year ended March 31, 2023; our profit for the year increased from ₹83.54 million for the year ended March 31, 2021 to ₹453.64 million for the year ended March 31, 2023; and our return on equity increased from 9.72% for the year ended March 31, 2021 to 22.37% for the year ended March 31, 2023.

Extensive manufacturing capacity with highly specialized equipment and technical capabilities

As of December 31, 2023, our Company owned and operated three facilities in India, namely at Barjora (West Bengal) for the manufacturing of Dielectric/Capacitor Films, with an aggregate production capacity of 4,000 MTPA and at Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) for the manufacture of coextruded plastic sheets, thermoformed components and coextruded cast plastic films, with an aggregate production capacity of 12,200 MTPA and 32,500 MTPA, respectively. Our capacity utilization rate in the dielectric/capacitor film line was 90.88% in Fiscal 2023 and 90.17% in the nine months ended December 31, 2023 (calculated as actual production volume divided by installed capacity for the nine months ended December 31, 2023 on a pro rata basis), reflecting near full capacity utilisation of effective capacity at current product mix. Our capacity utilisation rate (in aggregate) in the coextruded plastic sheets, thermoformed components and coextruded cast plastic films lines was 51.39% in Fiscal 2023 and 51.39% in the nine months ended December 31, 2023 (calculated as actual production volume divided by installed capacity for the nine months ended December 31, 2023 on a pro rata basis). Our capacity is designed on peak requirement basis considering the seasonality of the white goods (as other consumer durable) businesses. We carry the core competencies relating to polymer processing and the coextrusion process honed through years of experience of our team. Furthermore, our manufacturing units are self-sufficient managerially to perform their own duties and functions, with support provided at a corporate level as required.

Our dielectric films are specially designed polypropylene films, manufactured in highly specialized equipment through a stenter process in controlled environments and ultra-clean room conditions for a wide range of applications in the capacitor industry (*Source: CareEdge Report*). Our Greater Noida and Ranjangaon units operate multi-layer coextrusion sheet lines, multi-layer coextruded cast film lines and sophisticated thermoforming systems specially tailored for forming of refrigerator door and cabinet liners, designed for high production requirements with auto-sheet loading, pre-heat stations, full microprocessor control and fast tool change capabilities, for continuous vacuum forming for thick-wall applications.

Experienced Board and senior management team

The Board collectively has the governance and professional skills, knowledge and experience required to effectively govern and direct the Company. Sri Sidharth Birla is the Chairman of the Board and has years of experience in business and industry. The management of our organization and conduct of our affairs are handled by our Managing Director & Chief Executive Officer, C. Bhaskar, who leads our management team. We have a strong management team with our Senior President & Chief Operating Officer, H. Bakshi, holding operational responsibility for our day-to-day activities related to manufacturing units. Furthermore, our President (Finance) & Chief Financial Officer, Vinay Agarwal, heads the finance function discharging the responsibilities entrusted to him under the applicable regulations and by the Board. These senior officers are collectively entrusted with ensuring that all of our management functions are carried out effectively and professionally, and duly supported by an experienced team. For further information on our Board and senior management, see "*Board of Directors and Senior Management*" on page 166.

Strategies

India continues to be an attractive growth market for the industrial film industry, driven by ever-increasing demand for such products. According to CareEdge research, India's dielectric / capacitor films market is anticipated to grow at a CAGR of 11%, India's coextruded plastic sheets market is anticipated to grow at a CAGR of 9.6%, India's thermoformed components market is anticipated to grow at a CAGR of 10% and India's cast extruded films market is anticipated to grow at a CAGR of 10%, for the period between 2024 and 2028 (*Source: CareEdge Report*). The growth in demand is expected to be also supported by India's vision of becoming a US$5 trillion economy by Fiscals 2027 to 2028, and a US$7 trillion economy by 2030, which in turn should drive the industries that are the key end-users of our products (*Source: CareEdge Report*).

Expand and upgrade manufacturing capacities of existing products to meet future demands

In line with the Indian government's "Make in India" policy, which encourages companies to on-shore manufacturing in India for domestic customers, we intend to continue to manufacture products for the Indian market locally. We intend to increase our production capacity in India and increase the sales of products manufactured using such expanded capacity to customers in India in the coming years to gain even more competitive advantages available under the "Make in India" policy.

In relation to capacitor / dielectric films, given the use of such films in the production of capacitor, we expect further growth in demand for capacitor / dielectric films in line with growth in electronic production and consumption, including in the EV and solar energy segments (*Source: CareEdge Report*). Particularly in India, the growth in EV adoption is supported by the Government of India's push to expand EV charging infrastructure, the lack of which has been a key concern for customers who would like to purchase EVs (*Source: CareEdge Report*). Accordingly, we intend to expand our existing production and manufacturing capacities for dielectric films to meet the ever-increasing demand of the products we are currently offering.

In relation to coextruded plastic sheets and thermoformed components, both of which are used in the manufacturing of refrigerators, we expect the demand of both products to increase, as supported by the growing urbanisation and real-estate segment in India (*Source: CareEdge Report*). Furthermore, the Government of India is pushing for housing for the middle class and in rural areas, as can be seen from the focus in its interim budget (*Source: CareEdge Report*). India is close to achieving its target of 30 million units of rural housing and aims to build 20 million more units in the next five years (*Source: CareEdge Report*). This is expected to spur more demand in the mid-to-long term for consumer appliances like refrigerators, washing machines and AC, which would in turn increase the demand for coextruded plastic sheets and thermoformed components (*Source: CareEdge Report*). As such, we also intend to possibly expand our existing production and manufacturing capacities for coextruded plastic sheets and thermoformed components to meet any increase in demand.

Scaling our business to a global level

According to CareEdge research, the global dielectric / capacitor films market is anticipated to grow at a CAGR of 8.9%, global coextruded plastic sheets market is anticipated to grow at a CAGR of 7.3%, global thermoformed components market is anticipated to grow at a CAGR of 8.2% and global cast extruded films market is anticipated to grow at a CAGR of 7.8%, during the period between 2024 and 2028 (*Source: CareEdge Report*).

Among others, such growth is expected due to the anticipated growth in the global renewable energy, packaging, pharmaceutical, electronic devices and automotive sectors. Accordingly, we intend to expand our production capacity to meet such global demands and aim to be in the top five amongst non-Chinese companies in terms of production capacity for capacitor / dielectric films.

We currently export dielectric and specialized films to developed markets, such as the US and Germany, and export coextruded sheets for refrigerator application to neighbouring countries, such as Sri Lanka. Furthermore, our Board has approved the setting up of a subsidiary in the United Arab Emirates as a step towards enlarging our footprint in our industry's global supply chain and we aim to establish manufacturing capacities in the Middle East to meet the global demand of our products.

Continue to leverage existing R&D capabilities

We intend to continue to pursue our R&D efforts, with a focus on further customization of products in order to better serve our customers while ensuring cost efficiency and deliver world-class products to address emerging market opportunities both in the domestic and global markets. For example, we intend to leverage our competencies in product niche areas.

We intend to continue to invest in expanding our R&D team and capabilities to enable us to capitalize on long-term growth opportunities and help align ourselves with anticipated demand for our product segments and markets, and better position ourselves to meet the evolving requirements of our customers.

Deepen our commitment to sustainable manufacturing of our products

We undertake and implement an environmental management system and framework even as we continue to focus on value creation for our stakeholders. We enhanced our commitment to environment management by integrating environmentally friendly practices into our business model.

We have the necessary design, quality and inspection systems in place to ensure that the goods and services we provide are safe and sustainable throughout their life cycle. We currently have initiated the efforts to replace part of our energy consumption at the Ranjangaon unit with solar-based energy and to also use coal-based methane gas in place of conventional fuels at our Barjora unit. Furthermore, the location of our Greater Noida and Ranjangaon units are near our customers, thereby resulting in reduced transportation and the associated emission of carbon resulting from it. We remain committed towards ESG norms and protection of the environment, reduction in carbon emission, and utilization of CSR funds through various activities.

Awards and Recognition

We have consistently received awards on recognition and appreciation for vendor support, product development, quality and excellence by leading customers, including, among others:

- "Best Extrusion Processor" by Modern Plastics during Fiscal 2023;
- "Product Innovator of the Year in Petrochemicals" and "Sustainability Excellence in Safety in Petrochemicals" at the INDIA CHEM 2022 (under the auspices of the Ministry of Chemicals & Fertilizers);
- Gold Award at the 14th Quality Council of India DL Shah Quality Awards of the National Board of Quality Promotion; and
- Second Prize for "Excellence in Quality Management" and Second Prize for "Environment Management" and Certificate of Merit for "Excellence in Exports 2021-22" at the 47th ELCINA Awards.

Furthermore, our Barjora unit has been recognized with several awards during the current year, namely:

- "Excellence in Quality - Winner (SME)" and "Excellence in Innovation - Runner-Up (SME)" at the Machinist-Times of India Group Awards;
- Awards at the 48th ELCINA Awards for Outstanding Achievements under the following categories (for SMEs): (a) Quality – First Prize; (b) Research & Development – Second Prize; (c) Business Excellence – Second Prize; (d) Environment Protection & Sustainable Development – Certificate of Merit; and (e) Innovation – Certificate of Merit; and
- Leader in Water Management Award 2023 and FICCI Excellence in Plant Maintenance Silver Award and Winner in the Product Innovation Category (Discrete-Large Enterprises) at the QuPID Conference & Awards 2023.

Products

We offer a diverse product range for specialised applications with essential applications in high growth and sunrise sectors including white goods, hygiene products, EV and hybrid vehicles, and non-conventional energy. Our product range includes dielectric / capacitor films, coextruded plastic sheets, thermoformed components and multilayer cast coextruded films.

Coextruded plastic sheets, thermoformed components and coextruded cast plastic films

We manufacture coextruded sheets, thermoformed refrigerator liners and coextruded cast films at our Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) units. Our products are usually custom-made to suit our customer needs and based on various polymers including ABS, PP and PE. Spread across both our units, we operate eight multilayer sheet lines and five sophisticated thermoforming systems designed for forming of refrigerator door and cabinet liners, as well as two co-extruded multilayer cast film manufacturing lines *(Source: CareEdge Report)*.

For coextruded sheets, we offer a wide range of monolayer and coextruded plastic sheets that are produced based on various thermoplastic resins, such as ABS, PP and PE – all of which are specially designed to meet the customer needs and specifications. These sheets are available in cut or roll form, with thickness ranging from 0.2 mm to 7 mm, in widths up to 2,300 mm, and with embossed or plain finishes.

For thermoformed components, our thermoforming units are designed for high production requirements with auto-sheet loading, pre-heat stations, full microprocessor control and fast tool change capabilities. The primary application is for refrigerator inner and door liners, but the capabilities also extend to include automotive interior and exterior trims (such as dashboards, door panels, floor panels), electrical housings (such as light panels, streetlamps) and industrial trays for material handling.

For the cast coextruded films, we offer various specialty cast films, including (i) release films, which are polyethylene-based embossed or plain films that are tailor-made for use in rubber and tyre industries; (ii) hygiene films, which are specially formulated cast films based on polyethylene for use as diaper backing film in under-pads, sanitary napkins, adult incontinence products and surgical drapes.

In Fiscals 2021, 2022 and 2023 and in the nine months ended December 31, 2023, revenue from coextruded sheets, cast films and liners was ₹2,793.39 million, ₹3,329.72 million, ₹3,455.36 million and ₹2,249.16 million, respectively, which represented 74.82%, 70.59%, 67.62% and 66.74% of our revenue from operations, respectively.

Dielectric films

Our unit at Barjora manufactures a range of special purpose polypropylene-based dielectric films (capacitor films). Our strategy remains dedicated to our core strengths on special products and niche markets, largely on thin films for specialized electrical applications, where we remain the significant domestic producer and which together with consistent high quality and service standards has enabled us to maintain high-capacity utilization.

Manufactured through the stenter process in our dedicated and automatic production line at our Barjora (West Bengal) unit, the range of special purpose polypropylene-based dielectric films (capacitor films) includes normal/smooth films modified for good metallisation with aluminium, zinc, or alloy and winding, for normal and high-temperature applications, high temperature and high temperature super grade dielectric films, semi-rough films for metallisation and oil impregnation for locomotive applications, and hazy (Rough) films for oil impregnation capacitors (*Source: CareEdge Report*).

Our broad portfolio of low, medium and high voltage applications in standard and high temperature grade dielectric films ranging from 3 µm to 12 µm. Dielectric films are ideally suited for high performance capacitors, both for normal and high temperature applications, high temperature super grade for AC ageing and ripple current condition at elevated temperature; high roughness/hazy films for oil impregnated medium- and high-voltage application capacitors; and semi-rough films for metallization and oil impregnation for capacitors for AC/DC applications in locomotive & traction control applications. Other application areas of such films also include capacitor for use in fan, cooler, washing machine and air conditioners, power transmission and distribution capacitors, power film or electronic capacitors, microwave oven capacitors, and capacitors for hybrid or EV cars, among others (*Source: CareEdge Report*).

In Fiscals 2021, 2022 and 2023 and in the nine months ended December 31, 2023, revenue from biaxially oriented films was ₹885.78 million, ₹1,255.18 million, ₹1,563.54 million and ₹1,093.23 million, respectively, which represented 23.72%, 26.61%, 30.60% and 32.44% of our revenue from operations, respectively.

Sales and Distribution

We firmly recognise that total customer satisfaction is the key to our success. As a major supplier of specialised industrial input products, sales to major industrial customers, whether in India or abroad, are direct through our own marketing teams. The resulting proximity to customers enables us to obtain detailed knowledge of customers' processes and technologies and to adjust and fine-tune our products to their production technologies.

Our marketing and business development team focuses on developing relationships with our key customers to understand and identify their specific requirements. Our team approaches new customers to display our capabilities to bring in new business and our existing customers often approach us to get additional or new products manufactured. We follow a business development process for customer acquisition and retention for both new and existing customers – this process typically includes receiving product requirements from such customers, internal review of inputs and clarifications from such customers, coordination with our teams for design and product testing, and incorporation of customer feedback. Our strong relationships with our customers as well as our strategy to cross-sell our products to existing customers enable us to market our products with little expenditure on marketing.

We have a strong list of customers comprising leading Indian and transnational companies (including Voltas Beko, MRL Tyre, Super Electro Films, Dhruv Industries Limited, JK Tyre, IFB Refrigeration, Supreme Petrochem and Starion India, among others) who have chosen us as a key partner over many years, recognizing our products' quality and consistency. Revenue from India and foreign markets such as the United States, Germany and Sri Lanka accounted for 97.36% and 2.64%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2021, 94.82% and 5.18%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2022, 96.55% and 3.45%, respectively, of our revenue from operations (gross of freight & forwarding charges) in Fiscal 2023, 95.67% and 4.33%, respectively, of our revenue from operations (gross of freight & forwarding charges) in the nine months ended December 31, 2022, and 96.61% and 3.39%, respectively, of our revenue from operations(gross of freight & forwarding charges) in the nine months ended December 31, 2023.

Production

Raw Materials

The main raw materials used by us are thermoplastic resins, namely:

- Capacitor grade polypropylene granules for use in dielectric films' manufacture;
- ABS granules for use in sheets and liners' manufacture;
- LD Polyethylene for use in cast films' manufacture; and
- *Other raw materials* –master batch for use in the manufacture of our product generally.

We have established strong relationships with multiple suppliers over multiple years of business. Our continuous interaction ensures a sustained relationship with each of our vendors. We obtain polypropylene that is tailor made for manufacture of dielectric films from global producers, while other raw materials are either sourced from domestic polymer producers or are imported, as determined by economics or the special characteristics that maybe required for our manufacturing process.

Machinery

Our machinery portfolio for the manufacture of coextruded plastic sheets, thermoformed components and coextruded cast plastic films includes five multilayer co-extrusion sheet lines, five thermoforming line with trimming press, two multilayer cast coextruded film lines, winders, and associated equipment and other accessories. Meanwhile, our machinery portfolio at the Barjora Unit includes dielectric film line, thickness measuring and control systems, slitter, air handling system to meet clean room conditions and other accessories.

Production of our goods

As of December 31, 2023, we had three manufacturing facilities in India. The table below sets forth certain information on our facilities:

S. No.	Facility Location	Product Description
(i)	Greater Noida (Uttar Pradesh)	• Coextruded plastic sheets • Thermoformed components
(ii)	Ranjangaon (Maharashtra)	• Coextruded plastic sheets • Thermoformed components
(iii)	Barjora (West Bengal)	• Dielectric films

The power requirements for our facilities are met by the local state power grid.

In order to meet the demand for our products and to develop and introduce newer products, we aim to expand our existing facilities. We intend to add capacity in a phased manner to ensure that we utilize our capacity at optimal levels. Our proposed expansion plans remain subject to the potential problems and uncertainties that greenfield projects face, including cost overruns or delays. Also see, "*Risk Factors – We may need to seek additional financing in the future to support our growth strategies. Any failure to raise additional financing could have an adverse effect on our business, results of operations, financial condition and cash flows*" and "*Risk Factors – An inability to effectively manage our growth and expansion may have a material adverse effect on our business prospects and future financial performance*" on pages 52 and 60.

Capacity and Capacity Utilization

The following table sets forth certain information relating to capacity utilization of our manufacturing facilities calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Facility	For the nine months ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Greater Noida (Uttar Pradesh) – Coextruded plastic sheets and thermoformed components				
Installed capacity [MTPA]	9,150	12,200	12,200	12,200
Actual production volumes [MTPA]	3,811	5,401	4,673	4,443
Capacity utilization	41.65%	44.27%	38.30%	36.42%
Ranjangaon (Maharashtra) – Coextruded plastic sheets, thermoformed components and coextruded cast plastic films				
Installed capacity [MTPA]	24,375	32,500	32,500	32,500
Actual production volumes [MTPA]	13,417	17,571	19,246	20,682
Capacity utilization	55.04%	54.04%	59.22%	63.64%
Barjora (West Bengal) – Dielectric films				
Installed capacity [MTPA]	3,000	4,000	4,000	4,000
Actual production volumes [MTPA]	2,705	3,635	3,833	3,353
Capacity utilization	90.17%	90.88%	95.83%	83.83%

Notes:

(1) For the Greater Noida unit, installed capacity is designed on peak requirement basis considering the seasonality of the white goods calculated on the basis of 3 shifts each being of 8 hours long operating 360 days a year.

(2) For the Ranjangaon unit, installed capacity is designed on peak requirement basis considering the seasonality of the white goods calculated on the basis of 3 shifts each being of 8 hours long operating 360 days a year.

(3) For the Barjora unit, installed capacity is calculated on the basis of 3 shifts each being of 8 hours long operating 360 days a year.

(4) In all cases, installed capacity is determined on basis of a standard product-mix.

(5) For Fiscal 2023, capacity utilization is calculated as actual production volume divided by installed capacity.

(6) For the period ended December 31, 2023, capacity utilization is calculated as actual production volume divided by pro rata installed capacity for nine months.

Quality System

Quality is built into our products through appropriate manufacturing technology and work methods. Manufacturing at all units is also carried out by suitably qualified personnel under strict quality standards. Furthermore, continuous product development for specific applications and equipment up-gradation has helped us in proactively developing technically sustainable solutions with clear customer benefits.

Our Barjora unit has been duly certified under ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for management systems. Our Barjora unit's design and manufacture of dielectric BOPP film for capacitor is also certified under IATF 16949:2016.

Additionally, the Quality Management Systems at our manufacturing units at Greater Noida and Ranjangaon are certified under relevant ISO 9001:2015 standards. The Environmental Management Systems at the Greater Noida and Ranjangaon units are also duly certified under ISO 14001:2015 standards and the Occupational Health and Safety Management Systems at the Ranjangaon units are also duly certified under ISO 45001:2018 standards.

The Barjora and Greater Noida units have further been accredited under ISO 50001:2018 for design and manufacture of dielectric BOPP film of capacitors and manufacture of co-extruded plastic thermoformed lines, respectively. Manufacturing units also adopt and conform to specialized quality systems and methods as may be required by our major customers. In addition, our Greater Noida unit has received a Bronze rating under the Green Co's initiative.

Research and Development

Our R&D activities focus on customization in order to develop optimized and bespoke products and solutions for our customers.

Intellectual Property

We are currently using our own brand name, 'Xpro' and 'Biax', as registered pursuant to the Trade Marks Act, 1999.

Employees

As of December 31, 2023, we employed 205 permanent employees across our offices and units at Greater Noida, Ranjangaon and Barjora.

Employees represent our greatest assets and potential as we can achieve our goals only through motivated, creative and business-minded employees. Involvement, commitment, teamwork and upgrading of skills and knowledge are integral to our objectives of advancing a professional, productive and high-performance culture that is built on trust and mutual respect. We regularly train our employees to ensure competitiveness and maintain quality and safety compliance standards. We attach significant importance to our employees' health and safety at work as we believe that safe business and production measures minimise operational risks. We monitor data on accidents as well as reported near accidents for the purpose of accident prevention.

Insurance

We maintain insurance coverage that we believe is reasonable and prudent. Our key insurance policies cover our manufacturing units, which include coverage for buildings, plant and machinery, piping and cabling, furniture, fixture and fittings, electrical installations, stocks and stocks in process, among others.

Properties

Our registered office is located at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722 202, West Bengal, India. Our corporate offices are located at 1218, DLF Tower B, Jasola District Centre, New Delhi 110 025, India and 2nd Floor, Annexe -II building, known as ECE House, 28A, Kasturba Gandhi Marg, New Delhi 110001, India. As of December 31, 2023, all of our manufacturing facilities were situated on leasehold properties.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Audited Consolidated Financial Statements and our Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023 and our Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022. Unless the context requires otherwise, the financial information corresponding to (i) Fiscals 2021, 2022 and 2023 has been derived from the Audited Consolidated Financial Statements, and (ii) the nine months ended December 31, 2022 and 2023 has been derived from the Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 and the Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023, respectively.

*Our Audited Consolidated Financial Statements have been prepared in conformity with the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act, 2013 (the "**Act**"), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. Our Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023 have been prepared in accordance with the principles of the Ind AS 34, 'Interim Financial Reporting', prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. Our Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 have been prepared in accordance with the recognition and measurement principles of the Ind AS 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. However, we have not met all the presentation and disclosure requirements otherwise required under the applicable financial reporting framework, hence, comparative information has not been provided in the Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the nine months ended December 31, 2022 and December 31, 2023 is not annualized and not indicative of full year results, and is not comparable with annual financial statements presented in this Preliminary Placement Document.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-Looking Statements" and "Risk Factors" on pages 20 and 47, respectively.

Overview

Xpro India Limited is mainly engaged in the business of polymer processing at multiple locations and is a manufacturer in India of coextruded plastic films, thermoformed components, coextruded cast films and speciality films (including dielectric films and special purpose biaxilliary oriented polypropylene ("**BOPP**") Films) (*Source: CareEdge Report*). We supply a wide range of products to domestic and international customers operating in electronics, capacitor, white goods (refrigerator), hygiene products and tyre manufacturing sectors. We have long-standing relationships with some of the major Indian and global companies such as Voltas Beko, MRL Tyre, Super Electro Films, Dhruv Industries Limited, JK Tyre, IFB Refrigeration, Supreme Petrochem and Starion India, to name a few. Our strong R&D capabilities enable us to provide tailor-made & specialised solutions for customers, making us the preferred partner of choice. We currently own and operate three facilities in India across West Bengal, Uttar Pradesh and Maharashtra. Due to our large manufacturing capacity, size and the trust created with the marquee customers who have been our long-term clients, we believe our Company has been able to create a market advantage and raised high entry barriers for our potential competition.

Our Company was established as a separate entity via a corporate demerger in 1998 and the units comprising our Company have long been in existence, giving it over 27 years of experience in the extrusion/coextrusion field. We thus aggregate years of experience and are a robust, maturing organization driven by a deep India-centric self-sufficient model.

We are a professionally managed arm of one of India's largest and reputed Industrial House – the BIRLA family. We have a dedicated, and competent workforce of well-trained employees placed at various locations. Manufacturing at all units is carried out by qualified personnel under stringent guidelines and quality standards.

For us, continuous product development and high customer service levels are key areas, with an underlying philosophy of providing the highest level of satisfaction to customers, and a passion to ethically excel in all areas of activity.

Our operations are focused on our core competencies, namely polymers processing, and our operations have been structured between Barjora (West Bengal) plant that manufactures a range of dielectric BOPP capacitor films and Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) plants that manufactures polymer based coextruded products (i.e., coextruded plastic sheets, thermoformed components refrigerator liners and coextruded cast films).

The wide range of extruded products and derivatives we manufacture includes coextruded plastic sheets with primary applications for refrigerator door and cabinet liners, and coextruded multilayer cast films finding application as release films in tyre and tread industry and in hygiene (including sanitary napkins and diapers) industry (*Source: CareEdge Report*). Furthermore, the wide range of dielectric film products we manufacture includes normal/smooth films modified with aluminium, zinc, or alloys for good metallization, as well as winding, high-temperature super, cloudy/rough and semi-rough films for room temperature, and high-temperature applications. These films range in thickness from 3 µm to 12 µm. Dielectric films are ideally suited for high performance capacitors, both for normal and high temperature applications, high temperature super grade for AC ageing and ripple current condition at elevated temperature; high roughness/hazy films for oil impregnated medium- and high-voltage application capacitors; and semi-rough films for metallization and oil impregnation for capacitors for AC/DC applications in locomotive & traction control applications (*Source: CareEdge Report*).

Our range of products are critical to the modern industrial manufacturing process of various products, such as fan, cooler, washing machine and air conditioners capacitors, power transmission and distribution capacitors, hybrid or electronic vehicles ("**EV**") cars capacitors, refrigerators, and tyres, among others. In Fiscal 2023 and the nine months ended December 31, 2023, sales of coextruded sheets, cast films and liners represented 67.62% and 66.74% of our revenue from operations, respectively, while sales of biaxially oriented films represented 30.60% and 32.44% of our revenue from operations, respectively.

We directly market our products and services through our marketing team to potential customers within and outside India. Our strong relationships with our customers as well as our strategy to cross-sell our product to existing customers enables us to market our products with a relatively low marketing cost. We also have a strong focus on R&D and as our customers' requirements and specifications can vary across their facilities, our technical teams also focused on development of customized products and services for such customers, which is an iterative process.

As of December 31, 2023, our Company owned and operated three facilities in India, located at Barjora (West Bengal) for the manufacturing of dielectric films with an aggregate production capacity of 4000 MTPA and at Greater Noida (Uttar Pradesh) and Ranjangaon (Maharashtra) for the manufacturing of polymer based coextruded products (i.e., coextruded plastic sheets, thermoformed refrigerator liners and coextruded cast films) with an aggregate production capacity of 12,200 MTPA and 32,500 MTPA, respectively. Our continuous product development for specific applications and equipment updates has helped us in proactively developing technically and ecologically sustainable solutions with clear customer benefits.

Furthermore, India continues to be an attractive growth market for the industrial film industry, driven by ever-increasing demand for such products. According to CareEdge's research, India's dielectric / capacitor films market is anticipated to grow at a CAGR of 11%, India's coextruded plastic sheets market is anticipated to grow at a CAGR of 9.6%, India's thermoformed components market is anticipated to grow at a CAGR of 10% and India's cast extruded films market is anticipated to grow at a CAGR of 10%, for the period between 2024 and 2028 (*Source: CareEdge Report*). The growth in demand is expected to be also supported by India's vision of becoming a US$5 trillion economy by Fiscals 2027 to 2028, and a US$7 trillion economy by 2030, which in turn should drive the industries that are the key end-users of our products (*Source: CareEdge Report*).

The table below sets forth certain financial information for the periods mentioned below, based on our historical financial statements:

Metric	For the nine months ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations (₹ million)	3,370.01	5,109.70	4,717.20	3,733.54
Total income[1] (₹ million)	3,440.35	5,148.26	4,735.59	3,754.64
Profit before tax ("**PBT**") (₹ million)	436.42	592.31	405.88	134.80

Metric	For the nine months ended December 31, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
PBT Margin(2)	12.95%	11.59%	8.60%	3.61%
Profit for the period / year (₹ million)	314.45	453.64	449.32	83.54
PAT Margin(3)	9.33%	8.88%	9.53%	2.24%
Basic earnings per share (₹)(4)	15.90	25.57	25.36(9)	7.07
EBITDA(5) (₹ million)	493.52	744.29	638.24	403.00
EBITDA Margin(6)	14.64%	14.57%	13.53%	10.79%
Return on Equity ("**RoE**")(7)	10.69	22.37	34.31	9.72
Return on Capital Employed ("**RoCE**")(8)	10.80	23.33	19.93	12.52

Notes:

(1) Total Income includes revenue from operations and other income.
(2) PBT Margin is calculated as profit before tax divided by revenue from operations.
(3) PAT Margin is calculated as profit for the period / year divided by revenue from operations.
(4) Basic earnings per share is calculated as the profit for the period / year attributable to equity shareholders divided by the weighted average number of equity shares outstanding during the period / year.
(5) EBITDA is calculated as profit for the period / year less other income and plus depreciation and amortisation expense, finance cost and total tax expense.
(6) EBITDA Margin is calculated as EBITDA divided by revenue from operations.
(7) RoE is calculated as profit for the period / year divided by Average Shareholder's Equity. Average Shareholder's Equity is the sum of the shareholder's equity value at the beginning and end of the period / year, divided by two.
(8) RoCE is defined as Earnings before Interest and Taxes divided by Capital Employed, where Capital Employed is total equity plus borrowings including Accrued Interest.
(9) This number has been adjusted and computed after considering the effect of 5,906,744 bonus shares issued during the year ended March 31, 2023.
(10) See also "*Presentation of Financial and Other Information – Non-GAAP financial measures*" on page 16 and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Financial Metrics and Certain Non-GAAP Measures*" on page 152 for reconciliation of GAAP to Non-GAAP measures.

Recent Developments

Preferential issue of warrants on January 16, 2024

On January 29, 2024, we allotted 1,435,750 warrants at a warrant issue price of Rs. 975.00 (Rupees Nine Hundred Seventy-Five only) per warrant. Each warrant carries the right to subscribe to one Equity Share at any time within 18 months from the date of allotment of the warrants. For further details, please refer to "*Capital Structure – Warrants*" on page 92.

Significant Factors Affecting our Results of Operations and Financial Condition

Our results of operations and financial condition have been and are affected by the following factors:

Market demand for and competitiveness of our products

As our business is essentially a business-to-business supplier, its output is determined by the end-markets of its industrial clients, and as such, demand is affected by factors such as consumer sentiment, production of electrical goods and aggressive pricing tactics adopted by foreign suppliers. In addition, any significant decrease in business from any of our key customers, whether due to circumstances specific to such customer or adverse market conditions affecting their respective industry or the economic environment generally, may also affect the demand for our products.

The polymer processing industry are also characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. Our ability to anticipate changes in technology and regulatory standards, understand industry trends and requirements, changes in consumer preferences and to successfully develop and introduce new and enhanced products to create new or address unidentified needs among our current and potential customers in a timely manner, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules; execution of internal and external performance plans; availability of supplier and internally produced parts and materials; performance of suppliers; hiring and training of qualified personnel; achieving cost and production efficiencies; identification of emerging regulatory and technological trends in our target end markets;

validation and performance of innovative technologies; the level of customer interest in new technologies and products; and the costs and customer acceptance of the new or improved products.

Furthermore, demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Overall, the demand of our products in India and in the global market will determine our profitability.

Prices and availability of raw materials

Our results of operations are affected by the price of raw materials that we require to produce our products. The only component of our material costs is the cost of materials consumed, representing 100.00% our material costs in Fiscals 2021, 2022 and 2023, and the nine months ended December 31, 2022 and December 31, 2023. Furthermore, the cost of materials consumed and represented 70.18%, 69.53%, 67.90%, 68.77% and 67.69% of our revenue from operations in Fiscals 2021, 2022 and 2023, and nine months ended December 31, 2022 and 2023, respectively.

Our key raw materials include capacitor grade polypropylene granules, HIPS granules, ABS granules and LD Polyethylene, and any changes in their prices to impact business margins, which are commodities and thus are subject to price volatility caused by a number of factors including changes in global supply and demand of such raw materials, foreign exchange rate fluctuations, governmental control measures, transportation and storage costs, trade restrictions, cost of utilities and speculation in futures trading of such raw materials. Any significant change in the availability or significant increase in the price of raw materials and our ability to pass on any increase in raw material costs to our customers will affect our material costs and profitability.

Seasonality in revenue from operations for coextruded plastic sheets and thermoformed components

Our revenue from operations attributable to coextruded plastic sheets and thermoformed components is affected by the seasonality in the white goods industry. This is given that the products we sell include sheets and thermoformed components that are used in white goods products, such as refrigerator and home appliances. The demand for such white goods products may be cyclical and significantly affected by macroeconomic developments globally and in regional and local markets, population growth, urbanisation and government policy, among others. In Fiscals 2021, 2022 and 2023 and in the nine months ended December 31, 2023, revenue from sale of coextruded sheets, cast films and liners was ₹2,793.39 million, ₹3,329.72 million, ₹3,455.36 million and ₹ 2,249.16 million, respectively, which represented 74.82%, 70.59%, 67.62% and 66.74% of our revenue from operations, respectively.

Basis of Preparation for the Audited Consolidated Financial Statements

Principles of Consolidation

The consolidated financial statements relate to Xpro India Limited (the "**Company**") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis: (i) The standalone financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra- group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India; and (ii) the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Standalone Financial Statements.

Statement of compliance with Indian Accounting Standards (Ind AS)

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act, 2013 ('the Act'), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

Basis of Measurement

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

Functional and presentation currency

The consolidated financial statements of the Group are presented in Indian Rupees (INR), which is also its functional currency. All financial amounts disclosed in the consolidated financial statements and notes have been rounded to the nearest lac (up to two decimals), unless stated otherwise.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

Fair Value Measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability or in the absence of a principal market in the most advantageous market for the asset or liability. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as follows:

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

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

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

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

Overall Considerations

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

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

Significant Accounting Policies for the Audited Consolidated Financial Statements

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

Property Plant and Equipment

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

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

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

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

Other Intangible Assets

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

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

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

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

Borrowing Costs

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

Impairment of non-financial assets

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

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

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

Assets held for sale

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

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

Inventories

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

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

Provisions, Contingent Liabilities, Contingent assets and Commitments

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

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

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

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

Government grants

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

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

Cash and cash equivalents

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

Foreign currency transactions and translation

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

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

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

Revenue Recognition

Sale of Goods

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

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

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

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

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

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

Sale of Services

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

Dividend Income

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

Interest Income

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

Other Income

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

Employee Benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

Retirement benefit in the form of provident fund is a defined benefit scheme. The Group contributes its portion of contribution to Xpro India Ltd. Employees Provident Fund Trust ("**the Trust**"). The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and accounted by the Group as provident fund cost.

Other long term benefits

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

Short-term employee benefits

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

Leases

The Group as a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable; (b) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable under residual value guarantees, if any; (d) the exercise price of a purchase option if any, if the Group is reasonably certain to exercise that option; (e) payment for penalties for terminating the lease, if the lease term reflects the Group exercising that option.

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

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

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

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

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

Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

Earnings per share

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

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

Operating segment

In accordance with Ind AS 108, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

The business activities of the Group predominantly fall within a single reportable operating segment, i.e., Polymer Processing. The Board of Directors is the Group's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

Equity Investment

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

Financial instruments

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

1. *Financial Assets*

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Subsequent measurement

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

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

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

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

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

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

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

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

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

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

2. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

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

3. Offsetting

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

Use of estimates and management judgments

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

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

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

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

1. *Significant management judgments*

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

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

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

2. *Significant management estimates*

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

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

Principal Components of Statement of Profit and Loss

Income

Our total income comprises (i) revenue from operations and (ii) other income.

Revenue from Operations

Revenue from operations comprises (i) sale of products and (ii) other operating income.

Sale of products

Sale of products includes revenue comprising finished goods.

Other operating revenue

Other operating revenue comprises (i) scrap sale; (ii) export incentives and margins; and (iii) processing charges.

Other Income

Other income primarily includes (i) interest income on fixed deposits, other financial assets carried at FVTOCI, income tax refund and other interest income; (ii) dividend income; and (iii) other non-operating income from foreign currency transactions (net), excess provision written back and miscellaneous income.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) changes in inventories of finished goods & work-in-progress; (iii) employee benefits expense; (v) finance cost; (vi) depreciation and amortisation expense; and (vii) other expenses.

Cost of Materials Consumed

Cost of materials consumed comprise (i) inventories at the beginning of the year; (ii) add: purchases during the year and (iii) less: inventories at the end of the year.

Changes in inventories of finished and work-in-progress

Changes in inventories of finished and work-in-progress is the aggregate amount of inventories at the beginning of the year and inventories at the end of the year, which each comprise: (i) finished goods; (ii) work-in-progress; and (iii) stock-in-trade, respectively.

Employee Benefits Expense

Employee benefits expense comprises (i) salaries, wages & bonus; (ii) contributions to provident and other funds; and (iii) staff welfare expenses.

Finance Costs

Finance cost comprises: (i) interest expense on borrowings at amortised cost; (ii) interest on lease liability; and (iii) other borrowing costs.

Depreciation and amortisation expenses

Depreciation and amortisation expenses comprise (i) depreciation on tangible assets; and (ii) depreciation on right-to-use assets.

Other expenses

Other expenses primarily comprise (i) consumption of stores and spare parts; (ii) processing charges; (iii) power and fuel; (iv) rent; (v) repairs; and (vi) other expenses.

Key components of these items are explained below:

- Repair charges comprise repairs to buildings, plant and machinery, and other repair charges.

- Other expenses comprise communication, director's fees, insurance, legal and professional expenses, rates and taxes, security expenses, travelling and conveyance expenses, rebate and commission expenses, payment to auditors, other selling expenses, corporate social responsibility expenses, loss on disposal/ discard of property, plant and equipment, foreign currency transactions (net) and other miscellaneous expenses.

- Payment to auditors include payment to the statutory auditors as auditors, for other matters, and for the reimbursement of auditor's expenses.

Key Financial Metrics and Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. These non-GAAP financial measures and key performance indicators are not intended to be considered in isolation or as a substitute for the Consolidated Financial Statements. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Furthermore, these non-GAAP financial measures and key performance indicators may differ from similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

Based on our Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 and Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023

EBITDA and EBITDA Margin

EBITDA is defined as our profit for the period/year less other income plus depreciation and amortisation expense, finance cost and income tax expense. EBITDA margin is calculated as EBITDA divided by revenue from operations.

The table below reconciles our profit for Fiscals 2021, 2022 and 2023, to EBITDA for the years indicated:

(₹ in millions, except percentages)

Particulars	For the years ended March 31,		
	2023	2022	2021
Profit for the year	**453.64**	**449.32**	**83.54**
Add:			
Depreciation and amortisation expense	115.22	120.68	123.97
Finance costs	75.32	130.07	165.33
Total tax expense	138.67	-43.44	51.27
Less:			
Other income	38.56	18.39	21.10
EBITDA	**744.29**	**638.24**	**403.01**
Revenue from operations	**5,109.70**	**4,717.20**	**3,733.54**
EBITDA Margin	**14.57%**	**13.53%**	**10.79%**

The table below reconciles our profit for the nine months ended December 31, 2022 and December 31, 2023, to EBITDA for the periods indicated:

(₹ in millions, except percentages)

Particulars	For the nine months ended December 31,	
	2023	2022
Profit for the period	**314.45**	**410.96**
Add:		
Depreciation and amortisation expense	85.18	87.78
Finance costs	42.26	56.09
Total tax expense	121.97	29.02
Less:		
Other income	70.34	32.12
EBITDA	**493.52**	**551.73**
Revenue from operations	**3,370.01**	**3,866.96**
EBITDA Margin	**14.64%**	**14.27%**

Return on Capital Employed (RoCE)

ROCE is defined as Earnings before Interest and Taxes divided by Capital Employed, where Capital Employed is total equity plus total borrowings (includes Non-current financial liabilities – Borrowings and Current financial liabilities – Borrowings) and Accrued Interest.

The table below reconciles our EBITDA for Fiscals 2021, 2022 and 2023, to Return on Capital Employed:

(₹ in millions, except percentages)

Particulars	As of and for the years ended March 31,		
	2023	2022	2021
EBITDA	744.29	638.24	403.00
Less:			
Depreciation and amortisation expense	115.22	120.68	123.97
Earnings before Interest and Taxes	**629.07**	**517.56**	**279.03**
Total equity	2,335.57	1,720.26	898.90
Non-current financial liabilities – Borrowings	95.64	637.09	970.07
Current financial liabilities – Borrowings	264.84	240.00	358.84
Interest accrued but not due	-	1.00	1.57
Capital employed	2,696.05	2,598.36	2,229.37
Return on capital employed (“RoCE”)	**23.33%**	**19.92%**	**12.52%**

The table below reconciles our EBITDA for the nine months ended December 31, 2023, to Return on Capital Employed:

(₹ in millions, except percentages)

Particulars	As of and for the nine months ended December 31, 2023
EBITDA	493.52
Less:	
Depreciation and amortisation expense	85.18
Earnings before Interest and Taxes	**408.34**
Total equity	3,546.50
Non-current financial liabilities – Borrowings	50.44
Current financial liabilities – Borrowings	183.36
Interest accrued but not due	-
Capital employed	3,780.30
Return on capital employed (“RoCE”)	**10.80%**

Results of Operations Based on our Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 and Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023

Nine months ended December 31, 2022 and December 31, 2023

The following tables set forth our selected financial information from our consolidated statement of profit and loss for the nine months ended December 31, 2022 and December 31, 2023:

Particulars	For the nine months ended December 31,	
	2023	2022
	Amount (₹ million)	Amount (₹ million)
Revenue		
Revenue from operations	3,370.01	3,866.96
Other income	70.34	32.12
Total income	**3,440.35**	**3,899.08**
Expenses		
Cost of materials consumed	2,281.00	2,659.26
Changes in inventories of finished products & work-in-progress	(11.18)	3.04
Employee benefits expense	247.24	224.58
Finance cost	42.26	56.09
Depreciation and amortisation expense	85.18	87.78
Other expenses	359.43	428.35
Total expenses	**3,003.93**	**3,459.11**
Profit before tax	**436.42**	**439.98**
Tax expense		
Current tax	63.97	—
Deferred tax expense/(credit)	58.01	29.02
Total tax expense	**121.97**	**29.02**
Profit for the period	314.45	**410.96**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	(0.02)	(1.16)
Income tax relating to items that will not be reclassified to profit or loss	0.00	0.29
Items that will be reclassified to profit or loss		
Change in fair value of tax free bonds	0.77	(2.07)
Income tax relating to items that will be reclassified to profit or loss	(0.20)	0.52
Other comprehensive income for the period, net of tax	0.57	(2.42)
Total comprehensive income for the period (comprising profit after tax and other comprehensive income for the period)	**315.01**	**408.54**
Profit for the period attributable to		
Owners of the Company	314.45	410.96
Non-controlling interest	—	—
Other comprehensive income for the period attributable to		
Owners of the Company	0.57	(2.42)
Non-controlling interest	—	—
Total comprehensive income for the period attributable to		
Owners of the Company	315.01	408.54
Non-controlling interest	—	—
Earnings per equity share (of INR 10/- each)		
Basic (INR)	15.90	23.19
Diluted (INR)	15.90	21.96

Nine months ended December 31, 2023 compared to nine months ended December 31, 2022

Total income. Total income decreased by 11.77% from ₹3,899.08 million for the nine months ended December 31, 2022 to ₹3,440.35 million for the nine months ended December 31, 2023, due to a decrease in revenue from operations.

Revenue from operations. Revenue from operations decreased by 12.85% from ₹3,866.96 million for the nine months ended December 31, 2022 to ₹3,370.01 million for the nine months ended December 31, 2023, due to volatility in raw material prices, reflected by way of lower revenue in Rupee terms.

Other income. Other income increased from ₹32.12 million in the nine months ended December 31, 2022 to ₹70.34 million in the nine months ended December 31, 2023, primarily due to increases in interest income on the fixed deposits.

Total expenses. Total expenses decreased by 13.16% from ₹3,459.11 million in the nine months ended December 31, 2022 to ₹3,003.93 million in the nine months ended December 31, 2023, primarily due to decrease in operating expenses.

Cost of materials consumed: Cost of materials consumed decreased from ₹2,659.26 million in the nine months ended December 31, 2022 to ₹2,281 million in the nine months ended December 31, 2023, primarily due to a decrease in raw material prices.

Changes in inventories of finished goods & work-in-progress: Changes in inventories of finished goods & work-in-progress decreased from ₹3.04 million in the nine months ended December 31, 2022 to ₹(11.18) million in the nine months ended December 31, 2023, primarily due to a change in production volumes.

Employee benefits expense. Employee benefits expense increased from ₹224.58 million in the nine months ended December 31, 2022 to ₹247.24 million in the nine months ended December 31, 2023 on account of increase in salaries wages and bonus and increase in the number of permanent employees.

Finance cost. Finance cost decreased from ₹56.09 million in the nine months ended December 31, 2022 to ₹42.26 million in the nine months ended December 31, 2023, and primarily comprised of interest cost and bank charges. This has decreased due to repayment of term loans.

Depreciation and amortisation expense. Depreciation and amortisation expense decreased from ₹87.78 million in the nine months ended December 31, 2022 to ₹85.18 million in the nine months ended December 31, 2023, due to the some equipment reaching its residual level.

Other expenses. Other expenses decreased from ₹428.35 million in the nine months ended December 31, 2022 to ₹359.43 million in the nine months ended December 31, 2023, primarily due to:

- Power and fuel decreased from ₹228.91 million in the nine months ended December 31, 2022 to ₹174.46 million in the nine months ended December 31, 2023 due to provision being made in the nine months period ended December 31, 2022 for the retrospective demand raised on one of the units of the Company for electricity consumed for 2017-18 and onwards. Decrease in power and fuel cost also pertains to changes in production volumes; and

- Remaining decrease is due to decrease in certain direct costs which are directly related to change in production volume.

Profit before tax. As a result of the foregoing, our profit before tax for the period decreased from ₹439.98 million in the nine months ended December 31, 2022 to ₹436.42 million in the nine months ended December 31, 2023, due to a decrease in revenue from operations.

Total tax expenses. Our total tax expenses increased from ₹29.02 million in the nine months ended December 31, 2022 to ₹121.97 million in the nine months ended December 31, 2023, due to offsetting of profit with unused tax losses essentially representing business losses and unabsorbed depreciation in nine months period ended December 31, 2022.

EBITDA and EBITDA Margin. Our EBITDA was ₹551.73 million in the nine months ended December 31, 2022 compared to ₹493.52 million in the nine months ended December 31, 2023, while EBITDA Margin was 14.27% in the nine months ended December 31, 2022 compared to 14.64% in the nine months ended December 31, 2023.

Fiscals 2021, 2022 and 2023

The following tables set forth our selected financial information from our statement of profit and loss for Fiscals 2021, 2022 and 2023.

Particulars	For the years ended March 31,		
	2023	2022	2021
	Amount *(₹ million)*	Amount *(₹ million)*	Amount *(₹ million)*
Revenue			
Revenue from operations	5,109.70	4,717.20	3,733.54
Other income	38.56	18.39	21.10

Particulars	For the years ended March 31,		
	2023	2022	2021
	Amount *(₹ million)*	**Amount** *(₹ million)*	**Amount** *(₹ million)*
Total income	**5,148.26**	**4,735.59**	**3,754.64**
Expenses			
Cost of materials consumed	3,469.50	3,279.74	2,620.08
Changes in inventories of finished goods & work-in-progress	31.53	(23.74)	30.56
Employee benefits expense	300.70	301.91	276.14
Finance cost	75.32	130.07	165.33
Depreciation and amortisation expense	115.22	120.68	123.97
Other expenses	563.69	521.04	403.77
Total expenses	**4,555.95**	**4,329.71**	**3,619.83**
Profit before tax	**592.31**	**405.88**	**134.80**
Tax expense			
Current tax	0.78	–	–
Deferred tax expense/(credit)	141.15	(45.45)	53.36
Tax adjusted for earlier years	(3.27)	2.01	(2.09)
Total tax expense	**138.67**	**(43.44**	**51.27**
Profit for the year	**453.64**	**449.32**	**83.54**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	(0.02)	(1.54)	(3.96)
Income tax relating to items that will not be reclassified to profit or loss	0.01	–	–
Items that will be reclassified to profit or loss			
Change in fair value of tax free bonds	(3.30)	(1.31)	–
Income tax relating to items that will be reclassified to profit or loss	1.16	–	–
Other comprehensive income for the year, net of tax	**(2.16)**	**(2.85)**	**(3.96)**
Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year)	**451.48**	**446.47**	**79.58**
Profit for the year attributable to			
Owners of the Company	453.64	449.32	83.54
Non-controlling interest	–	–	–
Other comprehensive income for the year attributable to			
Owners of the Company	(2.16)	(2.85)	(3.96)
Non-controlling interest	–	–	–
Total comprehensive income for the year attributable to			
Owners of the Company	451.48	446.47	79.58
Non-controlling interest	–	–	–
Earnings per equity share (of Rs. 10/- each)			
Basic (Rs.)	25.57	25.36(1)	7.07
Diluted (Rs.)	24.35	25.05(1)	7.07

Notes:

(1) These numbers have been adjusted and computed after considering the effect of 5,906,744 bonus shares issued during the year ended March 31, 2023.

Fiscal 2023 compared to Fiscal 2022

Total income. Total income increased by 8.71% from ₹4,735.59 million for Fiscal 2022 to ₹5,148.26 million for Fiscal 2023, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 8.32% from ₹4,717.20 million for Fiscal 2022 to ₹5,109.70 million for Fiscal 2023. The increase was primarily due to (i) a 9.47% increase in the sale of finished goods from ₹4,584.90 million in Fiscal 2022 to ₹5,018.91 million in Fiscal 2023, and (ii) a 17.94% increase in export incentives and margins from ₹6.00 million in Fiscal 2022 to ₹7.08 million in Fiscal 2023.

Other income. Other income increased from ₹18.39 million for Fiscal 2022 to ₹38.56 million for Fiscal 2023, primarily due to (i) a 205.33% increase in interest on fixed deposits from ₹3.51 million in Fiscal 2022 to ₹10.71 million in Fiscal 2023, (ii) an increase in foreign currency transactions from nil in Fiscal 2022 to ₹4.90 million in Fiscal 2023, and (iii) an increase in profit on sale of other fixed assets from nil in Fiscal 2022 to ₹8.02 million in Fiscal 2023.

Total expenses. Total expenses increased by 5.23% from ₹4,329.71 million for Fiscal 2022 to ₹4,555.95 million for Fiscal 2023 in line with the growth of our business as reflected in the increase in our revenue from operations.

Cost of materials consumed. Cost of materials consumed increased from ₹3,279.74 million for Fiscal 2022 to ₹3,469.50 million for Fiscal 2023, primarily due to an increase in inventory purchases made during the year from ₹3,297.74 million in Fiscal 2022 to ₹3,521.67 million in Fiscal 2023.

Changes in inventories of finished goods & work-in-progress. Changes in inventories of finished goods & work-in-progress changed from ₹(23.74) million in Fiscal 2022 to ₹31.53 million in Fiscal 2023, primarily due to an increase in the amount of work in progress, which increased from ₹17.97 million in Fiscal 2022 to ₹27.04 million in Fiscal 2023

Employee benefits expense. Employee benefits expense decreased from ₹301.91 million for Fiscal 2022 to ₹300.70 million for Fiscal 2023, primarily due to a decrease in the contribution to provident and other funds from ₹28.27 million in Fiscal 2022 to ₹21.76 million in Fiscal 2023.

Finance cost. Finance cost decreased from ₹130.07 million for Fiscal 2022 to ₹75.32 million for Fiscal 2023, primarily due to a decrease in interest expense on borrowings measured at amortised cost from ₹118.10 million in Fiscal 2022 to ₹59.25 million in Fiscal 2023.

Depreciation and Amortisation expense. Depreciation and amortisation expense decreased from ₹120.68 million for Fiscal 2022 to ₹115.22 million for Fiscal 2023, primarily due to a decrease in depreciation on tangible assets from ₹116.96 million in Fiscal 2022 to ₹110.74 million in Fiscal 2023.

Other expenses. Other expenses increased from ₹521.04 million for Fiscal 2022 to ₹563.69 million for Fiscal 2023, primarily due to increases in:

- Power and fuel by 16.17% from ₹255.70 million for Fiscal 2022 to ₹297.05 million for Fiscal 2023;
- Miscellaneous expenses by 39.32% from ₹25.73 million for Fiscal 2022 to ₹35.85 million for Fiscal 2023; and
- Insurance by 45.17% from ₹10.64 million for Fiscal 2022 to ₹15.45 million for Fiscal 2023.

Profit for the year. As a result of the foregoing, our profit for the year increased by 0.96% from ₹449.32 million for Fiscal 2022 to ₹453.64 million for Fiscal 2023, primarily due to a higher proportional increase in our revenue compared to the increase in our expenses.

Total tax expenses. Our total tax expenses increased from ₹(43.44) million for Fiscal 2022 to ₹138.67 million for Fiscal 2023, primarily due to an increase in our deferred tax expense/(credit) from ₹(45.45) million for Fiscal 2022 to ₹141.15 million for Fiscal 2023.

EBITDA and EBITDA Margin. EBITDA was ₹638.24 million in Fiscal 2022 compared to ₹744.29 million in Fiscal 2023, while EBITDA Margin was 13.53% in Fiscal 2022 compared to 14.57% in Fiscal 2023.

Fiscal 2022 compared to Fiscal 2021

Total income. Total income increased by 26.13% from ₹3,754.64 million for Fiscal 2021 to ₹4,735.59 million for Fiscal 2022, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 26.35% from ₹3,733.54 million for Fiscal 2021 to ₹4,717.20 million for Fiscal 2022, primarily due to a (i) 24.62% increase in the sale of finished goods from ₹3,679.18 million in Fiscal 2021 to ₹4,584.90 million in Fiscal 2022 and (ii) increase in processing charges income from nil in Fiscal 2021 to ₹86.81 million in Fiscal 2022.

Other income. Other income decreased by 12.84% from ₹21.10 million for Fiscal 2021 to ₹18.39 million for Fiscal 2022, primarily due to (i) a decrease in foreign currency transactions (net) from ₹4.10 million in Fiscal 2021 to nil in Fiscal 2022, and (ii) a 43.23% decrease in excess provision written back from ₹8.73 million in Fiscal 2021 to ₹4.96 million in Fiscal 2022.
Total expenses. Total expenses increased by 19.61% from ₹3,619.83 million for Fiscal 2021 to ₹4,329.71 million for Fiscal 2022.

Cost of materials consumed. Cost of materials consumed increased from ₹2,620.08 million for Fiscal 2021 to ₹3,279.74 million for Fiscal 2022, primarily due to an increase in inventory purchases made during the year from ₹2,640.10 million in Fiscal 2021 to ₹3,297.74 million in Fiscal 2022.

Changes in inventories of finished goods & work-in-progress. Changes in inventories of finished goods & work-in-progress changed from ₹30.56 million for Fiscal 2021 to ₹(23.74) million for Fiscal 2022, primarily due to less work in progress at the end of the year from ₹17.97 million in Fiscal 2022 compared to ₹22.91 million Fiscal 2021.

Employee benefits expense. Employee benefits expense increased from ₹276.14 million for Fiscal 2021 to ₹301.91 million for Fiscal 2022, primarily due to an increase in salaries, wages and bonus from ₹235.81 million in Fiscal 2021 to ₹260.07 million in Fiscal 2022.

Finance cost. Finance cost decreased from ₹165.33 million for Fiscal 2021 to ₹130.07 million for Fiscal 2022, primarily due to a decrease in interest expense on borrowings measured at amortised cost from ₹115.93 million in Fiscal 2021 to ₹93.90 million in Fiscal 2022.

Depreciation and amortisation expense. Depreciation and amortisation expense decreased from ₹123.97 million for Fiscal 2021 to ₹120.68 million for Fiscal 2022, primarily due to a decrease in depreciation on tangible assets from ₹120.28 million in Fiscal 2021 to ₹116.96 million in Fiscal 2022.

Other expenses. Other expenses increased from ₹403.77 million for Fiscal 2021 to ₹521.04 million for Fiscal 2022, primarily due to increases in:

- Power and fuel by 27.87% from ₹199.97 million for Fiscal 2021 to ₹255.70 million for Fiscal 2022;
- Consumption of stores and spares by 22.60% from ₹86.08 million for Fiscal 2021 to ₹105.53 million for Fiscal 2022; and
- Legal and professional expenses by 94.71% from ₹10.58 million for Fiscal 2021 to ₹20.59 million for Fiscal 2022.

Profit for the year. As a result of the foregoing, our profit for the year increased by 437.87% from ₹83.54 million for Fiscal 2021 to ₹449.32 million for Fiscal 2022, primarily due to a higher proportional increase in our revenue compared to the increase in our expenses.

Total tax expenses. Our total tax expenses decreased from ₹51.27 million for Fiscal 2021 to ₹(43.44) million for Fiscal 2022, due to a decrease in deferred tax expense/(credit) from ₹53.36 million in Fiscal 2021 to ₹(45.45) million in Fiscal 2022.

EBITDA and EBITDA Margin. EBITDA was ₹403.00 million in Fiscal 2021 compared to ₹638.24 million in Fiscal 2022, while EBITDA Margin was 10.79% in Fiscal 2021 compared to 13.53% in Fiscal 2022.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to fund our working capital needs for our operations, which we have typically met through cash flows. As of December 31, 2023, we had ₹1.39 million in cash and cash equivalents and ₹1,285.87 million as bank balances other than cash and cash equivalents. We believe that, after taking into account the expected cash to be generated from operations, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for 12 months following the date of this Preliminary Placement Document.

Cash Flows Based on our Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Consolidated Financial Statements for the period ended December 31, 2022 and Unaudited Condensed Interim Consolidated Financial Statements for the period ended December 31, 2023

Nine months ended December 31, 2023 and nine months ended December 31, 2022

The following table sets forth certain information concerning our cash flows for the periods indicated:

(₹ million)

Particulars	Nine months ended December 31,	
	2023	2022
Net cash flow generated from operating activities	425.15	671.08
Net cash flow (used in) investing activities	(1,149.94)	(266.33)
Net cash flow generated from/(used in) from financing activities	724.66	(589.85)

Operating Activities

Net cash flow generated from operating activities decreased from ₹671.08 million for the nine months ended December 31, 2022 to ₹425.15 million for the nine months ended December 31, 2023, primarily due to a ₹57.22 million decrease in our operating profit before working capital changes from ₹562.29 million for the nine months ended December 31, 2022 to ₹505.07 million for the nine months ended December 31, 2023

Investing Activities

Net cash flow used in investing activities was ₹(266.33) million for the nine months ended December 31, 2022 compared to ₹(1,149.94) million for the nine months ended December 31, 2023, primarily due to an increase in our purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors) from an outflow of ₹28.33 million for the nine months ended December 31, 2022 to ₹214.22 million for the nine months ended December 31, 2023.

Financing Activities

Net cash flow used in financing activities was ₹(589.85) million for the nine months ended December 31, 2022 compared to ₹724.66 million in net cash flow generated from financing activities for the nine months ended December 31, 2023 primarily due to an increase in cash inflows from our proceeds from convertible warrants from ₹ Nil for the nine months ended December 31, 2022 to ₹937.26 million for the nine months ended December 31, 2023 and decrease in repayment of long-term borrowings from ₹ 488.23 million for the nine months ended December 31, 2022 to ₹45.20 million for the nine months ended December 31, 2023.

Fiscals 2021, 2022 and 2023

The following table sets forth certain information concerning our cash flows for the periods indicated. The financial information corresponding to (i) Fiscals 2021 and 2022 has been derived from the Audited Consolidated Financial Statements for Fiscal 2022, and (ii) Fiscal 2023 has been derived from the Audited Consolidated Financial Statements for Fiscal 2023.

(₹ million)

Particulars	Fiscal		
	2023	2022	2021
A. Cash flow from operating activities			
Net profit before tax	592.31	405.88	134.80
Adjustments for:			
Depreciation and amortisation (net)	115.22	120.68	123.97
Excess provision written back	(0.02)	(4.96)	(8.73)
Interest income	(15.60)	(5.07)	(4.69)
Finance costs	75.32	130.07	165.33
Loss / (gain) on sale of property, plant and equipment	(8.02)	2.90	0.01
Dividend income	(0.01)	(0.01)	(0.01)
Operating profit before working capital changes	**759.20**	**649.50**	**410.68**
Movement in financial assets	0.49	3.25	(0.10)
Movement in trade receivables	153.61	0.37	(136.44)
Movement in other assets	2.50	(17.81)	29.98
Movement in inventory	(16.79)	(46.04)	6.96
Movement in financial liabilities	(78.70)	(134.88)	169.32
Movement in other liabilities	17.64	61.35	18.79
Movement in provisions	(20.30)	(22.33)	(14.87)
Cash flow generated from operations (gross)	**817.64**	**493.41**	**484.32**
Less: taxes paid (net)	10.91	(7.20)	(6.26)
Net cash flow generated from operating activities (A)	**828.55**	**486.21**	**478.06**
B. Cash flow from investing activities			

Particulars	Fiscal		
	2023	2022	2021
Purchase of property, plant and equipment, right-of-use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(363.19)	(65.44)	(23.97)
Investment in tax-free bonds	–	(51.10)	–
Proceeds from sale of property, plant and equipment	7.65	13.43	2.05
Dividend received	0.01	0.01	0.01
Interest received	15.60	3.92	4.69
Proceeds from maturity of/(Investment in) fixed deposits	(242.83)	(5.41)	2.24
Net cash flow used in investing activities (B)	**(582.75)**	**(104.59)**	**(14.98)**
C. Cash flow from financing activities			
Proceeds from convertible warrants	187.45	374.90	–
Dividend paid	(23.26)	–	–
Payment of lease liabilities(1)	–	–	(3.92)
Principal payment of lease liabilities	(2.79)	(1.38)	–
Interest payment of lease liabilities	(2.74)	(2.54)	–
Proceeds from long-term borrowings	–	48.69	193.00
Repayment of long-term borrowings	(541.33)	(384.31)	(302.54)
Proceeds/Repayment of short-term borrowings (net)	24.85	(118.84)	(230.67)
Interest paid/finance cost	(73.58)	(128.11)	(164.25)
Net cash flow used in financing activities (C)	**(431.40)**	**(211.58)**	**(508.37)**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(185.60)**	**170.05**	**(45.29)**
Cash and Cash Equivalents at the beginning of the year	**187.12**	**17.07**	**62.36**
Cash and Cash Equivalents at the end of the year	**1.52**	**187.12**	**17.07**
	As at March 31, 2023	**As at March 31, 2022**	**As at March 31, 2021**
Components of cash and cash equivalents			
Balances with scheduled banks:			
In current accounts	1.30	186.86	16.66
Cash on hand	0.21	0.26	0.41
	1.52	187.12	17.07

Operating Activities

Net cash flow from operating activities increased from ₹486.21 million in Fiscal 2022 to ₹828.55 million in Fiscal 2023, primarily due to a ₹109.70 million increase in our operating profit before working capital changes from ₹649.50 million in Fiscal 2022 to ₹759.20 million in Fiscal 2023.

Net cash flow from operating activities increased from ₹478.06 million in Fiscal 2021 to ₹486.21 million in Fiscal 2022, primarily due to a ₹238.82 million increase in our operating profit before working capital changes from ₹410.68 million in Fiscal 2021 to ₹649.50 million in Fiscal 2022.

Investing Activities

Net cash flow used in investing activities changed from ₹(104.59) million in Fiscal 2022 to ₹(582.75) million in Fiscal 2023, primarily due to an increase in our purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors) from an outflow of ₹65.44 million in Fiscal 2022 to an outflow of ₹363.19 million in Fiscal 2023.

Net cash flow used in investing activities decreased from ₹(14.98) million in Fiscal 2021 to ₹(104.59) million in Fiscal 2022, primarily due to an increase in our investment in tax free bonds from nil in Fiscal 2021 to an outflow of ₹51.10 million in Fiscal 2022.

Financing Activities

Net cash flow used in financing activities changed from ₹(211.58) million in Fiscal 2022 to ₹(431.40) million in Fiscal 2023, primarily due to a decrease in cash inflows from our proceeds from convertible warrants from ₹374.90

million in Fiscal 2022 to ₹187.45 million in Fiscal 2023 and an increase in outflow from our proceeds of long-term borrowings from an outflow of ₹384.31 million in Fiscal 2022 to ₹541.33 million in Fiscal 2023.

Net cash flow used in financing activities changed from ₹(508.37) million in Fiscal 2021 to ₹(211.58) million in Fiscal 2022, primarily due to an increase in cash inflows from the proceeds from the issue of convertible warrants from nil in Fiscal 2021 to ₹374.90 million in Fiscal 2022.

Financial Resources

As of March 31, 2022, we had cash and cash equivalents at the end of the year of ₹187.12 million, which decreased by ₹185.60 million to ₹1.52 million as of March 31, 2023 due to cash used in investing and financing activities amounting to ₹1,014.15 million, which was partly offset by cash generated from operating activities of ₹828.55 million.

As of March 31, 2021, we had cash and cash equivalents at the end of the year of ₹17.07 million, which increased by approximately ₹170.05 million to ₹187.12 million as of March 31, 2022 due to ₹486.21 million generated from operating activities, offset by less cash used in investing and financing activities amounting to ₹316.16 million.

Indebtedness

As of December 31, 2023, we had total borrowings (includes Non-current financial liabilities – Borrowings and Current financial liabilities – Borrowings) of ₹233.80 million, which comprised term loans and working capital facilities, as set forth below:

(₹ million)

Particulars	As of December 31, 2023
Non-current financial liabilities - Borrowings	50.44
Current maturities of long-term borrowings	60.58
Working capital loan from banks	122.78
Total	**233.80**

Contractual Obligations

The table below sets forth our contractual obligations (undiscounted) as at December 31, 2023. These obligations primarily relate to our contractual maturities of financial liabilities such as trade payables, other financial liabilities and lease liabilities:

Particulars	Total	< 1 year	1-5 years	> 5 years
Borrowings	233.80	183.36	50.44	—
Trade Payables	424.44	424.44	—	—
Lease liabilities	23.64	4.01	19.64	—
Other financial liabilities	32.21	32.21	—	—
Total	**714.10**	**644.03**	**70.08**	—

Contingent Liabilities and Other Commitments

The table below sets forth the principal components of our contingent liabilities and other commitments as at December 31, 2023 as per the Unaudited Condensed Interim Consolidated Financial Statements and as at March 31, 2023 as per the Audited Consolidated Financial Statements:

(₹ million)

Particulars	As at December 31, 2023	As at March 31, 2023
Claims against the Group not acknowledged as debts	0.25	0.25
Sales tax, Excise and Customs matters	38.83	38.92
Estimated Liability towards lenders for Right to Recompense for term loans taken in earlier years(1)	20.00	—
Others (claims not acknowledged as debt)	3.67	3.67
Total	**62.75**	**42.84**

Notes:

(1) The Company based on discussion with lenders believes that no liability will arise on account of this matter.

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

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, commodity risk, interest rate risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and foreign currency hedging instruments, such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on financial performance.

Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of property, plant and equipment. In Fiscals 2021, 2022 and 2023, our gross additions to capital expenditures (comprising of additions to property, plant and equipment, intangible assets and capital work in progress) were ₹36.04 million, ₹28.28 million and ₹56.31 million, respectively, as per our Consolidated Financial Statements. Based on our Unaudited Condensed Interim Consolidated Financial Statements, our gross additions to property, plant and equipment, intangible assets and capital work in progress for the nine months ended December 31, 2023 was ₹141.55 million.

Unusual or Infrequent Events of Transactions

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Significant Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section titled "*Risk Factors*" on page 47. To our knowledge, except as described or anticipated in this Preliminary Placement Document, there are no known factors which we expect will have a material adverse impact on our revenue or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in this Preliminary Placement Document, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenue.

New Products or Business Segments

Other than as described in "*Our Business*" on page 126 of this Preliminary Placement Document, there are no new products or business segments in which we operate.

Seasonality of Business

Our business is not subject to seasonal variations.

Reservations, Qualifications, Matters of Emphasis or any Adverse Remarks

Except as set out below, there are no reservations, qualifications or any adverse remarks of our statutory auditor in its reports on our audited or reviewed financial statements in the past five years:

Period	Reservation, qualification, matter of emphasis and adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
Nine months period ended December 31, 2022	**Reservations:** Nil **Qualifications:** Nil **Adverse remarks:** Nil **Matters of emphasis:** Without modifying our conclusion, we draw attention to Note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements, which describes the basis of its preparation. The Unaudited Special Purpose Interim Consolidated Financial Statements has been prepared by the Holding Company's Management for the purpose of providing comparatives for the preparation of Unaudited Condensed Interim Consolidated Financial Statements of the Holding Company for the nine months period ended 31 December 2023, and for the purpose of including in the Holding Company's Preliminary Placement Document/Placement Document for the proposed offering of equity shares by the Holding Company as approved by the Board of Directors on 19 December 2023 through Qualified Institutional Placement and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.	Not applicable	Not applicable
Financial Year 2020	**Reservations:** Nil **Qualifications:** Nil **Adverse remarks:** Nil **Matters of emphasis:** **Standalone Financial Statement:** We draw attention to Note 50 to the accompanying financial statements, which describes uncertainties due to the outbreak of Covid-19 pandemic and management's evaluation of the impact on the financial results of the Company as at March 31, 2020. The impact of these uncertainties on the Company's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter. **Consolidated Financial Statement:** We draw attention to Note 49 to the accompanying consolidated financial statements, which describes uncertainties due to the outbreak of Covid-19 pandemic and management's	Not applicable	Not applicable

Period	Reservation, qualification, matter of emphasis and adverse remark	Impact on the financial statements and financial position of the Company	Corrective steps take and/or proposed to be taken by the Company
	evaluation of the impact on the financial statements of the Group as at March 31, 2020. The impact of these uncertainties on the Group's operations is significantly dependent on future developments. Our opinion is not modified in respect of this matter.		

Significant Developments after December 31, 2023

Except as stated in above "*Recent Developments*" on page 138, no circumstances have arisen since December 31, 2023 that materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was incorporated as *'Biax Films Limited'* under the Companies Act, 1956 *vide* a certificate of incorporation dated November 26, 1997 and received certificate for commencement of business dated December 12, 1997 issued by the Registrar of Companies, West Bengal at Kolkata ("**RoC**"). The name of our Company was changed to *'Xpro India Limited'* pursuant to a fresh certificate of incorporation consequent upon change of name issued by the RoC on September 22, 1998. The Registered Office of our Company is situated at Barjora – Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India and the Corporate Office is situated at 1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India. The CIN of our Company is L25209WB1997PLC085972.

Changes in Registered and Corporate Office

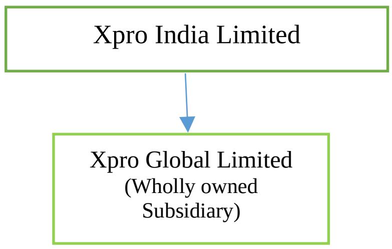
Our Company changed its Registered Office from Central Plaza, Room No. 307, 2/6, Sarat Bose Road. Calcutta – 700 020, West Bengal, India to Barjora – Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India on September 12, 1998 for the purpose of administrative convenience.

Our Company changed its Corporate Office from 1st Floor, 20/3, Main Mathura Road, Faridabad – 121 006, Haryana, India to 1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India on October 1, 2022 due to non-availability of the premises after September 30, 2022.

Our Subsidiary

As on the date of this Preliminary Placement Document, our Company has one wholly owned subsidiary, namely, Xpro Global Limited.

The organizational structure of our Company as on the date of this Preliminary Placement Document is as follows:



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and Articles of Association of our Company and the requirements of applicable laws. The composition of our Board is governed by the provisions of the Companies Act, the Articles of Association and the SEBI Listing Regulations. The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors. As on date of this Preliminary Placement Document, our Company has 12 Directors, of which two are Executive Directors, ten are Non-Executive Directors of which eight are Independent Directors (including two women Non-Executive Independent Directors).

Pursuant to the provisions of the Companies Act and in accordance with the Articles of Association, all Directors, excluding Independent Directors and Whole-time Directors, are liable to retire by rotation, at each AGM. Further, as per the provisions of the Companies Act, an Independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. However, the re-appointment of an Independent Director for a second consecutive term shall, amongst other things, be based on the performance evaluation report and shall be approved by the Shareholders by way of a special resolution.

The following table sets forth the details regarding our Board of Directors as on the date of this Preliminary Placement Document:

Name, Occupation, Term, Nationality, Designation and DIN	Age (years)	Designation
Sidharth Kumar Birla ***Address***: House No. 29, Prithviraj Road, Nirman Bhawan, Central Delhi, Delhi – 110 011, India ***Occupation:*** Company Director & Entrepreneur ***Nationality****:* Indian ***Term****:* Re-appointment for a period of three years w.e.f. March 1, 2023 and not liable to retire by rotation ***DIN***: 00004213	66	Whole-time Director and Chairman
Chandrasekharan Bhaskar ***Address***: C-2/2522, Vasant Kunj, South West Delhi, New Delhi – 110 070, India ***Occupation:*** Service ***Nationality****:* Indian ***Term****:* Re-appointment for a period of three years w.e.f. January 1, 2024 and not liable to retire by rotation ***DIN***: 00003343	68	Managing Director and Chief Executive Officer
Madhushree Birla ***Address***: 29, Prithvi Raj Road, New Delhi, Nirma Bhawan S.o. Central Delhi, Delhi – 110 011, India ***Occupation****:* Company Director & Entrepreneur ***Nationality****:* Indian ***Term:*** Liable to retire by rotation ***DIN***: 00004224	68	Non-Executive Non-Independent Director

Name, Occupation, Term, Nationality, Designation and DIN	Age (years)	Designation
Bharat Jhaver ***Address:*** Jhaver House, Old No. 5, New No. 9, Boat Club Road, 3rd Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu – 600 028, India ***Occupation:*** Business ***Nationality:*** Indian ***Term:*** Liable to retire by rotation ***DIN:*** 00379111	46	Non-Executive Non-Independent Director
Amitabha Guha ***Address:*** DL 182, 1st Floor, Salt Lake, Sector II, Kolkata – 700 091, India ***Occupation:*** Retired Banker ***Term:*** Re-appointment for a period of five years w.e.f. August 3, 2019 and not liable to retire by rotations ***Nationality:*** Indian ***DIN:*** 02836707	75	Non-Executive Independent Director
Ashok Kumar Jha ***Address***: D-6/24, 2nd Floor, D-Block, Opp. MCD Park, Vasant Vihar-1, South West Delhi, New Delhi – 110 057, India ***Occupation****:* IAS (Retired) ***Nationality****:* Indian ***Term****:* Re-appointment for a period of five years w.e.f. August 3, 2019 ***DIN***: 00170745	76	Non-Executive Independent Director
Suhana Murshed ***Address***: 15, Nasiruddin Road, Near Quest Mall, Circus Avenue, Kolkata, West Bengal – 700 017, India ***Occupation****:* Lawyer ***Nationality****:* Indian ***Term****:* For a period of five years w.e.f. August 10, 2021and not liable to retire by rotation ***DIN***: 08572394	41	Non-Executive Independent Director
Utsav Parekh ***Address***: 2/3, Sarat Bose Road, Kolkata – 700 020, West Bengal, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* Re-appointment for a period of five years w.e.f. August 3, 2019 and not liable to retire by rotation	67	Non-Executive Independent Director

Name, Occupation, Term, Nationality, Designation and DIN	Age (years)	Designation
DIN: 00027642		
Ragothaman Sethumadhava Rao ***Address***: No 33/11 C, Golden Gate Apartments, Habibullah Road, Thiyagaraya Nagar, Chennai, Tamil Nadu – 600 017, India ***Occupation****:* Consulting ***Nationality****:* Indian ***Term****:* Re-appointment for a period of five years w.e.f. August 3, 2019and is not liable to retire by rotation ***DIN***: 00042395	77	Non-Executive Independent Director
Krishnamurthy Balakrishnan ***Address:*** B 17, Ahuja Towers, Prabhadevi, Mumbai, Maharashtra – 400 025, India ***Occupation:*** Investment Banking ***Nationality:*** Indian ***Term:*** For a period of five years w.e.f. May 25, 2022 and is not liable to retire by rotation ***DIN:*** 00034031	65	Non-Executive Independent Director
Manoj Mohanka ***Address:*** 9 Love Lock Place, Ballygunge, Kolkata, West Bengal – 700 019, India ***Occupation:*** Business ***Term:*** For a period of five years w.e.f. September 1, 2023 and is not liable to retire by rotation ***Nationality:*** Indian ***DIN:*** 00128593	60	Non-Executive Independent Director
Nandini Khaitan ***Address***: 3, Queens Park, Ballygunge, Kolkata, West Bengal – 700 019, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* For a period of five years with effect from February 1, 2024 ***DIN***: 06941351	44	Non-Executive Independent Director

Remuneration of Directors

The Remuneration and Nomination Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors. Pursuant to a resolution of our Board of Directors dated August 11, 2023, our Company is required to pay, for the financial years ended March 31, 2024 and March 21, 2025, ₹ 0.10 million per meeting of the Board, ₹ 0.06 million per meeting for Audit Committee of the Board, ₹ 0.04 million per meeting for Remuneration and Nomination Committee of the Board, ₹ 0.005 million plus actual expenses incurred for travel, accommodation and conveyance, per meeting for Stakeholders Relationship Committee of the Board, ₹ Nil per meeting for Corporate Social

Responsibility Committee of the Board, ₹ 0.04 million per meeting for Risk Management Committee of the Board, ₹ 0.05 million per meeting for Committee of Directors of the Board and ₹ 0.01 million per meeting for meetings of our Working Group, to each of our Non-Executive Directors. Our Non-Executive Directors including Independent Directors are paid only sitting fees for the Board meetings and Committee meetings they participate in and are not eligible for any other remuneration.

The table below sets forth the details of the remuneration (including leave encashment) paid to our existing Executive Directors for the last three Financial Years and the current Financial Year:

(*in ₹ million*)

Name	December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Sidharth Kumar Birla	11.34	13.42	10.78	9.11
Chandrasekharan Bhaskar	13.45	15.63	14.35	14.75

Note: Provisions for gratuity and leave benefits are made for the Company as a whole, hence the amount pertaining to Directors has not been specifically identified and is not included in remuneration above.

The table below sets forth the details of the sitting fees paid to our Non-Executive Directors for the last three Financial Years and the current Financial Year:

(*in ₹ million*)

Name	Designation	December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Madhushree Birla	Non-Executive Non-Independent Director	0.55	0.60	0.60	0.58
Bharat Jhaver (appointed w.e.f. May 25, 2022)	Non-Executive Non-Independent Director	0.50	0.50	-	-
Amitabha Guha	Non-Executive Independent Director	0.87	0.94	0.87	0.85
Ashok Kumar Jha	Non-Executive Independent Director	0.55	0.70	0.65	0.64
Suhana Murshed (appointed w.e.f. August 10, 2021)	Non-Executive Independent Director	0.63	0.60	0.45	-
Utsav Parekh	Non-Executive Independent Director	0.78	0.89	0.69	0.70
Ragothaman Sethumadhava Rao	Non-Executive Independent Director	0.77	0.95	0.80	0.78
Krishnamurthy Balakrishnan (appointed w.e.f. May 25, 2022)	Non-Executive Independent Director	0.67	0.50	-	-
Manoj Mohanka (appointed w.e.f. September 1, 2023)	Non-Executive Independent Director	0.20	-	-	-
Nandini Khaitan (appointed w.e.f. February 1, 2024)	Non-Executive Independent Director	-	-	-	-

Note: Provisions for gratuity and leave benefits are made for the Company as a whole, hence the amount pertaining to Directors has not been specifically identified and is not included in remuneration above.

Terms of appointment of our Executive Directors

Sidharth Kumar Birla

Sidharth Kumar Birla was originally appointed as the Additional Director of our Company pursuant to a board resolution dated September 10, 1998 and regularized *vide* a shareholders' resolution dated December 11, 1999. Additionally, he was appointed as the Chairman of our Company pursuant to a board resolution dated October 14,

1998. Further, he was appointed as a Whole-time Director for a period of five years w.e.f. March 1, 2000, pursuant to a board resolution dated March 17, 2000 and a shareholders' resolution dated July 6, 2000. Further, pursuant to a board resolution dated February 6, 2023 and a shareholders' resolution dated May 19, 2023, he has been re-appointed for a period of three years with effect from March 1, 2023.

Pursuant to a board resolution dated February 6, 2023 and a shareholders' resolution dated May 19, 2023, the increase in remuneration payable to him w.e.f. March 1, 2023 was approved and is as mentioned below, which are subject to the terms and conditions laid down by the Board from time to time:

Sr. No.	Category	Remuneration (₹)
1.	Salary	12.00 million p.a.
2.	Perquisites	
	House rent allowance	2.10 million p.a.
	Commission	Not exceeding 2% of the net profits
	Gratuity	At a rate not exceeding half a month's salary for each completed year of service
	Leave encashment	Encashment of un-availed leave at the end of tenure

Chandrasekharan Bhaskar

Chandrasekharan Bhaskar was originally appointed as a Whole-time Director w.e.f. December 2, 2000 and designated as Executive Director and Chief Operating Officer of our Company w.e.f. January 1, 2001, *vide* a board resolution dated December 2, 2000 and a shareholders resolution dated March 5, 2001. Additionally, he was appointed as the Managing Director and Chief Executive Officer of our Company pursuant to a board resolution dated December 16, 2005 and a shareholders' resolution dated January 30, 2006. Further, pursuant to a board resolution dated August 11, 2023 and a shareholders' resolution dated September 28, 2023, he has been re-appointed for a period of three years with effect from January 1, 2024.

Pursuant a board resolution dated December 19, 2023 and a shareholders' resolution dated September 28, 2023, the remuneration payable to him w.e.f. January 1, 2024 was approved and is as mentioned below, which are subject to the terms and conditions laid down by the Board from time to time:

Sr. No.	Category	Remuneration (₹)
1.	Salary	11.52 million p.a.
2.	Perquisites	
	Contribution to provident, superannuation or annuity fund	12% of basic salary
	Bonus	3.60 million p.a.
	Gratuity	At a rate not exceeding half a month's salary for each completed year of service
	Leave encashment	Encashment of un-availed leave at the end of tenure

Shareholding of Directors

As on the date of this Preliminary Placement Document, our Directors hold the following number of the Equity Shares in our Company:

Names of Directors	Number of Equity Shares held	Number of Employee Stock Options Granted	Number of Employee Stock Options Vested	Number of Employee Stock Options Exercised
Sidharth Kumar Birla	152,812	-	-	-
Madhushree Birla	150,187	-	-	-
Utsav Parekh	750	-	-	-
Ragothaman Sethumadhava Rao	96,939	-	-	-
Chandrasekharan Bhaskar	70,266	-	-	-

Relationship with other Directors

Except as stated below, none of the Directors on our Board are related to each other.

Name of the Directors	Relationship
Sidharth Kumar Birla	Spouse of Madhushree Birla
Madhushree Birla	Spouse of Sidharth Kumar Birla
Bharat Jhaver	Son-in-law of Sidharth Kumar Birla and Madhushree Birla

Borrowing powers of the Board

In accordance with the Articles of Association of our Company, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the resolution dated July 31, 2014 passed by our Shareholders, our Board is authorized to borrow from time to time any sum or sums of monies from any one or more persons, firms, bodies corporate, banks, financial institutions or from any others by way of advances, deposits, loans, debentures or otherwise and whether unsecured or secured by mortgage, charge, hypothecation, lien or pledge of our Company's assets and properties, whether movable or immovable including stock-in-trade and debts and advances notwithstanding that the sum or sums of monies so borrowed together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves provided further that total amount up to which monies may be borrowed shall not at any one time exceed ₹ 5,000 million. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders.

Interest of Directors

Our Directors may be deemed to be interested to the extent of their remuneration, fees and commission, if any, payable to them for attending meetings of our Board or committees thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered.

Except for Sidharth Kumar Birla and Madhushree Birla, none of our other Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or held by or that which may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefits arising out of such holding.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.

Except as provided in "*Related Party Transactions*" on page 95, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see "*Related Party Transactions*" on page 95.

Other than as disclosed in this Preliminary Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

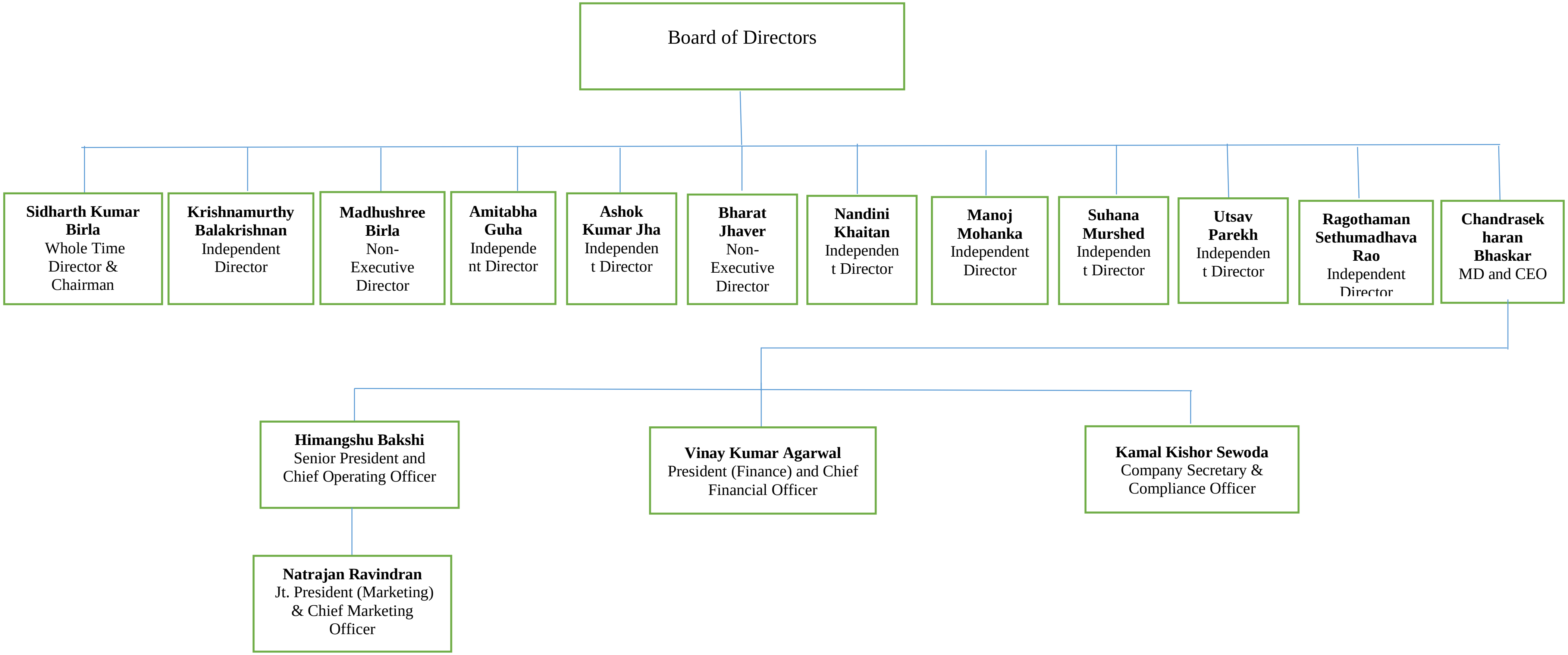
Bonus or profit-sharing plan of the Directors

Except as disclosed in "– *Terms of Appointment of Executive Directors*" on page 169, none of our Directors are party to any bonus or profit-sharing plan.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Organisation Structure



Corporate Governance

Our Board presently consists of 12 Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has eight Independent Directors (including two women Independent Directors).

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board with detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Remuneration and Nomination Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; (v) Corporate Social Responsibility Committee; and (vi) Committee of Directors.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

Committee	Members
Audit Committee	Ragothaman Sethumadhava Rao (Chairperson)
	Utsav Parekh
	Amitabha Guha
	Krishnamurthy Balakrishnan
Remuneration and Nomination Committee	Amitabha Guha (Chairperson)
	Sidharth Kumar Birla
	Utsav Parekh
	Suhana Murshed
Stakeholders Relationship Committee	Utsav Parekh (Chairperson)
	Amitabha Guha
	Chandrasekharan Bhaskar
Risk Management Committee	Ragothaman Sethumadhava Rao (Chairperson)
	Amitabha Guha
	Chandrasekharan Bhaskar
	Himangshu Bakshi
	Vinay Kumar Agarwal
Corporate Social Responsibility Committee	Madhushree Birla (Chairperson)
	Utsav Parekh
	Chandrasekharan Bhaskar
	Suhana Murshed
Committee of Directors	Sidharth Kumar Birla
	Ashok Kumar Jha
	Utsav Parekh
	Chandrasekharan Bhaskar

Key Managerial Personnel

In addition to the Managing Director and Whole-time Directors of our Company, whose details are set out in *"- Board of Directors"*, the details of the Key Managerial Personnel of our Company as on the date of this Preliminary Placement Document, are set out below:

Sr No	Name	Age (years)	Designation	Date of appointment
Key Managerial Personnel				
1.	Himangshu Bakshi	68	Senior President & Chief Operating Officer	January 25, 1993
2.	Vinay Kumar Agarwal	58	President (Finance) & Chief Financial Officer	February 11, 2008
3.	Kamal Kishor Sewoda	34	Company Secretary & Compliance Officer	February 15, 2023

Members of Senior Management

In addition to the Key Managerial Personnel of our Company, the details of our members of our Senior Management, as on the date of this Preliminary Placement Document are set forth below:

Sr No	Name	Age (years)	Designation	Date of appointment
Senior Management				
1.	Natrajan Ravindran	62	Joint President (Marketing) & Chief Marketing Officer	July 1, 1995

Shareholding of our Key Managerial Personnel and Senior Management

The following table sets forth details regarding the shareholding of the Key Managerial Personnel and Senior Management in our Company as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percentage shareholding (%)
Chandrasekhar Bhaskar	70,266	0.34
Himangshu Bakshi	15,246	0.07
Vinay Kumar Agarwal	12,450	0.06
Kamal Kishor Sewoda	10	-
Natrajan Ravindran	-	-

Relationship amongst the Key Managerial Personnel and Senior Management and Directors

Except as stated in *" – Relationship with other Directors"*, none of our Key Managerial Personnel or Senior Management are related to each other or to the Directors.

Interest of Key Managerial Personnel and Senior Management

Except as disclosed in *"- Interest of Directors"*, none of the Key Managerial Personnel or Senior Management have any interest in our Company other than to the extent of the remuneration or benefits or stock options to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business or other incidental expenses and to the extent of the Equity Shares held by them or their dependents in our Company, if any, held by them, or the companies, firms and trusts in which they are interested as director, member, partner and/or trustee, and to the extent of benefits arising out of such shareholding.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Except as disclosed under "– *Bonus or profit-sharing plan of the Directors*" on page 171, our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel and members of Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

Our Key Managerial Personnel and Senior Management have not entered into any service contracts with our Company providing any termination or retirement benefits.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals and the nine months period ended December 31, 2023 and December 31, 2022, as per the requirements under Ind AS 24 - Related Party Transactions, see "*Related Party Transactions*" on page 95.

Employee Stock Option Scheme

Our Company does not have any employee stock option plan.

Other confirmations

None of the Directors, Promoters or Key Managerial Personnel or members of Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Our Promoters, Directors, Key Managerial Personnel and members of Senior Management do not intend to subscribe to and will not participate in the Issue.

Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters and fraudulent borrowers issued by the Reserve Bank of India. Further, none of our Company, Directors or Promoters have been categorised as a fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations.

Our Company has not granted loans to our Directors, Key Managerial Personnel and members of Senior Management.

Neither our Company, nor our Directors or Promoters are currently debarred from accessing capital markets under any offence under any order or direction made by SEBI.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to us and our employees and requires us to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely the *"Xpro India Limited – Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and immediate relatives of Designated Persons"* for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, Kamal Kishor Sewoda, our Company Secretary and Compliance Officer, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on December 31, 2023.

Category of shareholder	Number of shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting Right	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
							Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(A) Promoters and Promoter Group	11	93,55,926	93,55,926	45.26	93,55,926	45.26	9,04,500	9.67	13,29,589	14.21	93,55,926
(B) Public	29,168	1,13,16,318	1,13,16,318	54.74	1,13,16,318	54.74	39,42,011	34.83	-	-	1,10,66,886
(C) Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-
(C1) Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-
(C2) Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-
Total	**29,179**	**2,06,72,244**	**2,06,72,244**	**100.00**	**2,06,72,244**	**100.00**	**48,46,511**	**23.44**	**13,29,589**	**6.43**	**2,04,22,812**

Statement showing shareholding pattern of our Promoters and Promoter Group

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on December 31, 2023.

Category	Category & Name of shareholder	Entity type	Number of Shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting Right	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
									Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
A(1)	**Indian**												
(a)	Individuals/ Hindu Undivided Family		**5**	**3,06,352**	**3,06,352**	**1.48**	**3,06,352**	**1.48**					**3,06,352**
	Sri Sidharth Kumar Birla	Promoter Group	1	1,52,812	1,52,812	0.74	1,52,812	0.74	-	-	-	-	1,52,812
	Smt. Madhushree Birla	Promoter Group	1	1,50,187	1,50,187	0.73	1,50,187	0.73	-	-	-	-	1,50,187
	Smt. Sumangala Devi Birla	Promoter Group	1	2,290	2,290	0.01	2,290	0.01	-	-	-	-	2,290
	Sri Sudarshan Kumar Birla	Promoter Group	1	829	829	0.00	829	0.00	-	-	-	-	829
	Sri Sudarshan Kumar Birla (HUF)	Promoter Group	1	234	234	0.00	234	0.00	-	-	-	-	234
(b)	Any other (Specify)		**6**	**90,49,574**	**90,49,574**	**43.78**	**90,49,574**	**43.78**	9,04,500	9.99	13,29,589	14.69	**90,49,574**
	iPro Capital Limited	Promoter Group	1	44,09,999	44,09,999	21.33	44,09,999	21.33	-	-	10,79,614	24.48	44,09,999
	Intellipro Finance Pvt Ltd	Promoter	1	34,57,500	34,57,500	16.73	34,57,500	16.73	-	-	-	-	34,57,500
	Central India General Agents Limited	Promoter Group	1	8,05,500	8,05,500	3.90	8,05,500	3.90	8,05,500	100			8,05,500
	Birla Holdings Ltd.	Promoter Group	1	2,49,975	2,49,975	1.21	2,49,975	1.21	-	-	2,49,975	100.00	2,49,975
	Birla Eastern Limited	Promoter Group	1	27,600	27,600	0.13	27,600	0.13	-	-			27,600
	Janardhan Trading Co. Ltd.	Promoter Group	1	99,000	99,000	0.48	99,000	0.48	99,000	100			99,000
	Morchana Oriental	Promoter Group	1	0	0	0.00	0	0.00	-	-			0

Category	Category & Name of shareholder	Entity type	Number of Shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting Right	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
									Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held **(b)**	
	Limited (Formerly, Intellipro Aviatech Limited)												
	Nathdwara Investment Co Ltd	Promoter Group	1	0	0	0.00	0	0.00	-	-			0
	Sub Total (A)(1)		**11**	**93,55,926**	**93,55,926**	**45.26**	**93,55,926**	**45.26**	**9,04,500**	**9.67**	**13,29,589**	**14.21**	**93,55,926**
A(2)	**Foreign**		0	0	0	0	0	0	0	0	0	0	0
	Total = A(1)+ A(2)		**11**	**93,55,926**	**93,55,926**	**45.26**	**93,55,926**	**45.26**	**9,04,500**	**9.67**	**13,29,589**	**14.21**	**93,55,926**

Statement showing shareholding pattern of the public shareholders

The following table sets forth the details regarding the equity shareholding pattern of the public Shareholders as on December 31, 2023:

Category	Category of shareholder	Number of shareholders	Number of fully paid up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities	Total as a % of Total Voting Rights	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
B(1)	**Institutions (Domestic)**											
(a)	Mutual Funds	4	10,428	10,428	0.05	10,428	0.05	-	-	-	-	10,428
(b)	Alternative Investments Funds	1	90,679	90,679	0.44	90,679	0.44	90,679	100	-	-	90,679
€	Banks	14	4,956	4,956	0.02	4,956	0.02	-	-	-	-	1,371
(d)	Other Financial Institutions	1	2,325	2,325	0.01	2,325	0.01	-	-	-	-	2,325
	Sub-Total B(1)	**20**	**1,08,388**	**1,08,388**	**0.52**	**1,08,388**	**0.52**	**90,679**	**83.66**	**-**	**-**	**1,04,803**
B(2)	Foreign Direct Investment											
(a)	Foreign Portfolio Investors Category-I	6	24,81,522	24,81,522	12.00	24,81,522	12.00	24,60,000	99.13	-	-	24,81,522
	MALABAR INDIA FUND LIMITED	1	24,60,000	24,60,000	11.90	24,60,000	11.90	24,60,000	100	-	-	24,60,000
(b)	Foreign Portfolio Investors Category-II	2	7,628	7,628	0.04	7,628	0.04	-	-	-	-	7,628
	Sub-Total B(2)	**8**	**24,89,150**	**24,89,150**	**12.04**	**24,89,150**	**12.04**	**24,60,000**	**98.83**	**-**	**-**	**24,89,150**
B(3)	**Central Government / State Government (s)**											
	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	2	7,800	7,800	0.04	7,800	0.04	-	-	-	-	6,600
	Sub-Total B(3)	**2**	**7,800**	**7,800**	**0.04**	**7,800**	**0.04**	**-**	**-**	**-**	**-**	**6,600**
B(4)	**Non-Institutions**											
(a)	Directors and their relatives (excluding independent directors and nominee directors)	4	4,06,438	4,06,438	1.97	4,06,438	1.97	-	-	-	-	4,06,438
	Ms. Meenakshi Apoorva Bajaj	1	2,50,000	2,50,000	1.21	2,50,000	1.21	-	-	-	-	2,50,000
(b)	Key Managerial Personnel	3	27,706	27,706	0.13	27,706	0.13	-	-	-	-	27,706
(c)	Investor Education and Protection Fund (IEPF)	1	6,20,870	6,20,870	3.00	6,20,870	3.00	-	-	-	-	6,20,870

Category	Category of shareholder	Number of shareholders	Number of fully paid up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities	Total as a % of Total Voting Rights	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of Equity Shares held in dematerialized form
								Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(d)	Resident Individuals holding nominal share capital up to ₹0.2 million	28087	30,76,851	30,76,851	14.88	30,76,851	14.88	-	-	-	-	28,34,826
(e)	Resident Individuals holding nominal share capital in excess of ₹0.2 million	23	30,46,052	30,46,052	14.73	30,46,052	14.73	12,86,999	42.25	-	-	30,46,052
	ASHISH KACHOLIA	1	8,08,550	8,08,550	3.91	8,08,550	3.91	8,08,550	100	-	-	8,08,550
	KARTHIK SUNDAR	1	3,20,000	3,20,000	1.55	3,20,000	1.55	-	-	-	-	3,20,000
	SUNDAR IYER	1	2,90,000	2,90,000	1.40	2,90,000	1.40	-	-	-	-	2,90,000
	VIJAY MOHAN KARNANI	1	2,50,001	2,50,001	1.21	2,50,001	1.21	-	-	-	-	2,50,001
(f)	Non-Resident Indians	407	3,55,888	3,55,888	1.72	3,55,888	1.72					3,55,888
(g)	Bodies Corporate	201	8,61,799	8,61,799	4.17	8,61,799	4.17	1,04,333	12.11	-	-	8,59,499
(h)	Any other (Specify)											
	Trusts	1	36,498	36,498	0.18	36,498	0.18	-	-	-	-	36,498
	Clearing Members	20	43,993	43,993	0.21	43,993	0.21	-	-	-	-	43,993
	Resident Individuals (HUF)	391	2,34,885	2,34,885	1.14	2,34,885	1.14	-	-	-	-	2,34,563
	Sub-Total B(4)	**29,138**	**87,10,980**	**87,10,980**	**42.14**	**87,10,980**	**42.14**	**13,91,332**	**15.97**			**84,66,333**
	Total B=B(1)+B(2)+B(3)+B(4)	**29,168**	**1,13,16,318**	**1,13,16,318**	**54.74**	**1,13,16,318**	**54.74**	**39,42,011**	**34.83**			**1,10,66,886**

Statement showing shareholding pattern of the non – Promoter – non-public Shareholder:

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on December 31, 2023:

Sl. No.	Category & Name of the Shareholders (I)	No of shareholders (III)	Total no. of shares held =(IV)+ (V)+(VI)	Shareholding % calculated as per SCRR. 1957) As a % of (A+B+C2) (VIII)	Number of Locked in shares (XII)		Number of equity shares held in dematerialized form (Not Applicable)
					No.	As a % of total shares held	
(1)	Custodian / DR Holder	0	0	0	0	0	0
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	0	0	0	0	0	0
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	0	0	0	0	0	0

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the BRLM. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLM and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLM and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder was eligible to acquire the Equity Shares. For further details, see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 201 and 208, respectively.

Our Company, the BRLM and their respective directors, officers, agents, advisors, shareholders, employees, counsel, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Sections 42 and other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, a listed company in India may issue eligible securities to Eligible QIBs provided that certain conditions are met by such company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution. This is not applicable to such Companies who propose to undertake a QIP for complying with the minimum public shareholding requirements specified in the SCRR;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law; the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- the issuer shall have completed allotments with respect to any offer or invitation made by the issuer or has withdrawn or abandoned any such invitation or offer, however, the issuer may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees;

- the promoters and directors of the issuer are not Fugitive Economic Offenders and have not been declared as Wilful Defaulters; and

- the directors of the issuer are not declared as 'Fraudulent Borrower' by the lending Banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated December 19, 2023 and our Shareholders through a special resolution on January 16, 2024, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "relevant date" mentioned above in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date. The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176(4) of the SEBI ICDR Regulations.

The securities must be allotted within 365 days from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information required under applicable laws including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 2,500 million; and

- five, where the issue size is greater than ₹ 2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "- *Application Form – Bid Process*" on page 190.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. In addition, purchasers of the Equity Shares Allotted pursuant to the Issue shall comply with the resale restrictions set forth in the sections titled, "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 201 and 208, respectively.

We have applied for and received the in-principle approval of NSE under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on NSE on February 26, 2024. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on December 19, 2023 and our Shareholders by way of a special resolution on January 16, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are only being offered and sold (i) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to U.S. QIBs in transactions exempt from the registration requirements of the U.S. Securities Act. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs". The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively.

The Equity Shares have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLM, shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such

Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. **The list of Eligible QIBs to whom this Preliminary Placement Document and the Application Form is delivered shall be determined by our Company in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer or to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM.

4. Bidders will be required to indicate the following in the Application Form:

   - A representation that it is either (i) outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, or (ii) a U.S. QIB and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 7 and "*Purchaser Representations and Transfer Restrictions*" on page 208 and certain other representations as set forth in the Application Form;

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the* *names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "XPRO INDIA LIMITED QIP ESCROW ACCOUNT" with the Escrow Agent, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Provided that until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, the Net Proceeds deposited in the Escrow Account, shall be transferred to the monitoring account as agreed between our Company and the Monitoring Agency. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 196.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares are allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

9. Upon receipt of the duly completed Application Form, whether signed or not and the Bid Amount in the Escrow Account on or after the Bid/ Issue Closing Date, our Company shall, in consultation with BRLM determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs

shall be deemed to have been given notice of such date after receipt of the Application Form. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

10. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

11. Upon determination of the Issue Price and the issuance of the CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

13. After passing the resolution by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

14. After receipt of the listing approval from NSE, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Successful QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

18. Only QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - Eligible FPIs;
    - insurance companies registered with the Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;

- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions eligible to invest in India;
- Mutual Funds, VCFs, AIFs and FVCIs;
- pension funds with minimum corpus of ₹ 25 crore registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 25 crore;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company, and the total holding of all FPIs, collectively, shall not exceed 24% of the paid-up Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

As per the circular issued by SEBI on November 5, 2019, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its

Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoter. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoter:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to our Promoter.

Our Company, the BRLM and any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply in the Issue. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties and the representations, warranties, acknowledgments and agreements set forth in

"*Notice to Investors*", "*Representations by Investors*" and "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4, 7, 201 and 208, respectively, including without limitation:

1. The Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. The Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter(s) or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. The Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. The Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. The Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM;

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

(a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

(b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidder acknowledges that no Allocation shall be made to it if the price at which it has Bid for in the Issue is lower than the Issue Price.

14. The Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. The Bidder is either (i) a U.S. QIB purchasing the Equity Shares in a transaction exempt from the registration requirements under the U.S. Securities Act or (ii) purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made.

17. The Eligible QIB confirms that:

(a) If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate;

(b) If it is outside the United States, it is subscribing to the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate; and

(c) It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of this Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections entitled "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions and Purchaser Representations*" on pages 4, 7, 201 and 208, respectively.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE

QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at either of the following addresses:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
Nuvama Wealth Management Limited *(Formerly known as Edelweiss Securities Limited)*	801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India	Lokesh Shah/ Pari Vaya	Website: www.nuvama.com Email: xpro@nuvama.com	+91 22 4009 4400

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed, and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "XPRO INDIA LIMITED QIP ESCROW ACCOUNT" with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "XPRO INDIA LIMITED QIP ESCROW ACCOUNT" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Application Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing

Date. The excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "*– Refunds*" on page 196.

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the Income Tax Act, 1961 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable. Applications without this information will be considered incomplete and are liable to be rejected. Bidders should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated January 16, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company, in consultation with BRLM, has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the successful Bidders (the "**Successful Bidders**"). Our Company will dispatch a serially numbered CAN to all such Successful Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board/its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 4 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the NSE for listing approval and post receipt of the listing approval, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. form the expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Provided that upon receipt of the listing and trading approval from Stock Exchanges or if our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later, the Net Proceeds deposited in the Escrow Bank Account, shall be transferred to the monitoring account or any other account as may be mutually agreed between our Company and the Monitoring Agency.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 190 and 196 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "XPRO INDIA LIMITED QIP ESCROW ACCOUNT" account to our Company until receipt of notice from the Book Running Lead Manager, the trading and listing approval of NSE for Equity Shares offered in the Issue and filing of return of Allotment under Form PAS-3 with the RoC.

PLACEMENT

The BRLM has entered into the Placement Agreement dated February 26, 2024 with our Company, pursuant to which the BRLM has agreed, subject to certain conditions, to manage this Issue and to act as placement agent in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) within the United States to U.S. QIBs in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Preliminary Placement Document as "QIBs". The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" on page 14.

From time to time, the Book Running Lead Manager, and its respective affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiary, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its respective affiliates and associates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Placement Agent, directly or indirectly:

(a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or

(b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or

(c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility,

(d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or

(e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Provided that, the foregoing restriction shall not apply to (i) the issuance of Equity Shares pursuant to the Issue and (ii) any transaction required by Applicable Law or an order of a court of law or a statutory authority.

Promoter's Lock-up

Under the Placement Agreement, to facilitate the Placement Agents to enter into the Agreement and continue its efforts in connection with the Issue and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Promoter and members of the Promoter Group (other than Sumangala Devi Birla, Sudarshan Kumar Birla and Sudarshan Kumar Birla HUF), have severally and jointly, on behalf of themselves and the Promoter Group (other than Sumangala Devi Birla, Sudarshan Kumar Birla and Sudarshan Kumar Birla HUF) agreed that they will not without the prior written consent of the Placement Agents, during the period commencing on the date of the Preliminary Placement Document and ending 90 days after the date of allotment of the Equity Shares (the "**Lock-up Period**"), directly or indirectly:

(a) sell, lend, contract to sell, any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares held by the Promoter and members of the Promoter Group (other than Sumangala Devi Birla, Sudarshan Kumar Birla and Sudarshan Kumar Birla HUF) ("**Lock-up Shares**"), or any securities convertible into or exercisable or exchangeable for Lock-up Shares or file any registration statement under the U.S. Securities Act of 1933, as amended, or publicly announce an intention with respect to any of the foregoing;

(b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Lock-up Shares or any securities convertible into or exercisable or exchangeable for Lock-up Shares;

(c) sell, lend, contract to sell any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Lock-up Shares; or

(d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Lock-up Shares, or such other securities, in cash or otherwise.

Provided, however, that none of the foregoing restrictions shall apply to:

(a) any sale, transfer or disposition of any of the Lock-up Shares by the undersigned with prior written consent of the BRLM to the extent such sale, transfer or disposition is required by Applicable Law.; and

(b) any bona fide pledge or non-disposal undertaking of any of the Lock-up Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, the Company or transfer of any of the Lock-up Shares to any third party pursuant to the invocation of any pledge in relation to the Lock-up Shares with prior written consent of the BRLM.

The Promoter and member of the Promoter Group hereby agree that any Equity Shares acquired by the Promoter during the Lock-up Period, either from the open market or inter-se transfer, shall constitute Lock-up Shares, and shall be subject to the restrictions contained herein. The Promoters and member of the Promoter Group undertake that the restrictions in the lock-up letter (the "**Lock-Up Letter**") shall be applicable to all the Lock-up Shares.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document or any offering material and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Purchaser Representations and Transfer Restrictions*" on pages 4, 7 and 208, respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");

- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;

- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and

- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Preliminary Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, the Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "**BVI Company**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Preliminary Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Equity Shares shall require the Company or any Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO..

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree is not a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA will not be made.

If an offeree is a Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA will not be made. To subscribe to the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Preliminary Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Preliminary Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Preliminary Placement Document, each investor represents and warrants that if they receive this Preliminary Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Preliminary Placement Document to any person who is not also a Habitual Investor.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity

Shares described in the Preliminary Placement Document will not take place inside Oman. The Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Preliminary Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Preliminary Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, may not be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")) or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, our Company or the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares **Taiwan**

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any Placement Agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States

See "*Purchaser Representations and Transfer Restrictions*" of this Preliminary Placement Document.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsels prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 201.

Purchaser Representations and Transfer Restrictions for Purchasers within the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

If you purchase the Equity Shares offered in the United States, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Manager as follows:

- You (A) are a U.S. QIB, (B) are aware that the sale of the Equity Shares to you is being made pursuant to an available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for your own account or for the account of a U.S. QIB;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who is a U.S. QIB, (ii) in an "offshore transaction", as defined in, and in reliance upon, Regulation S, (iii) pursuant to and in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you/it, nor any of your/its affiliates, nor any person acting on your/its behalf, will make any "general solicitation" or "general advertising" within the meaning of Regulation D under the U.S. Securities Act,, with respect to the Equity Shares. You/ it acknowledge and agree that you/it is not purchasing any Equity Shares as a result of any "general solicitation" or "general advertising";

- The Equity Shares offered and sold in the United States are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Preliminary Placement Document, as it may be supplemented;

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution;

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions;

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Company's request;

- You have been provided access to this Preliminary Placement Document which you have read in its entirety; and

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Purchaser Representations and Transfer Restrictions for Purchasers outside the United States

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

(i) You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Book Running Lead Manager and their respective affiliates shall have any responsibility in this regard;

(ii) You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

(iii) You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an "offshore transaction" as defined in, and in compliance with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (iv) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

(iv) You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

(v) You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company) the information contained in this Preliminary Placement Document, as may be supplemented.

(vi) You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Manager, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLM or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership of stock exchanges and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, BSE is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. Deliveries for trades executed "on- market" are exchanged through the National Securities Clearing Corporation Limited. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements entered into by our Company with the Stock Exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**") to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Further, where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Settlement

The stock exchanges in India operate on a trading day plus two, or T+2 rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday.

Further, in accordance with the circular dated September 7, 2021, issued by SEBI, at any time on or after January 1, 2022, a Stock Exchanges may choose to offer T+1 settlement cycle after giving an advance notice of at least one month.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, the PAS Rules and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial statements (subject to a limited review by the company's auditors) on a quarterly basis and are required to inform stock exchanges immediately regarding any unpublished price sensitive information.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders, audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the "**Insider Trading Regulations**") have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following information relates to the Equity Shares, including a brief summary of the Memorandum of Association and Articles of Association and certain provisions of the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹ 350,000,000 divided into 35,000,000 Equity Shares of ₹ 10 each and the issued subscribed and paid-up share capital is ₹ 206,722,440 divided into 20,672,244 Equity Shares of ₹ 10 each. For further details, see "*Capital Structure*" on page 90.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at an AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived at as laid down by the Companies Act and remaining undistributed or out of both or out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act, read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the inadequacy or absence of profits in any year, a company may declare dividend out of the accumulated profits earned in previous years and transferred to the free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid-up share capital of our Company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by our Company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of our Company after such withdrawal shall not fall below 15% of our Company's paid-up share capital as per the most recent audited financial statement of the Company.

The Articles of Association authorise the Board of Directors to pay to the members such interim dividend as appear to it to be justified by the profits of our Company.

On recommendation from the Board of Directors dividends on which our Company has lien may be retained to settle debts, liabilities or engagements in respect of which lien exists. The Directors may, as deemed fit, set a side part of the profit as reserves before declaring dividends. The Equity Shares issued pursuant to this Preliminary Placement Document shall rank pari passu with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company subject to approval of shareholders in a general meeting to issue fully paid-up bonus shares to its members out of (a) the free reserve of the company (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid-up bonus shares, provided: (a) it is authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus(e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of equity shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to the SEBI ICDR Regulations.

Pre-emptive rights and alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The Board is entitled to make private placement and preferential issue of Equity Shares, debentures, preference shares or any other instruments to such class of persons as the Board may deem fit which would be convertible or exchanged with Equity Shares, at a later date or such other securities as may be permissible to be issued by our Company under any law from time to time.

According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further the Companies Share Capital and Debentures Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

The Articles of Association authorises our Board to increase our authorised capital by issuing new shares consisting of equity shares, as our Company may determine in a general meeting. The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may (a) sub-divide and consolidate its shares into shares of a larger amount than the existing shares, or any class of them, and; (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; and (c) cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. The resolution whereby any share is sub-divided, or classified, may determine that, as between the holders of the shares resulting from such sub-division or classification, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other, consolidate, divide or sub-divide or cancel its share capital.

Issuance of preference shares

Subject to provisions of the Companies Act, and in accordance with the Articles of Association, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Companies Act.

General meetings of shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company must hold its AGM in each Fiscal year, provided that not more than 15 months shall elapse between each AGM, unless extended by RoC at its request for any special reason, not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company’s issued paid-up capital carrying a right to vote on such date.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95%

of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

In accordance with Section 110 of the Companies Act, a company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal ballot includes voting by electronic mode.

Due to the outbreak of COVID-19 pandemic and the restrictions imposed on gathering of people through social distancing norms, the MCA, by way of its, General Circular No. 14/ 2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020 and General Circular No. 20/2020 dated May 5, 2020 and SEBI, by way of its Circular No. SEBI/ HO/CFD / CMD1/ CIR/P/2020/79 dated May 12, 2020, has permitted companies to hold meetings, including annual general meetings through video conferencing or other audio visual means, during the calendar year 2020. Pursuant to the General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020, MCA has permitted companies to hold EGM through video conferencing ("**VC**") or other audio-visual means ("**OAVM**"), till June 30, 2021.

Voting rights

Subject to the provisions of the Companies Act, 2013 and our Articles of Association, votes may be given either personally or by proxy, and in the case of a body corporate, a duly authorized representative under Section 113 of the Companies Act, 2013 shall be entitled to exercise the same powers on behalf of the corporation as if it were an individual member of the company. On a show of hands, every member holding equity shares and present in person shall have one vote. On poll conducted via e-voting or postal ballot, every member holding equity shares therein shall have voting rights in proportion to his share of the paid-up equity share capital. In the case of joint holders, anyone of such persons may vote at any meeting either personally or by his proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting, that the vote of the first named person of such joint holders in the register of members, who tenders a vote whether in person or proxy shall be accepted to the exclusion of the votes of the other joint holders.

At a general meeting, every member holding shares is entitled to vote through e-voting process and has one vote for every one equity share held. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the shall be as provided under the Companies Act and rules framed thereunder. The Chairperson of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings. No proxy shall be entitled to vote on a show of hands unless such proxy is present on behalf of a company or corporation.

Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 deal with the exercise of right to vote by members by electronic means.

Registration of transfers and register of members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' or such lesser period as may be prescribed for certain situations (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall keep a book in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository. Further, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Directors

The Articles provide that the number of Directors shall not be less than three and not be more than 15. However, our Company may appoint more than 15 Directors after passing a special resolution. The Directors shall be appointed by our Company in the general meeting subject to the provisions of the Companies Act and the Articles. Two-thirds of the total number of Directors is subject to retirement by rotation. Of such Directors, one-third, or if their number is not three or multiples of three, then the number nearest to one-third, must retire every year; the debenture Directors, nominee Directors, corporation Directors and managing Directors are to be excluded from this number.

As provided under Section 161 of the Companies Act, 2013, the Director may be appointed by the Board or by the general meeting of the Shareholders. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our Company but the total number of Directors shall not at any time exceed the maximum strength. The Board shall also have the power to appoint any person to act as an alternate Director for a Director (not being an independent director) during the latter's absence for a period of not less than three months from India. The alternate Director shall vacate the office if and when the original Director returns to India and in case the office of the original Director is determined before he returns, the provisions of the Companies Act, 2013, and the Articles for automatic reappointment shall apply to the original Director and not the alternate Director.

Further, the trustees holding debentures of our Company via a trust deed have the right to appoint a debenture Director to the Board of our Company, similarly any financing corporation or credit corporation or any other financing company or body that holds debentures or shares of our Company has the right to appoint whole time or non-whole time Directors as nominee Directors. Additionally, the Directors have the power to appoint persons to fill casual vacancies on the Board. The Directors have the power to appoint any other persons as an additional Director but any Director so appointed shall hold office only up to the date of the next following AGM of our

Company, but the total number of Directors shall not at any time exceed the maximum strength for the Board of Directors fixed by the Articles of Association.

Liquidation rights

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid-up or which ought to have been paid-up on the shares held by them.

Buy back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 issued in connection therewith.

TAXATION

To,

The Board of Directors
Xpro India Limited
Barjora - Mejia Road,
P.O. - Ghutgoria, Tehsil: Barjora,
Distt: Bankura 722 202
West Bengal, India

Nuvama Wealth Management Limited *(formerly known as Edelweiss Securities Limited)*
801 - 804, Wing A,
Building No 3, Inspire BKC,
G Block Bandra Kurla Complex,
Bandra East Mumbai 400 051,
Maharashtra, India

(Nuvama Wealth Management Limited and any other lead managers appointed by Xpro India Limited are hereinafter collectively referred to as the "**Book Running Lead Managers**" or "**BRLMs**")

Dear Sirs,

Sub: Statement of tax benefits ("Statement") available to Xpro India Limited (the "Company") and its shareholders prepared in accordance with the Securities Exchange and Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")

1. This report is issued in accordance with the terms of our engagement letter dated January 11, 2024. We, B.B. & Associates, Chartered Accountants, hereby consent to the use of the Statement of Tax Benefits dated February 26, 2024 to be included in the Preliminary Placement Document and Placement Document (together referred to as "**Placement Documents**") of the Company to be filed with National Stock Exchange of India Limited and BSE Limited (together, the "**Stock Exchanges**"), in relation to the qualified institutions placement of equity shares of face value of ₹10 of the Company (the "**Placement**").

2. The accompanying Statement of Possible Special Direct Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "**the Statement**") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the "**Income Tax Regulations**") and Special Indirect Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "**the Statement**"), under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications and schemes), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications and schemes), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-23), Customs Act, 1962 (read with Custom Rules, circulars, notifications and schemes), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications and schemes), as amended by Finance Act 2023 (together referred to as "**Indirect Tax Regulations**) prepared in connection with the Placement, has been prepared by the management of the Company in connection with the Placement, which we have initialed for identification purposes.

   Further, the Company has only one subsidiary, which is not material in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as on the date of signing of this report. Accordingly, possible special direct tax benefits have not been provided for such subsidiary.

   Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Placement Documents is the responsibility of the management of the Company. The management's responsibility

includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Independent Chartered Accountant's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the "**ICAI**"). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the "**SEBI ICDR Regulations**") and the Companies Act 2013 ("**Act**"), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of February 26, 2024 to the Company, and shareholders of the Company, in accordance with the Income Tax Regulations and Indirect Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Placement.

7. Our work has been carried out in compliance with the relevant applicable requirements of the Standard on Quality Control ("**SQC**") 1, namely, Quality Control for Firms that performs Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements, issued by the ICAI.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying Statement are not exhaustive i.e., it does not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

   The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Placement.

   Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of February 26, 2024, to the Company and its shareholders, in accordance with the Income Tax Regulations and Indirect Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Placement documents, prepared in connection with the Offer to be filed by the Company with the Registrar of Companies, West Bengal at Kolkata, Securities and Exchange Board of India, and the concerned stock exchanges.

We consent to include our name as "Expert" as described under Section 2(38) and Section 26 of the Companies Act, 2013, as amended, in the Placement Documents and all the other related documents pertaining to the transaction, for the purpose of issuance of the Statement of Tax Benefit referred above.

For **B.B. & Associates**
Chartered Accountants
Firm Registration Number: 023670N
Peer Review Number: 015429

Balwan Bansal
Partner
(Membership Number: 511341)
Place: New Delhi
Date February 26, 2024
UDIN: 24511341BKBGZX2065

Enclosure: Statement of possible special tax benefits available to Xpro India Limited and its Shareholders

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO XPRO INDIA LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company and its shareholders (within and outside India) under the Income-tax Act, 1961 and Income-tax rules 1962 ('Income Tax Regulations'). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Income Tax Laws.

A. Special Direct Tax benefits available to the Company under the Income Tax Regulations

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the Income-tax Act, 1961 ('the IT Act')

   The Taxation Laws (Amendment) Act, 2019 introduced section 115BAA wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate is available from Financial Year ('FY') 2019-20 relevant to Assessment Year ('AY') 2020-21 and the option once exercised through filing of Form 10IC on the Income tax portal shall apply to subsequent assessment years. The concessional tax rate of 22% is subject to the company not availing any of the following deductions under the provisions of the IT Act:

   - Section10AA: Tax holiday available to units in a Special Economic Zone.
   - Section 32(1)(iia): Additional depreciation;
   - Section 32AD: Investment allowance.
   - Section 33AB/3ABA: Tea coffee rubber development expenses/site restoration expenses
   - Section 35(1)/35(2AA)/ 35(2AB): Expenditure on scientific research.
   - Section 35AD: Deduction for capital expenditure incurred on specified businesses.
   - Section 35CCC/35CCD: expenditure on agricultural extension /skill development
   - Chapter VI-A except for the provisions of section 80JJAA and section 80M.

   The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge of 10% and health and education cess of 4%) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the IT Act. Further, provisions of Minimum Alternate Tax ('MAT') under section 115JB of the IT Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

   The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

   Note: The Company has opted the lower rate under section 115BAA of the IT Act in the FY 2019-20 relevant to the AY 2020-21 as mentioned in the Section 115BAA for which declaration (Form 10 IC) has already been filed with the tax authorities.

2. <u>Deductions in respect of employment of new employees – Section 80JJAA of the IT Act.</u>

   As per section 80JJAA of the IT Act, where a company is subject to tax audit under section 44AB of the IT Act and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the IT Act. The company is presently not claiming deduction under section 80JJAA of the IT Act. However, this deduction could be claimed in the future subject to fulfilment of the conditions discussed above.

B. Special Direct Tax benefits available to the Shareholders of the Company under the Income Tax Regulations

1. Dividend Income

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholder, benefit of deduction under section 80M of the IT Act would be available on fulfilling the conditions.

In case of the shareholders who are individuals, Hindu Undivided Family, Association of person, Body of Individuals whether incorporated or not and every artificial juridical person, the surcharge would be restricted to 15% irrespective of the amount of dividend.

2. Tax on Capital Gains

As per section 112A of the IT Act, Long Term Capital Gains ('LTCG') arising from the transfer of equity shares on which Securities Transaction Tax ('STT') is paid at the time of acquisition and sale, shall be taxed at the rate of 10% (without indexation) (plus applicable surcharge and cess) of such capital gains. This is subject to fulfilment of prescribed additional conditions as per Notification No. 60/2018/F.No 370142/9/2017 dated 1 October 2018. It is worthwhile to note that tax u/s 112A of the IT Act shall only be levied where such aggregate capital gains exceed INR 1,00,000/- in a year.

Further, the Finance Act 2022 restricts surcharge to 15% in respect of LTCG arising from any capital asset. As per section 111A of the IT Act, Short-Term Capital Gains ('STCG') arising from the transfer of equity shares on which STT has been paid at the time of sale shall be taxed at the rate of 15% (plus applicable surcharge and cess).

3. Special Provisions for Non-resident shareholders

As per section 90(2) of the IT Act, non-resident shareholders will be entitled to be governed by the beneficial provisions under the respective Double Taxation Avoidance Agreement ('DTAA"), if any, applicable to such non-residents. This is subject to fulfilment of conditions prescribed to avail treaty benefits.

Further, any income by way of capital gains accruing to non-residents, may be subject to withholding tax as per the provisions of the IT Act or under the relevant DTAA, whichever is beneficial. However, where such non-resident has obtained a lower withholding tax certificate from the tax authorities, the withholding tax rate would be as per the said certificate. The non-resident shareholders may be able to avail credit for any taxes paid by them in India, subject to local laws of the country in which such shareholder is resident

Notes:

1. These special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Income tax regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:

i. the Company or its shareholders will continue to obtain these benefits in future;
ii. the conditions prescribed for availing the benefits have been/ would be met with; and
iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

6. The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO XPRO INDIA LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE INDIRECT TAX LAWS IN INDIA

A. **Special Indirect Tax benefits available to the Company under the Indirect Tax Regulations**.

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications and schemes), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications and schemes), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-23), Customs Act, 1962 (read with Custom Rules, circulars, notifications and schemes), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications and schemes), as amended by Finance Act 2023 (collectively referred as "Indirect Tax Regulations") read with Rules, Circulars, Notifications and Schemes.

1. **Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-23)**

   (i) Remission of duties and taxes on Exported Products (RoDTEP)

   Remission of duties and taxes on Exported Products (RoDTEP) scheme has replaced Merchandise Export from India Scheme (MEIS). Under the scheme, rebate of duty and taxes which is not refunded under any other Scheme will be given in the form of duty credit/electronic scrip. The scheme was notified from 1 January 2022 with the intention to boost exports. The rate of duty of remission for the products under RoDTEP scheme has been notified by the Government of India and it ranges from 0.5 percent to 4 percent.

2. **Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant Rules prescribed thereunder)**

   Under the GST regime, all supplies of goods and services which qualify as export of goods or services are zero-rated supplies.

   There are two mechanisms for claiming refund of accumulated ITC against export. Either person can export under Bond/ Letter of Undertaking (LUT) as zero-rated supply and claim refund of accumulated Input Tax Credit or person may export on payment of integrated Goods and Services Tax and claim refund thereof as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017.

   Thus, the GST law allows the flexibility to the exporter (which will include the supplier making supplies to SEZ) to claim refund upfront as integrated tax (by making supplies on payment of tax using ITC) or export 140 without payment of tax by executing a Bond/LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

B. Special Indirect Tax benefits available to the Shareholders of the Company under the Indirect Tax Regulations.

Shareholders of the Company are not eligible to any special indirect tax benefits under the provisions of the the Central Goods and Services Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-23), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications).

Notes:

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. The Company or its shareholders will continue to obtain these benefits in future;
   ii. The conditions prescribed for availing the benefits have been/ would be met with; and
   iii. The revenue authorities / courts will concur with the view expressed herein.

5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of
Xpro India Limited

Name: Vinay Kumar Agarwal
Designation: President (Finance) & Chief Financial Officer
Place: New Delhi
Date: February 26, 2024

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder *(as defined below)*. This summary deals only with initial purchasers of Equity Shares in the offering that are U.S. Holders that will hold the Equity Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the equity interests of the Company by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the "**IRS**") and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE EQUITY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Distributions

This section is subject to further discussion under "—*Passive Foreign Investment Company Considerations*" below.

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid by the Company with respect thereto, generally will be taxable to a U.S. Holder as dividend income. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Equity Shares will be treated as ordinary dividend income. Such dividend income will not be eligible for the dividends received deduction allowed to corporations. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Dividends paid by the Company generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Company qualifies for the benefits of the Treaty, and certain holding period and other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from the Company if the Company is treated as a passive foreign investment company in the taxable year of the Company in which the dividends are received or in the preceding taxable year. See "—*Passive Foreign Investment Company Considerations*" below. Prospective purchasers should consult their tax advisers regarding the qualified dividend income rules.

Dividends paid in Indian rupees will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the Indian rupees are converted into U.S. dollars at that time. If dividends received in Indian rupees are converted into U.S. dollars at the spot rate applicable on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder may be entitled, subject to certain complex limitations and requirements, to a credit against its U.S. federal income tax liability for Indian income taxes withheld by the Company on payments of dividends (at a rate not exceeding any applicable Treaty rate). Dividends generally will constitute foreign source "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and recently issued final U.S. Treasury regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable, and we do not intend to determine whether such requirements are met. However, recent notices (the "**Notices**") from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance).. Subject to certain limitations and requirements, in lieu of claiming a credit, a U.S. Holder may be able to take a deduction for such taxes. An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder's taxable year. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Indian withholding taxes.

Sale or Other Taxable Disposition

This section is subject to further discussion under "—*Passive Foreign Investment Company Considerations*" below.

Upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to significant limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Equity Shares that are not paid in U.S. dollars.

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. Moreover, under the Final FTC Regulations described above (but subject to the Notices described above), Indian income taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty, are generally not creditable for U.S. federal income tax purposes. Indian income taxes on disposition gains that are not creditable may reduce the amount realized on the disposition of Equity Shares or alternatively may be deductible. Indian STT is not creditable for U.S. federal income tax purposes. U.S. Holders should consult their tax advisers regarding the tax consequences if Indian income taxes are imposed on a taxable disposition of Equity Shares, including their ability to credit or deduct any Indian income tax against their U.S. federal income tax liability, the proper application of the Treaty (which in some respects is not entirely clear), the determination of the amount realized and disclosure obligations of any Treaty-based tax return position, as well as the proper U.S. federal income tax treatment of Indian STT (including whether Indian STT is deductible, increases the adjusted tax basis in the Equity Shares or reduces the amount realized on disposition).

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be a passive foreign investment company ("**PFIC**") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions. In general, cash is a passive asset for these purposes.

Based on the Company's current and projected composition of the Company's income and assets, the Company does not expect to be a PFIC for the current taxable year. However, the Company's possible status as a PFIC must be determined annually after the close of each taxable year, and therefore may be subject to change. This determination will depend on, among other things, the composition of the income and assets, as well as the value of the assets, of our Company and its subsidiaries from time to time. The value of our assets for purposes of the PFIC determination may be determined by reference to the market price of our Equity Shares, which could fluctuate significantly. In addition, the Company's possible status as a PFIC will also depend on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations. Accordingly, there can be no assurance that the Company will not be a PFIC for any year in which a U.S. Holder holds the Equity Shares.

If the Company is a PFIC in any year during which a U.S. Holder holds the Equity Shares, and such holder has not made any of the elections described below, the U.S. Holder will generally be subject to special rules with respect to (i) any "excess distribution" (generally, the excess of the total amount of distributions during a taxable year in which distributions received by the U.S. Holder on the Equity Shares over 125 per cent. of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Equity Shares) and (ii) any gain realised on the sale or other disposition of the Equity Shares. Under these rules (a) the excess distribution or gain will be allocated rateably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, dividends paid by the Company will not be eligible for the special reduced rate of tax described above under "*Distributions*". If the Company is a PFIC for any taxable year during which a U.S. Holder holds the Equity Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such holder owns the Equity Shares, even if the Company ceases to meet the threshold requirements for PFIC status (unless the U.S. Holder makes a deemed sale election with respect to the Equity Shares once the Company is no longer a PFIC). If the Company is a PFIC for any taxable year, U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to their ownership of the Equity Shares.

If the Company is a PFIC for any taxable year, to the extent any of its subsidiaries or other entities in which it holds equity interests are also PFICs, a U.S. Holder will generally be deemed to own equity interests in such lower-tier PFICs that are directly or indirectly owned by the Company in the proportion which the value of the Equity Shares owned by such U.S. Holder bears to the value of all of the Company's equity interests, and such U.S. Holder will generally be subject to the tax consequences described above (and the IRS Form 8621 reporting requirement described below) with respect to the equity interests of such lower-tier PFIC the U.S. Holder is deemed to own. As a result, if the Company receives a distribution from any lower-tier PFIC or sells equity interests in a lower-tier PFIC, a U.S. Holder will generally be subject to tax under the excess distribution rules described above in the same manner as if such U.S. Holder had held a proportionate share of the lower-tier PFIC equity interests directly, even if such amounts are not distributed to the U.S. Holder. The application of the PFIC rules to indirect ownership of any lower-tier PFIC held by the Company is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the application of such rules to their ownership of Equity Shares.

If the Company is a PFIC in a taxable year and the Equity Shares are treated as "marketable stock" in such year, a U.S. Holder may make a mark-to-market election with respect to its Equity Shares. A U.S. Holder that makes a valid mark-to-market election with respect to the first taxable year during its holding period in which the Company is a PFIC generally will not be subject to the PFIC rules described above. Instead, in general, such U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of the Equity Shares at the end of the taxable year over the U.S. Holder's adjusted basis in the Equity Shares. Such U.S. Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of such holder's adjusted basis in the Equity

Shares over the fair market value of such Equity Shares at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. Any gain that is recognised on the sale or other taxable disposition of Equity Shares would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. However, because a mark-to-market election cannot technically be made for equity interests in any lower-tier PFICs of the Company that are not treated as "marketable stock", a U.S. Holder would continue to be subject to the excess distribution rules with respect to any lower-tier PFICs, any distributions received by the Company from a lower-tier PFIC, and any gain recognised by the Company upon a sale of equity interests of a lower-tier PFIC, even if a mark-to-market election has been made by the U.S. Holder with respect to its Equity Shares. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the availability and advisability of the mark-to-market election as well as the application of the PFIC rules to their ownership of the Equity Shares.

In some cases, a shareholder of a PFIC may be subject to alternative treatment by making a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, the Company must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Company currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Company is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime to their investment in the Company.

Backup Withholding and Information Reporting

Payments of dividends on, and proceeds from the sale or other taxable disposition of, Equity Shares by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Equity Shares, including reporting obligations related to the holding of certain "specified foreign financial assets".

LEGAL PROCEEDINGS

*As on date of this Preliminary Placement Document, there are no outstanding legal proceedings which have been considered as "material", in accordance with our Company's policy for determining materiality of events or information for disclosures in accordance with Regulation 30 of the SEBI Listing Regulations (the "**Materiality Policy**").*

Additionally, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section involving our Company, its Directors, its Subsidiary and our Promoter (as applicable):

- *outstanding criminal proceedings filed by and against our Company, our Subsidiary, our Directors and our Promoter;*

- *outstanding actions (including show cause notices initiated) by statutory or regulatory authorities involving our Company and our Subsidiary, our Directors and Promoter.*

- *outstanding civil proceedings involving our Company and our Subsidiary, where the amount involved in such proceeding exceeds **₹16.36 million**, i.e., 5% of the average of absolute value of profit or loss after tax (on a consolidated basis) of the Company as per the last three financial years (**"Materiality Threshold"**);*

- *outstanding direct and indirect tax matters (including show cause notices) involving our Company and our Subsidiary, our Promoters and our Directors exceeding the Materiality Threshold (disclosed in a consolidated manner);*

- *any other outstanding litigation involving our Company and our Subsidiary, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis, and*

- *other outstanding litigation involving our Promoter and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.*

The Materiality Threshold was determined basis the Materiality Policy, adopted by the Board, pursuant to its resolution dated February 26, 2024.

Further, except as disclosed in this section, there are no:

- *inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or in any previous companies law in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiary, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and our Subsidiary;*

- *material frauds committed against our Company in the last three years, and if so, the action taken by our Company;*

- *significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and future operations;*

- *defaults by our Company, including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*

- *defaults in annual filings of our Company under the Companies Act, 2013; and*

- *litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and no direction have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.*

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiary, our Directors and our Promoter, from third parties (excluding statutory/ regulatory/ governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiary, our Directors and our Promoter, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced. Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Litigation against our Company

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Company

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation involving our Subsidiary

Litigation against our Subsidiary

Criminal proceedings

Nil

Actions taken by regulatory and statutory authorities

Nil

Civil proceedings above the Materiality Threshold

Nil

Litigation by our Subsidiary

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold

Nil

Other outstanding litigation involving our Company and our Subsidiary, wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could, individually or in the aggregate, materially and adversely affect the reputation, operations or financial position of our Company on a consolidated basis

Nil

Litigation involving our Directors

Criminal proceedings against our Directors

1. A complaint was filed by Aircel Limited before the Central Bureau of Investigation ("**CBI**"), New Delhi on October 9, 2011, following which, CBI has filed a charge sheet (without arrest) on July 19, 2018 against the erstwhile Finance Minister, Government of India, and 17 other persons including Ashok Kumar Jha ("**Accused**"), inter-alia accusing them, including other officials of Foreign Investment Promotion Board, of criminal conspiracy. The Special Judge inter-alia summoned the Accused for hearing vide order dated November 27, 2021. The matter is currently pending.

Criminal proceedings by our Directors

Nil

Actions taken by regulatory and statutory authorities

Nil

Litigation involving our Promoter

Criminal proceedings against our Promoter

Nil

Criminal proceedings by our Promoter

Nil

Actions taken by regulatory and statutory authorities

Nil

Other outstanding litigation involving our Promoter and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis

Nil

Inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiary, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document, involving our Company and its Subsidiary

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

Nil

Significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

Nil

Default by our Company, including therein the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon and loan from any bank or financial institution and interest thereon.

Repayment of statutory dues

Details of default	Amount due/ amount involved (in ₹)	Duration of default (in days)	Present status
Income-tax Act, 1961	69,921	26	Paid
The Employee's Provident Funds and Miscellaneous Provisions Act,1952	750,165	13	
The Employees State Insurance Act, 1948	40,703	13	
Income-tax Act, 1961	316,000	15	
Income-tax Act, 1961	399	15	
Income-tax Act, 1961	208,000	29	
Income-tax Act, 1961	5,354	29	
Income-tax Act, 1961	707,000	21	
Income-tax Act, 1961	2,018	6	
The Employee's Provident Funds and Miscellaneous Provisions Act,1952	67,866	1	
Income-tax Act, 1961	1,451	1	
Income-tax Act, 1961	3,850	9	
Income-tax Act, 1961	4,034	4	
Income-tax Act, 1961	3,694	8	
Income-tax Act, 1961	756	7	
Income-tax Act, 1961	5,053	22	
The Employee's Provident Funds and Miscellaneous Provisions Act,1952	1,475	2	
Income-tax Act, 1961	42,000	6	

Repayment of debentures and interest thereon

Nil

Repayment of deposits and interests thereon

Nil

Repayment of loan from any bank or financial institution and interest thereon

Nil

Default in annual filings of our Company under the Companies Act, 2013

Nil

Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years immediately preceding the year of this Preliminary Placement Document, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

Nil

Tax Litigation

As on the date of this Preliminary Placement Document, except as disclosed below, there are no outstanding tax litigations, involving our Company and its Subsidiary:

Nature of case	Number of cases	Amount involved (in ₹ million)*
Tax litigation involving our Company		
Direct tax	-	-
Indirect tax	26	38.83
Total	**26**	**38.83**
Tax litigation involving our Subsidiary		
Direct tax	-	-
Indirect tax	-	-

Nature of case	Number of cases	Amount involved (in ₹ million)*
Total	-	-

To the extent quantifiable, including interest and penalty thereon

OUR STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, 2013, M/s Walker Chandiok & Co. LLP, Chartered Accountants, were re-appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on June 24, 2022 for a period of five years, from the conclusion of the 25th AGM held in the year 2022 till the conclusion of the 30th AGM to be held in the year 2027.

M/s Walker Chandiok & Co. LLP, Chartered Accountants have audited our Audited Consolidated Financial Statements as at and for each of the years ended March 31, 2023, March 31, 2022, and March 31, 2021, which are included in this Preliminary Placement Document in "*Financial Statements*" on page 242.

M/s Walker Chandiok & Co. LLP, Chartered Accountants have performed a limited review of the Unaudited Condensed Interim Consolidated Financial Statements for the nine months ended December 31, 2023, the Unaudited Special Purpose Interim Consolidated Financial Statements for the nine months ended December 31, 2022, which are included in this Preliminary Placement Document in "*Financial Statements*" on page 242.

M/s Walker Chandiok & Co. LLP, Chartered Accountants, hold a valid certificate issued by the peer review board of the ICAI.

GENERAL INFORMATION

1. Our Company was originally incorporated as 'Biax Films Limited' under the Companies Act, 1956 *vide* a certificate of incorporation dated November 26, 1997 and received the certificate for commencement of business dated December 12, 1997 issued by the RoC. The name of our Company was changed to 'Xpro India Limited' pursuant to a fresh certificate of incorporation consequent upon change of name issued by the RoC on September 22, 1998.

2. The Registered Office of our Company is situated at Barjora – Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India and the Corporate Office is situated at 1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India.

3. The CIN of our Company is L25209WB1997PLC085972.

4. The Issue was approved by the Board of Directors in their meeting held on December 19, 2023. The shareholders of our Company have approved the Issue *vide* a special resolution on January 16, 2024.

5. The authorised share capital of our Company is ₹ 350,000,000 comprising of 35,000,000 Equity Shares of face value of ₹ 10 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 206,722,440 comprising of 20,672,244 Equity Shares of face value of ₹ 10 each. For further information, see "*Capital Structure*" on page 90.

6. Our Equity Shares have been listed on NSE since April 27, 2004 and have been permitted to trade on BSE since January 8, 2003.

7. Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, from NSE on February 26, 2024. We shall apply for final listing and trading approvals of such Equity Shares after Allotment of the Equity Shares pursuant to the Issue.

8. Copies of Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days, except Saturdays and public holidays during the Bid/Issue Period at the Registered Office.

9. Our Company has obtained necessary consents, approvals and authorisations required in connection with the Issue.

10. Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operation –Recent developments*" on page 138, there has been no material change in the financial or trading position of our Company since the date of the of the audited financial statements filed with the Stock Exchanges in accordance with the requirements of the SEBI Listing Regulations.

11. Except as disclosed in this Preliminary Placement Document, there are no outstanding legal or arbitration proceedings against or affecting our Company or its assets or revenues, nor is our Company aware of any pending or threatened legal or arbitration proceedings, which is material in terms of the Policy for Determination of Materiality of Xpro India Limited, as adopted by the Board on February 26, 2024. For further details, see "*Legal Proceedings*" on page 233.

12. Our Company's Statutory Auditors, M/s. Walker Chandiok & Co LLP. have audited our financial statements for Fiscal 2023.

13. Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

14. No change in control in our Company will occur consequent to this Issue.

15. The Floor Price for the Equity Shares under the Issue is ₹ 1,158.32 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations and as certified by our independent chartered accountant. Our Company may offer a discount of not more than 5% on the Floor Price accordance

with the approval of the shareholders accorded through special resolution at their extraordinary general meeting on January 16, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

16. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings & Research Private Limited as the Monitoring Agency for monitoring the utilisation of the proceeds in relation to this Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

17. Our Company and the BRLM accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

18. Details of the Compliance Officer:

Kamal Kishor Sewoda
Company Secretary & Compliance Officer
Barjora - Mejia Road, P.O. Ghutgoria,
Tehsil: Barjora, Distt: Bankura,
West Bengal – 722 202, India
Tel: +91-33-40823700/22200600
E-mail: cosec@xproindia.com

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of the Equity Shares pursuant to this Issue shall be made by the Company, in consultation with the BRLM, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

No.	Name of the proposed Allottee	Percentage of post-Issue paid-up Equity Share capital*^#
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]
4.	[●]	[●]
5.	[●]	[●]
	Total	**[●]**

**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

^ Based on beneficiary position as on [●], 2024 and adjusted for Equity Shares Allocated in the Issue.

 # The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

FINANCIAL STATEMENTS

Walker Chandiok & Co LLP
L 41, Connaught Circus,
Outer Circle,
New Delhi - 110 001
India
T +91 11 4500 2219
F +91 11 4278 7071

Independent Auditor's Review Report on Unaudited Condensed Interim Consolidated Financial Statements of Xpro India Limited for the nine month period ended 31 December 2023

To the Board of Directors of Xpro India Limited

Introduction

1. We have reviewed the accompanying unaudited condensed interim consolidated financial statements of Xpro India Limited ('the Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiary included in the unaudited condensed interim consolidated financial statements), which comprise the Unaudited Condensed Interim Consolidated Balance Sheet as at 31 December 2023, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Condensed Interim Consolidated Cash Flow Statement and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the nine month period then ended, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as the "Unaudited Condensed Interim Consolidated Financial Statements"). The management is responsible for the preparation and presentation of these Unaudited Condensed Interim Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') prescribed under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. These Unaudited Condensed Interim Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on these Unaudited Condensed Interim Consolidated Financial Statements based on our review.

Scope of Review

2. We conducted our review of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * WALKER

Independent Auditor's Review Report on Unaudited Condensed Interim Consolidated Financial Statements of Xpro India Limited for the nine month period ended 31 December 2023 (Cont'd)

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Condensed Interim Consolidated Financial Statements are not prepared, in all material aspects, in accordance with the requirements of Ind AS 34, prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

Other Matter

4. The Unaudited Condensed Interim Consolidated Financial Statements includes the interim financial information of one subsidiary, which have not been reviewed by their auditors, whose interim financial information reflect total assets of ₹ 1.96 lacs as at 31 December 2023, and total revenues of ₹ NIL lacs, net loss after tax of ₹ 0.51 lacs, total comprehensive income of 0.51 lacs for the nine month period ended 31 December 2023, cash flows (net) of ₹ (0.92) lacs for the nine month period ended 31 December 2023, as considered in the Unaudited Condensed Interim Consolidated Financial Statements, and have been furnished to us by the Holding Company's management. Our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors of the Holding Company.

5. The Holding Company had prepared separate set of consolidated financial information for the quarter and nine month period ended 31 December 2023 in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), on which we had issued review report dated 29 January 2024 to the Board of Directors of the Holding Company, wherein we had expressed an unmodified conclusion.
   Our conclusion is not modified in respect of this matter.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Review Report on Unaudited Condensed Interim Consolidated Financial Statements of Xpro India Limited for the nine month period ended 31 December 2023 (Cont'd)

Restriction on distribution or use

6. The Unaudited Condensed Interim Consolidated Financial Statements has been prepared by the Holding Company's Management to be included in the Holding Company's Preliminary Placement Document/Placement Document for the purpose of proposed offering of equity shares by the Holding Company through Qualified Institutional Placement as approved by the Board of Directors on 19 December 2023 and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

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

Ashish Gera

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Ashish Gera
Partner
Membership No.: 508685

UDIN: 24508685BKEUCZ4468

Place: New Delhi
Date: 26 February 2024

Independent Auditor's Review Report on Unaudited Condensed Interim Consolidated Financial Statements of Xpro India Limited for the nine month period ended 31 December 2023 (Cont'd)

Annexure 1

List of entities included in the Unaudited Condensed Interim Consolidated Financial Statements

Name of Holding Company

a. Xpro India Limited

Name of Subsidiary Company

b. Xpro Global Limited

Xpro India Limited
Unaudited Condensed Interim Consolidated Balance Sheet as at 31 December 2023
(All amounts in INR lacs, unless otherwise stated)

	Note No.	As at December 31, 2023	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	14,492.90	15,081.26
(b) Right-of-use assets	43	871.16	910.09
(c) Capital work-in-progress	5	1,443.42	261.20
(d) Other intangible assets	6	-	-
(e) Financial assets			
(i) Investments	7	473.85	464.83
(ii) Loans	8	17.86	22.13
(iii) Other financial assets	9	320.71	341.43
(f) Non-current tax assets (net)	10	203.05	171.80
(g) Other non-current assets	11	4,363.25	3,557.43
Total non-current assets		**22,186.20**	**20,810.17**
Current assets			
(a) Inventories	12	5,006.52	4,732.13
(b) Financial assets			
(i) Trade receivables	13	4,080.02	5,098.39
(ii) Cash and cash equivalents	14	13.85	15.16
(iii) Bank balances other than (ii) above	15	12,858.65	3,001.11
(iv) Loans	16	10.40	12.44
(v) Other financial assets	17	14.26	12.09
(c) Other current assets	18	339.69	333.20
Total current assets		**22,323.39**	**13,204.52**
TOTAL ASSETS		**44,509.59**	**34,014.69**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	2,067.22	1,821.22
(b) Other equity	20	33,397.77	21,534.49
Total equity		**35,464.99**	**23,355.71**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	504.36	956.37
(ii) Lease liabilities	43	196.35	226.95
(iii) Other financial liabilities	22	-	6.57
(b) Provisions	23	115.80	18.98
(c) Deferred tax liabilities (net)	24	1,527.30	945.33
Total non-current liabilities		**2,343.81**	**2,154.20**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	25	1,833.65	2,648.43
(ii) Lease liabilities	43	40.09	36.44
(iii) Trade payables	26		
- total outstanding dues of micro enterprises and small enterprises		174.14	141.04
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,070.27	4,897.50
(iv) Other financial liabilities	27	322.14	251.04
(b) Other current liabilities	28	260.50	530.33
Total current liabilities		**6,700.79**	**8,504.78**
Total liabilities		**9,044.60**	**10,658.98**
TOTAL EQUITY AND LIABILITIES		**44,509.59**	**34,014.69**

The accompanying notes are an integral part of the Unaudited Condensed Interim Consolidated Financial Statements.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director and
Chief Executive officer
(DIN: 00003343)

V.K. Agarwal
President (Finance) and
Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

Place: New Delhi
Date: February 26, 2024

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

Xpro India Limited

Unaudited Condensed Interim Consolidated Statement of Profit and Loss for nine month period starting from April 01, 2023 and ended on December 31, 2023

(All amounts in INR lacs, unless otherwise stated)

	Note No.	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Income			
Revenue from operations	29	33,700.14	38,669.63
Other income	30	703.37	321.18
Total income		**34,403.51**	**38,990.81**
Expenses			
Cost of materials consumed	31	22,810.00	26,592.55
Changes in inventories of finished products and work-in-progress	32	(111.77)	30.44
Employee benefits expense	33	2,472.43	2,245.84
Finance costs	34	422.58	560.90
Depreciation and amortisation expense	35	851.80	877.81
Other expenses	36	3,594.29	4,283.51
Total expenses		**30,039.33**	**34,591.05**
Profit before tax		**4,364.18**	**4,399.76**
Tax expense:	24		
Current tax		639.65	-
Deferred tax expense		580.06	290.21
Tax adjustment for earlier period		-	(0.03)
Total tax expense		**1,219.71**	**290.18**
Profit for the period		**3,144.47**	**4,109.58**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		(0.17)	(11.55)
Income tax relating to items that will not be reclassified to profit or loss		0.04	2.91
Items that will be reclassified to profit or loss			
Change in fair value of tax free bonds		7.73	(20.74)
Income tax relating to items that will be reclassified to profit or loss		(1.95)	5.22
Other comprehensive income for the period, net of tax		**5.65**	**(24.16)**
Total comprehensive income for the period (comprising profit after tax and other comprehensive income for the period)		**3,150.12**	**4,085.42**
Profit for the period attributable to			
Owners of the Company		3,144.47	4,109.58
Non-controlling interest		-	-
Other comprehensive income for the period attributable to			
Owners of the Company		5.65	(24.16)
Non-controlling interest		-	-
Total comprehensive income for the period attributable to			
Owners of the Company		3,150.12	4,085.42
Non-controlling interest		-	-
Earnings per equity share for the period (of INR 10/- each)			
Basic	37	15.90	23.19
Diluted		15.90	21.96

The accompanying notes are an integral part of the Unaudited Condensed Interim Consolidated Financial Statements.

In terms of our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director and
Chief Executive officer
(DIN: 00003343)

V.K. Agarwal
President(Finance) and
Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

Place: New Delhi
Date: February 26, 2024

Xpro India Limited
Unaudited Condensed Interim Consolidated Statement of Cash Flow for the nine month period starting from April 01, 2023 and ended on December 31, 2023
(All amounts in INR lacs, unless otherwise stated)

		April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
A	**Cash flow from operating activities**		
	Net profit before tax	4,364.18	4,399.76
	Adjustments for:		
	Depreciation and amortisation (net)	851.80	877.81
	Excess liabilities written back	(91.70)	-
	Foreign currency translations (net)	(9.32)	(18.82)
	Interest income	(485.57)	(120.12)
	Finance costs	422.58	560.90
	Profit on sale of property, plant and equipment including assets held for sale	(1.23)	(76.51)
	Dividend income	(0.05)	(0.08)
	Operating profit before working capital changes	**5,050.69**	**5,622.94**
	Movement in financial assets	22.60	(23.18)
	Movement in trade receivables	1,023.22	2,460.63
	Movement in other assets	(125.89)	167.52
	Movement in inventory	(274.39)	(390.51)
	Movement in financial liabilities	(600.70)	(1,034.14)
	Movement in other liabilities	(269.82)	(119.19)
	Movement in provisions	96.65	(119.44)
	Net cash flow generated from operations (gross)	**4,922.36**	**6,564.63**
	Income-tax paid (net)	(670.90)	146.13
	Net cash flow generated from operating activities (A)	**4,251.46**	**6,710.76**
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(2,142.24)	(283.29)
	Investment in equity shares	(1.30)	-
	Proceeds from sale of property, plant and equipment	9.99	0.58
	Dividend received	0.05	0.08
	Interest received	483.38	105.18
	Investment in fixed deposits	(9,849.29)	(2,485.89)
	Net cash flow used in investing activities (B)	**(11,499.41)**	**(2,663.34)**
C	**Cash flows from financing activities**		
	Proceeds from convertible warrants	9,372.60	-
	Dividend paid	(409.64)	(232.58)
	Principal payment of lease liabilities	(26.95)	(19.38)
	Interest payment of lease liabilities	(21.23)	(19.80)
	Repayment from long-term borrowings	(452.01)	(4,882.29)
	Repayment of short-term borrowings (net)	(814.78)	(200.10)
	Interest paid/finance cost	(401.35)	(544.36)
	Net cash flow generated from/ (used in) financing activities (C)	**7,246.64**	**(5,898.51)**
	Net decrease in cash and cash equivalents (A+B+C)	(1.31)	(1,851.09)
	Cash and cash equivalents at the beginning of the period	15.16	1,871.19
	Cash and cash equivalents at the end of the period	**13.85**	**20.10**
	Components of cash and cash equivalents (refer note 14):		
	Balances with scheduled banks		
	- In current accounts	11.09	17.47
	Cash on hand	2.76	2.63
		13.85	**20.10**

Note:
The Unaudited Condensed Interim Consolidated Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Ind AS 7 "Cash flow Statements".

The accompanying notes are an integral part of the Unaudited Condensed Interim Consolidated financial statements.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number 001076N/N500013

Ashish Gera
Partner
Membership No : 508685

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
(DIN 00004213)

C. Bhaskar
Managing Director and Chief Executive officer
(DIN: 00003343)

V.K. Agarwal
President (Finance) and Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi

Date: February 26, 2024

Place: New Delhi

Date: February 26, 2024

XPRO INDIA LIMITED

Xpro India Limited

Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the nine month period starting from April 01, 2023 and ended on December 31, 2023

(All amounts in INR lacs, unless otherwise stated)

A) Equity share capital

	As at December 31, 2023		As at March 31, 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the reporting period/ year	18,212,244	1,821.22	11,813,500	1,181.35
Add: Bonus shares issued during the period/ year (refer note 20)	-	-	5,906,744	590.67
Add: Equity share capital issued upon conversion of fully paid warrants (refer note 20)	1,640,000	164.00	328,000	32.80
Add: Bonus shares issued upon conversion of fully paid warrants (refer note 20)	820,000	82.00	164,000	16.40
Balance at the end of the reporting period/ year	**20,672,244**	**2,067.22**	**18,212,244**	**1,821.22**

B) Other equity

	Reserves and surplus						
	Capital subsidy reserve	Securities Premium	General reserve	Retained earnings	Financial assets through OCI	Money received against share warrant	Total
Balance as at April 1, 2022	60.50	406.58	6,750.00	5,068.29	(13.12)	3,749.04	16,021.29
Additions:							
Profit for the period	-	-	-	4,109.58	-	-	4,109.58
Other comprehensive income/(loss) (net of tax)	-	-	-	(8.64)	(15.52)	-	(24.16)
Payment of Dividend	-	-	-	(236.27)	-	-	(236.27)
Issue of Bonus Shares	-	(406.58)	(184.09)	-	-	-	(590.67)
Balance as at December 31, 2022	**60.50**	-	**6,565.91**	**8,932.96**	**(28.64)**	**3,749.04**	**19,279.77**
Additions:							
Profit for the period	-	-	-	426.83	-	-	426.83
Other comprehensive income/(loss) (net of tax)	-	-	-	8.47	(5.90)	-	2.57
Issue of Bonus Shares	-	-	(16.40)	-	-	-	(16.40)
Balance proceeds from warrants	-	-	-	-	-	1,874.52	1,874.52
Issue of shares against warrants	-	2,466.56	-	-	-	(2,499.36)	(32.80)
Balance as at March 31, 2023	**60.50**	**2,466.56**	**6,549.51**	**9,368.26**	**(34.54)**	**3,124.20**	**21,534.49**
Balance as at April 1, 2023	**60.50**	**2,466.56**	**6,549.51**	**9,368.26**	**(34.54)**	**3,124.20**	**21,534.49**
Additions:							
Profit for the period	-	-	-	3,144.47	-	-	3,144.47
Other comprehensive income/(loss) (net of tax)	-	-	-	(0.13)	5.78	-	5.65
Payment of Dividend	-	-	-	(413.44)	-	-	(413.44)
Issue of Bonus Shares	-	(82.00)	-	-	-	-	(82.00)
Balance proceeds from warrants	-	-	-	-	-	9,372.60	9,372.60
Issue of shares against warrants	-	12,332.80	-	-	-	(12,496.80)	(164.00)
Balance as at December 31, 2023	**60.50**	**14,717.36**	**6,549.51**	**12,099.16**	**(28.76)**	-	**33,397.77**

The accompanying notes are an integral part of the Unaudited Condensed Interim Consolidated Financial Statements.

In terms of our report of even date attached

For Walker Chandiok & Co LLP

Chartered Accountants

Firm registration number: 001076N/N500013

Ashish Gera

Partner

Membership No.: 508685

Place: New Delhi

Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla

Chairman

(DIN: 00004213)

C. Bhaskar

Managing Director and Chief Executive officer

(DIN: 00003343)

V.K. Agarwal

President(Finance) and Chief Financial officer

Place: New Delhi

Date: February 26, 2024

Kamal Kishor Sewoda

Company Secretary

Place: New Delhi

Date: February 26, 2024

1. **Group Information:**

Xpro India Limited (the 'Holding Company') is a public limited company domiciled in India with its registered office located at Barjora Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal. Incorporated on November 26, 1997 as "Biax Films Limited" under the Companies Act, 1956, the present name was adopted w.e.f. September 22, 1998. Equity shares of the Holding Company are listed on the National Stock Exchange (NSE) and are admitted for trading on the Bombay Stock Exchange (BSE). Organised into operating divisions for operational convenience, the Holding 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).

These unaudited condensed interim consolidated financial statements comprise the standalone financial statements of the Holding Company and its subsidiary (collectively referred to as 'the Group') for the nine month period ended December 31, 2023

Name of Subsidiary	% Shareholding	Principal Activity	Country of Incorporation
Xpro Global Limited	100 *	General Trade	India

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiary are insignificant.

(* 100% shareholding in each of the period/year ended December 31, 2023 and March 31, 2023);

2. **Basis for Preparation:**

The Unaudited Condensed Interim Consolidated Financial Statements (hereinafter referred to as 'the consolidated financial statements) of Xpro India Limited ('the Holding Company') and its subsidiary, Xpro Global Limited (the Holding Company and its subsidiary together referred to as 'the Group') consisting of the Unaudited Condensed Interim Consolidated Balance Sheet as at December 31, 2023, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Condensed Interim Consolidated Cash Flow Statement and the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the nine month period then ended, and a summary of the material accounting policies and other explanatory information, has been prepared in accordance with the principles of the Indian Accounting Standards ('Ind AS') 34, 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

The Unaudited Condensed Interim Consolidated Financial Statements has been prepared by the Holding Company's Management to be included in the Holding Company's Preliminary Placement Document/Placement Document for the purpose of proposed offering of equity shares by the Holding Company as approved by the Board of Directors on 19 December 2023 through Qualified Institutional Placement. Accordingly, such Unaudited Condensed Interim Consolidated Financial Statements may not be suitable for any other purpose.

Principles of Consolidation

a. The Unaudited Condensed Interim Consolidated Financial Statements (hereinafter referred to as 'the consolidated financial statements') relate to Xpro India Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

i) The standalone financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Standalone Financial Statements.

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

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended.

c. Basis of measurement

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

d. Functional and presentation currency

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

e. Current and non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

f. Fair Value Measurements

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

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

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

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

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

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

Overall Considerations

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

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

4. **Material accounting policies:**

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

a. **Property, plant and equipment**

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

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

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs

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incurred during-the construction periods which are not related to construction activity nor are incidental thereto are charged to the Consolidated Statement of Profit and Loss.

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

b. Other intangible assets

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

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

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

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

c. Borrowing Costs

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

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d. Impairment of non-financial assets

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

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

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

e. Assets held for sale

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

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

f. Inventories

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

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

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the

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obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

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

h. Government grants

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

i. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j. Cash and cash equivalents

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

k. Foreign currency transactions and translation

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

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

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

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l. **Revenue recognition**

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

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

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

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

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

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

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

Interest Income: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

m. **Employee Benefits**

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

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

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

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

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

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

Retirement benefit in the form of provident fund is a defined benefit scheme. The Group contributes its portion of contribution to Xpro India Ltd. Employees Provident Fund Trust ('the Trust'). The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and accounted by the Group as provident fund cost.

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

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

n. Leases

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

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

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

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

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

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

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

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o. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

p. Earnings per share

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

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

q. Operating segment

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

r. Equity investment

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

s. Financial instruments

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

1. Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial

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assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Financial assets classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories: Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments at amortised cost

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

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

Investments carried at fair value through profit and loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss.

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

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

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

Derecognition

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

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

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

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Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are measured at FVTOCI e.g. investment in bonds.

(c) Trade receivables under Ind AS 115.

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

2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or fair value through profit and loss.

Financial liabilities at amortised cost

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

Derecognition

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

3. Offsetting

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

t. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of the financial year which are unpaid.

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u. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest rate method. Borrowing are de-recognised from the balance sheet when the obligation specified in the contact is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

v. Use of estimates and management judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

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

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

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

Significant management judgements:

1. Recoverable amount of property, plant and equipment

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

2. Provisions and contingencies

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

3. Recognition of deferred tax assets

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

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Significant management estimates:

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

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

2. **Employee benefit plans**

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

Recent Pronouncements on Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023. However, these amendments does not have any impact on the Unaudited Condensed Interim Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

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Xpro India Limited
Notes to the Unaudited Condensed Interim Consolidated financial statements for nine month period starting from April 01, 2023 and ended on December 31, 2023
(All amounts in INR lacs, unless otherwise stated)

5 Property, plant and equipment and capital work-in-progress

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Equipment and Fittings	Total	Capital work-in-progress
Gross Block								
Balance as on April 1, 2022	**4,134.96**	**25,273.02**	**334.58**	**340.82**	**158.07**	**120.19**	**30,361.64**	**37.30**
Additions during the year (refer note c below)	51.23	119.41	2.07	143.66	10.69	7.88	334.94	228.20
Less: Disposals/ adjustments during the year	-	1,779.92	145.90	58.21	33.88	54.22	2,072.13	4.30
Balance as on March 31, 2023	**4,186.19**	**23,612.51**	**190.75**	**426.27**	**134.88**	**73.85**	**28,624.45**	**261.20**
Additions during the period (refer note c below)	5.28	206.49	-	14.91	5.88	0.71	233.27	1,182.22
Less: Disposals/ adjustments during the period	-	-	-	23.84	0.11	-	23.95	-
Balance as on December 31, 2023	**4,191.47**	**23,819.00**	**190.75**	**417.34**	**140.65**	**74.56**	**28,833.77**	**1,443.42**
Accumulated depreciation								
Balance as on April 1, 2022	**1,106.34**	**12,725.71**	**262.22**	**90.49**	**134.05**	**107.00**	**14,425.81**	-
Add: Depreciation for the year	131.52	906.60	15.45	37.75	8.23	7.87	1,107.42	-
Less: Disposals for the year	-	(1,746.92)	(137.85)	(18.93)	(33.88)	(52.46)	(1,990.04)	-
Balance as on March 31, 2023	**1,237.86**	**11,885.39**	**139.82**	**109.31**	**108.40**	**62.41**	**13,543.19**	-
Add: Depreciation for the period	100.40	654.86	8.50	38.10	7.78	3.23	812.87	-
Less: Disposals for the period	-	-	-	(15.12)	(0.07)	-	(15.19)	-
Balance as on December 31, 2023	**1,338.26**	**12,540.25**	**148.32**	**132.29**	**116.11**	**65.64**	**14,340.87**	-
Balance as on December 31, 2023	**2,853.21**	**11,278.75**	**42.43**	**285.05**	**24.54**	**8.92**	**14,492.90**	**1,443.42**
Balance as on March 31, 2023	**2,948.33**	**11,727.12**	**50.93**	**316.96**	**26.48**	**11.44**	**15,081.26**	**261.20**

Note:

a) Refer Note 21 for information on property, plant and equipment pledged as security by the Holding Company;

b) Refer Note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment;

c) The Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the normal course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is considered in these Unaudited Condensed Consolidated Interim Financial Statements;

d) Exchange differences on all long-term monetary items resulted in INR Nil (March 31, 2023: deletion of INR 1.24 lacs) to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

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XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

6 Other intangible assets

Particulars	Computer software	Technical Knowhow	Total
Gross block			
Balance as on April 1, 2022	28.32	348.38	376 70
Additions during the year	-	-	-
Balance as on March 31, 2023	**28.32**	**348.38**	**376.70**
Additions during the period	-	-	-
Balance as on December 31, 2023	**28.32**	**348.38**	**376.70**
Accumulated amortisation			
Balance as on April 1, 2022	28.32	348.38	376.70
Add: Depreciation for the year	-	-	-
Balance as on March 31, 2023	**28.32**	**348.38**	**376.70**
Add: Depreciation for the period	-	-	-
Balance as on December 31, 2023	**28.32**	**348.38**	**376.70**
Balance as on December 31, 2023	-	-	-
Balance as on March 31, 2023	-	-	-

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7 Investments (Non-current)

	As at December 31, 2023	As at March 31, 2023
Investments measured at amortised cost		
Investments in bonds (quoted) (Fair value through other comprehensive income)		
Tax Free Bonds (refer details below*)	472.55	464.83
Investments in equity shares (Fair value through Profit and loss)		
13,000 equity shares (March 31, 2023 Nil) of INR 10 each in TP Mercury Limited	1.30	-
Total Investments	**473.85**	**464.83**
Aggregate amount of quoted investments	472.55	464.83
Aggregate amount of unquoted investments	1.30	-

* *Quoted Investments*

	As at December 31, 2023		As at March 31, 2023	
	Number of Units	Amount	Number of Units	Amount
8.66% IIFCL Tax Free Bond - 2034 (Maturity - January 01, 2034) (Face Value: INR 1,000 each)	20000	254.38	20000	248.50
8.48% IIFCL Tax Free Bond - 2028 (Maturity - September 09, 2028) (Face Value INR 10,00,000 each)	10	113.57	10	113.89
8.66% NTPC Tax Free Bond - 2033 (Maturity - December 16, 2033) (Face Value INR 1,000 each)	3463	44.81	3463	43.31
8.63% IRFC Tax Free Bond - 2029 (Maturity - March 26, 2029) (Face Value INR 1,000 each)	2500	29.26	2500	28.91
8.66% IIFCL Tax Free Bond - 2034 (Maturity - January 22, 2034) (Face Value: INR 1,000 each)	1499	19.02	1499	18.78
8.54% PFC Tax Free Bond - 2028 (Maturity - November 16, 2028) (Face Value: INR 1,000 each)	1000	11.51	1000	11.44
		472.55		**464.83**

The aggregate amount of investment in bonds at purchase price is INR 5,10.98 lacs (March 31, 2023: INR 5,10.98 lacs)

8 Loans (Non-current)
(Considered good - unsecured)

	As at December 31, 2023	As at March 31, 2023
Loans to employees	17.86	22.13
	17.86	**22.13**

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

9 Other non-current financial assets
(Considered good - unsecured)

	As at December 31, 2023	As at March 31, 2023
VAT subsidy	77.30	156.78
Security deposits	243.41	180.20
Bank deposits with more than 12 months maturity	-	4.45
	320.71	**341.43**

10 Non-current income-tax assets (net)

	As at December 31, 2023	As at March 31, 2023
Prepaid taxes (net of provision for tax Rs 639.65; previous year Rs. Nil)	203.05	171.80
	203.05	**171.80**

11 Other non-current assets
(Considered good - unsecured)

	As at December 31, 2023	As at March 31, 2023
Capital advances	4,207.32	3,517.10
Advances other than capital advances:		
Prepaid expenses	9.92	11.78
Balances with statutory authorities	22.81	28.55
Others	123.20	-
	4,363.25	**3,557.43**

Note:
Capital commitments

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts (net of capital advances): INR 29,529.11 lacs (March 31, 2023: INR 25,503.70 lacs)

b) Unpaid portion of subscribed equity capital in subsidiary Rs. 47.50 lacs (March 31, 2023: Rs 47.50 lacs)

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(All amounts in INR lacs, unless otherwise stated)

12 Inventories
(valued at lower of cost and net realisable value)

	As at December 31, 2023	As at March 31, 2023
Raw material	3,204.44	3,064.19
Work-in-progress	190.31	270.39
Finished goods	1,218.63	1,026.78
Stores and spares	393.08	370.71
Stock-in-trade	0.06	0.06
	5,006.52	**4,732.13**

13 Trade receivables

	As at December 31, 2023	As at March 31, 2023
Trade receivables considered good, unsecured	4,080.02	5,098.39
	4,080.02	**5,098.39**

Note:
(a)There are no amounts due by directors or other officers of the Group either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.
(b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value

14 Cash and cash equivalents

	As at December 31, 2023	As at March 31, 2023
Balances with banks in current accounts	11.09	13.03
Cash on hand	2.76	2.13
	13.85	**15.16**

15 Bank balances other than cash and cash equivalents

	As at December 31, 2023	As at March 31, 2023
Deposit accounts with original maturity of more than 3 months but remaining maturity of less than 12 months	12,394.72	2,625.90
Unpaid dividend accounts	7.49	3.69
Balances held as margin money	456.44	371.52
	12,858.65	**3,001.11**

16 Loans (currents)
(Considered good - unsecured)

	As at December 31, 2023	As at March 31, 2023
Loans to employees	10.40	12.44
	10.40	**12.44**

17 Other financial assets (Current)
(Considered good - unsecured)

	As at December 31, 2023	As at March 31, 2023
Recoverable from other parties	-	-
Security deposits	0.55	0.57
Interest accrued but not due (on tax-free bonds)	13.71	11.52
	14.26	**12.09**

18 Other current assets
Considered good - unsecured

	As at December 31, 2023	As at March 31, 2023
Advances to suppliers	58.41	28.58
Prepaid expenses	77.95	194.94
Balance with statutory authorities	179.04	59.96
Other receivables		
Loans - considered good, unsecured	24.29	49.72
	339.69	**333.20**

Notes.
Balance with statutory authorities represents goods and services tax (earlier service tax) paid on inputs (earlier input and services) utilised by the Group and eligible for utilisation towards discharge of goods and services tax (earlier service tax liability) in respect of services rendered by the Group. The Group expects the utilisation of outstanding balances as at each date of Unaudited Condensed Interim Consolidated Financial Statement within twelve months thereof.

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(All amounts in INR lacs, unless otherwise stated)

19 Equity share capital

	As at December 31, 2023	As at March 31, 2023
Authorised:		
3,50,00,000 (March 31, 2023 3,50,00,000) Equity shares of INR 10 each	3,500.00	3,500.00
Issued, subscribed and paid up:		
2,06,72,244 (March 31, 2023 1,82,12,231) equity shares of INR 10 each fully paid	2,067.22	1,821.22
Share capital suspense		
13 (March 31, 2023 13) equity shares of INR 10 each fully paid	*	*
(*rounded off to INR Nil)		
	2,067.22	**1,821.22**

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

b) Reconciliation of number of equity shares outstanding:

	As at December 31, 2023		As at March 31, 2023	
	Number of equity shares	Amount	Number of equity shares	Amount
At the beginning of the period/ year	18,212,244	1,821.22	11,813,500	1,181.35
Bonus equity shares issued during the period/ year	-	-	5,906,744	590.67
Equity shares issued on conversion of fully paid warrants	1,640,000	164.00	328,000	32.80
Bonus equity shares issued on conversion of fully paid warrants	820,000	82.00	164,000	16.40
At the end of the period/ year	20,672,244	2,067.22	18,212,244	1,821.22

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

The Holding Company has issued only one class of equity shares having a face value of INR 10 per share All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their respective shareholding. All shares rank equally with regard to the Holding Company's residual assets.

d) Shareholders holding more than 5% shares in the Company

Name of the Shareholder(s)	As at December 31, 2023	As at March 31, 2023
i) Intellipro Finance Private Limited		
No of shares	3,457,500	3,457,500
% of shares held	16.73	18.98
ii) iPro Capital Limited		
No of shares	4,409,999	4,409,999
% of shares held	21.33	24.21

e) Shareholding of Promoters

Promoter Name	Shares held by Promoters/Promoter Group: As on March 31, 2023		As on December 31, 2023		% change during the period
	No. of Shares	% of total shares	No. of Shares	% of total shares	
1.Birla Eastern Limited	27,600	0.15	27,600	0.13	(0.02)
2.Birla Holdings Limited	249,975	1.37	249,975	1.21	(0.16)
3 Birla, Madhushree Smt.	150,187	0.82	150,187	0.73	(0.09)
4.Birla, Sidharth Kumar	152,812	0.84	152,812	0.74	(0.10)
5 Birla, S K	829	0.00	829	0.00	0.00
6.Sudarshan Kumar Birla (HUF)	234	0.00	234	0.00	0.00
7.Birla, Sumangala Smt	2,290	0.01	2,290	0.01	0.00
8 Central India General Agents Limited	805,500	4.42	805,500	3.90	(0.52)
9 IntelliPro Finance Private Limited	3,457,500	18.98	3,457,500	16.73	(2.25)
10.iPro Capital Limited	4,409,999	24.21	4,409,999	21.33	(2.88)
11.Janardhan Trading Co Ltd.	99,000	0.54	99,000	0.48	(0.06)
Promoter/Promoter Group Total:	9,355,926	51.34	9,355,926	45.26	(6.08)

Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013

f) During the nine months period ended December 31, 2023, the Holding Company has issued 8,20,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares (previous year ended March 31, 2023: (a) 59,06,744 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares outstanding on record date, and (b) 1,64,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares).

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

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

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(All amounts in INR lacs, unless otherwise stated)

20 Other equity

	Reserves and surplus						
	Capital subsidy reserve	**Securities Premium**	**General reserve**	**Retained earnings**	**Financial assets through OCI**	**Money received against share warrant**	**Total**
Balance as at April 1, 2022	**60.50**	**406.58**	**6,750.00**	**5,068.29**	**(13.12)**	**3,749.04**	**16,021.29**
Additions:							
Profit for the period	-	-	-	4,109.58	-	-	4,109.58
Other comprehensive income/(loss) (net of tax)	-	-	-	(8.64)	(15.52)	-	(24.16)
Payment of dividend	-	-	-	(236.27)	-	-	(236.27)
Issue of bonus shares	-	(406.58)	(184.09)	-	-	-	(590.67)
Balance as at December 31, 2022	**60.50**	-	**6,565.91**	**8,932.96**	**(28.64)**	**3,749.04**	**19,279.77**
Balance as at April 1, 2023	**60.50**	**2,466.56**	**6,549.51**	**9,368.26**	**(34.54)**	**3,124.20**	**21,534.49**
Additions:							
Profit for the period	-	-	-	3,144.47	-	-	3,144.47
Other comprehensive income/(loss) (net of tax)	-	-	-	(0.13)	5.78	-	5.65
Payment of dividend	-	-	-	(413.44)	-	-	(413.44)
Issue of bonus shares	-	-	-	-	-	9,372.60	9,372.60
Balance proceeds from warrants	-	12,332.80	-	-	-	(12,496.80)	(164.00)
Issue of shares against warrants		(82.00)	-	-	-	-	(82.00)
Balance as at December 31, 2023	**60.50**	**14,717.36**	**6,549.51**	**12,099.16**	**(28.76)**	-	**33,397.77**

Nature and purpose of reserves

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

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

c) General reserve
General reserve is a distributable reserve created by way of transfer from time to time from profits. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

d) Retained earnings
Represents the accumulated balances of profits earned over the years after appropriation to general reserves, and adjustments for dividends or other distributions paid to shareholders.

e) Money received against warrants
Represents amount received towards preferential allotment of convertible warrants issued.

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

	As at December 31, 2023	As at March 31, 2023
21 Non current financial liabilities - Borrowings		
Indian rupee loan from banks (secured)		
Term loans (refer note a to d)	504 36	947.10
Vehicle loans (refer note e)	-	9.27
	504.36	**956.37**

a) Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2 0 (GECL2.0) scheme, outstanding INR 8,00.08 lacs (previous year: INR 11,00.90 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of INR 33 33 lacs each starting from January 2022 and (ii) last instalment of INR 33 49 lacs is due in December 2025 and is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC)

b) Working Capital Term Loan from Punjab National Bank, under GECL2 0 scheme, outstanding INR 83.17 lacs (previous year: INR 1,40.62 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of INR 6.38 lacs each starting from February 2022 and (ii) last instalment of INR 6.70 lacs is due in January 2025 and is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

c) Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding INR 2,05.20 lacs (previous year: INR 2,89.67 lacs), carrying interest linked to the bank's MCLR, repayable in 48 monthly instalments of INR 8 96 lacs each starting from April 2022 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC

d) The above-mentioned term loans carry interest rate between 7 9 to 12 % per annum (previous year: 7 9 to 12 %).

e) Vehicle Loan of INR 14 81 lacs (previous year: INR 29.98 lacs) carrying interest at between 7 to 7.8 % per annum (previous year: 9 to 9.5%) repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles.

f) There has been no default in servicing of loans and interest due thereon during and as at the end of the period;

g) Term Loan from banks are further secured by pledge of 15% of promoters (Birla Holdings Limited and Ipro Capital Limited) equity shareholding in the Holding Company;

h) Interest accrued on above borrowings is INR 6 91 lacs (March 31, 2023: INR 2.12 lacs)

22 Non-current financial liabilities - Others

	As at December 31, 2023	As at March 31, 2023
Security deposits	-	6.57
	-	6.57

23 Provisions

	As at December 31, 2023	As at March 31, 2023
Employee benefits		
Non-current		
Gratuity	105 21	18.98
Compensated absences	10.59	-
	115.80	**18.98**

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XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

24 Deferred tax liabilities (net)

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
A. Components of Income Tax Expense		
I. Tax expense recognised in the Unaudited Special Purpose Condensed Interim Consolidated Statement of Profit and Loss		
Current tax	639.65	-
Tax adjusted for earlier years	-	(0.03)
	639.65	(0.03)
Deferred Tax	580.06	290.21
Total	1,219.71	290.18
II. Recognised in Other Comprehensive Income		
Tax impact on		
- Re-measurement on defined benefit plan	0.04	2.91
- Change in fair value of tax free bonds	(1.95)	5.22
Total	(1.91)	8.13
B. Reconciliation of tax expense and the accounting profit		
Profit before tax	4,364.18	4,399.76
Statutory income tax rate (%)	25.17	25.17
Tax expense at statutory income tax rate	1,098.46	1,107.42
Tax adjustment for earlier years	-	(0.03)
Impact of non-deductible expenses	184.92	-
Income chargeable at lower tax rate	-	(13.75)
Tax expense	1,283.38	1,093.64
Tax impact of utilisation of brought forward losses	(643.73)	(1,093.67)
Current tax	639.65	(0.03)

C. Deferred tax assets/liabilities (net)

	As at December 31, 2023	As at March 31, 2023
Deferred tax liability		
Fixed assets:	1,547.65	1,546.41
Impact of difference between book and tax depreciation	1,547.65	1,546.41
Gross deferred tax liability		
Deferred tax assets		
Carried forward losses/unabsorbed depreciation	-	584.68
Provision for employee benefits	10.68	4.78
Investment at fair value through OCI	9.67	11.62
Gross deferred tax assets	20.35	601.08
Deferred tax liability to the extent recognized	20.35	601.08
Net deferred tax asset/(liability)	(1,527.30)	(945.33)

D. Movement in Deferred tax (liabilities)/assets (net)

	Property, plant and equipment	Carry forward of losses	Provision for employee benefits	Investments at fair value through OCI	Net deferred tax asset/(liability)
Balance as at April 1, 2022	(615.28)	1,020.98	48.82	-	454.52
Recognised during the period in Consolidated Statement of Profit and Loss	(248.91)	(17.65)	(23.65)	-	(290.21)
Recognised during the period in Other Comprehensive Income	-	-	2.91	5.22	8.13
Balance as at December 31, 2022	(864.19)	1,003.33	28.08	5.22	172.44
Recognised during the period in Consolidated Statement of Profit and Loss	(682.22)	(418.65)	(20.45)	-	(1,121.32)
Recognised during the period in Other Comprehensive Income	-	-	(2.85)	6.40	3.55
Balance as at March 31, 2023	(1,546.41)	584.68	4.78	11.62	(945.33)
Balance as at April 1, 2023	(1,546.41)	584.68	4.78	11.62	(945.33)
Recognised during the period in Consolidated Statement of Profit and Loss	(1.24)	(584.68)	5.86	-	(580.06)
Recognised during the period in Other Comprehensive Income	-	-	0.04	(1.95)	(1.91)
Balance as at December 31, 2023	(1,547.65)	-	10.68	9.67	(1,527.30)

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

25 Current financial liabilities - Borrowings

	As at December 31, 2023	As at March 31, 2023
Secured		
Loans repayable on demand		
Working capital loan from banks (refer note a and b below)	1,227.84	2,041.51
Current maturities of long-term borrowings (refer note 21)	605.81	606.92
	1,833.65	2,648.43

Notes:

a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated.

b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the period/ year.

26 Current financial liabilities - Trade payables

	As at December 31, 2023	As at March 31, 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	174.14	141.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,905.99	3,691.22
Acceptances	1,164.28	1,206.28
	4,244.41	5,038.54

Notes:

a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 42 for information on the Group's credit risk management processes.

b) Acceptances include arrangements where operational supplies of goods and services are paid by banks on due date which are normally effected within a period of 90 days from the date of transaction.

c) Disclosures with respect to related party transactions is given in note 39.

d) Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the respective companies in the Group on the basis of the information available with the Company and the auditors have relied on the same.

27 Current financial liabilities - others

	As at December 31, 2023	As at March 31, 2023
Creditors for capital expenditure	13.08	49.61
Unpaid dividend	7.49	3.69
Employee payables	235.80	190.24
Security deposit received	65.77	7.50
	322.14	251.04

28 Other current liabilities

	As at December 31, 2023	As at March 31, 2023
Contract liabilities	13.30	13.52
Statutory dues payable	247.20	516.81
	260.50	530.33

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

(All amounts in INR lacs, unless otherwise stated)

29 Revenue from operations

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Sale of products		
- Finished goods	33,423.87	37,820.21
Other operating income		
- Scrap sale	262.38	271.62
- Export incentives and margins	13.89	69.35
- Processing charges	-	508.45
Total	**33,700.14**	**38,669.63**

30 Other Income

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Interest on		
Fixed deposits	452.36	87.42
Income-tax refund	0.36	-
Other financial assets carried at fair value through other comprehensive income	24.93	24.85
Others	7.92	7.85
Dividend income	0.05	0.08
Other non operating income		
Insurance claim received	8.81	-
Foreign currency transactions (net)	49.49	32.23
Excess provision written back	91.70	-
Profit on sale of property, plant and equipment including assets held for sale	1.23	76.51
Miscellaneous income	66.52	92.24
	703.37	**321.18**

31 Cost of materials consumed

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Raw material at the beginning of the period	3,064.19	2,542.50
Add. Purchases during the period	22,950.25	27,041.49
Less: Raw material at the end of the period	(3,204.44)	(2,991.44)
Total cost of materials consumed	**22,810.00**	**26,592.55**

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

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Inventories at the beginning of the period		
- Finished goods	1,026.78	1,432.75
- Work-in-progress	270.39	179.67
- Stock-in-trade	0.06	0.06
	1,297.23	**1,612.48**
Inventories at the end of the period		
- Finished goods	1,218.63	1,326.35
- Work-in-progress	190.31	255.63
- Stock-in-trade	0.06	0.06
	1,409.00	**1,582.04**
(Increase)/ decrease in inventory	**(111.77)**	**30.44**

33 Employee benefits expense

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Salary, wages and bonus	2,115.74	1,910.51
Contribution to provident and other funds	244.87	222.53
Staff welfare expenses	111.82	112.80
	2,472.43	**2,245.84**

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

34 Finance costs

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Interest expense on borrowings measured at amortised cost	302.73	449.32
Interest on lease liability (refer note 43)	21.23	19.80
Other borrowing cost	98.62	91.78
	422.58	560.90

35 Depreciation and amortisation expense

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Depreciation on tangible assets	812.87	846.09
Amortisation on right-of-use assets (refer note 43)	38.93	31.72
	851.80	877.81

36 Other expenses

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Consumption of stores and spares	734.01	714.18
Processing charges	36.63	26.17
Power and fuel	1,744.60	2,289.09
Rent (refer note 43)	6.81	22.88
Repairs to:		
- Building	6.15	24.13
- Plant and machinery	94.60	164.49
- Others	19.75	28.92
Communication	13.64	16.15
Director's fees	59.00	19.11
Insurance	114.76	117.45
Legal and professional	104.58	80.53
Rates and taxes	31.85	38.31
Security expenses	60.39	57.78
Travelling and conveyance	178.32	157.23
Rebates and commission	145.83	156.89
Payment to auditors	25.00	23.09
Other selling expenses	4.92	14.36
Corporate Social Responsibility	40.00	15.00
Miscellaneous expenses	173.45	317.75
	3,594.29	4,283.51

37 Earnings per share

	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Profit for the period attributable to equity shareholders (A)	3,144.47	4,109.58
Number of equity shares outstanding at the beginning of the period	11,813,500	11,813,500
Add:- Bonus shares issued on ordinary shares during the period	5,906,744	5,906,744
Add:- Equity shares issued on conversion of warrants during the period	1,371,636	-
Add:- Bonus shares issued on conversion of warrants during the period	685,818	-
Weighted average number of equity shares outstanding during the period for computation of Basic EPS (B)	19,777,698	17,720,244
Add:- Impact of Convertible warrants	-	992,651
Weighted average number of equity shares outstanding during the period for computation of Diluted EPS (C)	19,777,698	18,712,895
Nominal value per share (INR)	10.00	10.00
Basic earnings per equity share (face value of share- Rs 10 each) (A/B) (INR)	15.90	23.19
Diluted earnings per equity share (face value of share- Rs 10 each) (A/C) (INR)	15.90	21.96

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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(All amounts in INR lacs, unless otherwise stated)

38 Contingent liabilities, contingent assets and commitments

A Contingent Liabilities and other commitments

	As at December 31, 2023	As at March 31, 2023
i) Claims against the Group not acknowledged as debts	2.50	2.50
ii) Sales tax, Excise and Customs matters	388.33	389.24
iii) Estimated Liability towards lenders for Right to Recompense for term loans taken in earlier years (Refer note 1)	200.00	-
iv) Others *(claims not acknowledged as debt)*	36.68	36.68

Note 1 : The Company based on discussion with lenders believes that no liability will arise on account of this matter;

Note 2 : The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Group as no reliable estimate can yet be made

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XPRO INDIA LIMITED

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(All amounts in INR lacs, unless otherwise stated)

39 Related Party Disclosures

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

A. List of Related Parties:

1. Entities exercising significant influence over the Group
   a) iPro Capital Limited;
   b) Intellipro Finance Pvt. Ltd.

2. Entities over which Key Managerial Personnel have control
   a) Central India General Agents Ltd.
   b) Kriscore Financial Advisors Private Limited

3. Post-employment benefit funds
   a) Xpro India Limited Employees Provident Fund Trust;

4. Key managerial personnel
   a) Executive Directors:
   (i) Sri Sidharth Birla, Chairman
   (ii) Sri C Bhaskar, Managing Director & CEO

   b) Non-executive Independent Directors:
   (i) Sri K Balakrishnan (w.e.f. May 25, 2022)
   (ii) Sri Amitabha Guha
   (iii) Sri Ashok Kumar Jha
   (iv) Ms Suhana Murshed (w.e.f. August 10, 2021)
   (v) Sri Utsav Parekh
   (vi) Sri S Ragothaman
   (vii) Sri Umrao Chand Jain (upto May 29, 2023)
   (viii) Sri Manoj Mohanka (w.e.f September 28, 2023)

   c) Non-executive Non-Independent Directors:
   (i) Smt Madhushree Birla
   (ii) Sri Bharat Jhaver (w.e.f. May 25, 2022)

   d) Others:
   (i) Sri H Bakshi, Sr. President & COO
   (ii) Sri V K Agarwal, President (F) & CFO
   (iii) Sri Kamal Kishor Sewoda, Company Secretary (w.e.f. February 15, 2023)
   (iv) Sri Amit Dhanuka, Company Secretary (upto January 14, 2023)

   e) Relatives of Key managerial personnel *:
   (i) Sri Sudarshan Kumar Birla
   (ii) Smt Sumangala Birla
   (iii) Sri Sudarshan Kumar Birla (HUF)
   (iv) Smt Vasusri Jhaver
   (v) Smt Meenakshi Apoorva Bajaj
   (vi) Smt Usha Ragothaman
   (vii) Smt Kiran Jhaver
   (viii) Smt Mousumi Bakshi

   ** with whom the Group had transactions during the current or previous period*

B. Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Transactions with Related Parties:

Related Party	Nature of Transaction	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Xpro India Ltd. Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	51.81	44.04
iPro Capital Limited	Dividend paid	88.20	58.80
	Bonus shares issued *(face value of INR 10 each)*	-	147.00
Intellipro Finance Pvt. Ltd.	Dividend paid	69.15	46.10
	Bonus shares issued *(face value of INR 10 each)*	-	115.25
Central India General Agents Ltd.	Bonus shares issued *(face value of INR 10 each)*	-	13.10
	Dividend paid	16.11	5.50
Sri Sidharth Birla	Remuneration (including leave encashment)	113.44	94.68
	Dividend paid	3.06	2.04
	Bonus shares issued *(face value of INR 10 each)*	-	5.09
Sri C Bhaskar	Remuneration (including leave encashment)	134.45	95.52
	Dividend paid	1.41	1.15
	Bonus shares issued *(face value of INR 10 each)*	-	2.89
	Sitting fees	0.03	0.03
Sri K Balakrishnan	Sitting Fees	6.70	2.00
Sri Amitabha Guha	Sitting Fees	8.65	3.05
Sri Ashok Kumar Jha	Sitting Fees	5.50	2.00
Sri Manoj Mohanka	Sitting Fees	2.00	-
Ms. Suhana Murshed	Sitting Fees	6.30	2.00
Sri Utsav Parekh	Sitting Fees	7.75	2.80
	Dividend paid	0.01	0.01
	Bonus shares issued *(face value of INR 10 each)*	-	0.03
Sri S Ragothaman	Sitting Fees	7.73	3.18
	Dividend paid	2.03	1.37
	Bonus shares issued *(face value of INR 10 each)*	-	3.42

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(All amounts in INR lacs, unless otherwise stated)

Related Party	Nature of Transaction	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Smt Madhushree Birla	Sitting Fees	5.53	2.03
	Dividend paid	3.00	2.00
	Bonus shares issued *(face value of INR 10 each)*	-	5.01
Sri Bharat Jhaver	Sitting Fees	5.00	2.00
Sri Umrao Chand Jain	Sitting Fees	0.01	0.02
Sri H Bakshi	Remuneration	88.30	66.52
	Dividend paid	0.30	0.20
	Bonus shares issued *(face value of INR 10 each)*	-	0.51
Sri V K Agarwal	Remuneration	75.93	53.18
	Sitting Fees	0.01	-
	Dividend paid	0.25	0.17
	Bonus shares issued *(face value of INR 10 each)*	-	0.42
Sri Kamal Kishor Sewoda	Remuneration	14.90	-
Sri Amit Dhanuka	Remuneration	-	13.64
Sri Sudarshan Kumar Birla	Dividend paid	0.02	0.01
	Bonus shares issued *(face value of INR 10 each)*	-	0.03
Smt Sumangala Birla	Dividend paid	0.05	0.03
	Bonus shares issued *(face value of INR 10 each)*	-	0.08
Sri Sudarshan Kumar Birla (HUF)	Dividend paid	-	-
	Bonus shares issued *(face value of INR 10 each)*	-	0.01
Smt Vasusri Jhaver	Dividend paid	1.57	1.05
	Bonus shares issued *(face value of INR 10 each)*	-	2.62
Smt Meenakshi Apoorva Bajaj	Dividend paid	5.00	3.50
	Bonus shares issued *(face value of INR 10 each)*	-	8.75
Smt Usha Ragothaman	Dividend paid	0.09	0.07
	Bonus shares issued *(face value of INR 10 each)*	-	0.18
Smt Kiran Jhaver	Dividend paid	0.15	0.10
	Bonus shares issued *(face value of INR 10 each)*	-	0.25
Smt Mousumi Bakshi	Dividend paid	0.00	0.00
	Bonus shares issued *(face value of INR 10 each)*	-	0.00
Kriscore Financial Advisors Private Limited	Dividend paid	0.16	-

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

D. No balances were outstanding at the end of the current or previous period from/to any of the Related parties.

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

40 Segment Information

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

Revenue of INR 12,223.50 lacs (previous period: INR 16,454.43 lacs) was derived from two external customers each accounting for over ten percent of the revenue.

41 Fair Value Measurements

a) Financial instruments by category

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

(b) Fair value hierarchy

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

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

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

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

Financial assets and financial liabilities measured at fair value - recurring fair value measurements

As at December 31, 2023	Level 1	Level 2	Level 3
Financial assets			
Fair value through other comprehensive income			
Derivatives assets	472.55	-	-
Fair value through profit and loss			
Derivatives assets	-	-	1.30
Total	**472.55**	-	**1.30**
Financial liabilities	-	-	-
Total	-	-	-

As at December 31, 2022	Level 1	Level 2	Level 3
Financial assets			
Fair value through other comprehensive income			
Derivatives assets	464.83	-	-
Fair value through profit and loss			
Derivatives assets	-	-	-
Total	**464.83**	-	-
Financial liabilities	-	-	-
Total	-	-	-

Valuation process and technique used to determine the fair value

Fair value through other comprehensive income

Investment in tax free bonds are valued at fair value which is based on direct and market observable inputs

Fair value through profit and loss

Investment in equity shares are valued at fair value which is derived on the basis of income approach. In this approach, the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

(c) Financial instrument by category measured at amortised cost

Particulars	As at December 31, 2023		As at March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Trade receivables	4,080.02	4,080.02	5,098.39	5,098.39
Cash and cash equivalents	13.85	13.85	15.16	15.16
Bank balances other than cash and cash equivalents	12,858.65	12,858.65	3,001.11	3,001.11
Loans	28.26	28.26	34.57	34.57
Other financial assets	334.97	334.97	353.52	353.52
Total	**17,315.75**	**17,315.75**	**8,502.75**	**8,502.75**
	Carrying value	Fair value	Carrying value	Fair value
Financial liabilities				
Borrowings	2,338.01	2,338.01	3,604.80	3,604.80
Lease liabilities	236.44	236.44	263.39	263.39
Trade payables	4,244.41	4,244.41	5,038.54	5,038.54
Other financial liabilities	322.14	322.14	257.61	257.61
Total	**7,141.00**	**7,141.00**	**9,164.34**	**9,164.34**

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED ★

(All amounts in INR lacs, unless otherwise stated)

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

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

42 Financial risk management

i) Financial instruments by category

Particulars	As at December 31, 2023			As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	1.30	472.55	-	-	464.83	-
Trade receivables	-	-	4,080.02	-	-	5,098.39
Cash and cash equivalents	-	-	13.85	-	-	15.16
Bank balances other than cash and cash equivalents	-	-	12,858.65		-	3,001.11
Loans	-	-	28.26	-	-	34.57
Other financial assets	-	-	334.97	-	-	353.52
Total	**1.30**	**472.55**	**17,315.75**	**-**	**464.83**	**8,502.75**
Financial liabilities						
Borrowings	-	-	2,338.01	-	-	3,604.80
Trade payables	-	-	4,244.41	-	-	5,038.54
Other financial liabilities	-	-	322.14	-	-	257.61
Lease Liabilities	-	-	236.44	-	-	263.39
Total	**-**	**-**	**7,141.00**	**-**	**-**	**9,164.34**

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

ii) Risk management

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

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

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

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

The Group provides for expected credit loss on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, Bank balances other than cash and cash equivalents, loans, trade receivables and other financial assets	12 month expected credit loss

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

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

Assets under credit risk –

Credit rating	Particulars	As at December 31, 2023	As at March 31, 2023
Low credit risk	Cash and cash equivalents, Bank balances other than cash and cash equivalents, loans, trade receivables and other financial assets	17,315.75	8,502.75

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XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

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

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

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

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

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
December 31, 2023				
Investments	473.85	0%	-	473.85
Loans	28.26	0%	-	28.26
Trade receivables	4,080.02	0%	-	4,080.02
Cash and cash equivalents	13.85	0%	-	13.85
Bank balances other than cash and cash equivalents	12,858.65	0%	-	12,858.65
Other financial assets	334.97	0%	-	334.97
March 31, 2023				
Investments	464.83	0%	-	464.83
Loans	34.57	0%	-	34.57
Trade receivables	5,098.39	0%	-	5,098.39
Cash and cash equivalents	15.16	0%	-	15.16
Bank balances other than cash and cash equivalents	3,001.11	0%	-	3,001.11
Other financial assets	353.52	0%	-	353.52

Expected credit loss for trade receivables under simplified approach

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

Particulars		As at December 31, 2023	As at March 31, 2023
Gross amount of trade receivables where no default has occurred		4,080.02	5,098.39
Expected loss rate	(%)	-	-
Expected credit loss(loss allowance provision)		-	-

B) Liquidity risk

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

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XPRO INDIA LIMITED

Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual discounted cash flows.

Particulars	≤ 1 year	1 - 5 year	≥ 5 years	Total
December 31, 2023				
Borrowings	1,833.65	504.36	-	2,338.01
Trade payable	4,244.41		-	4,244.41
Lease liabilities	40.09	196.35	-	236.44
Other financial liabilities	322.14	-	-	322.14
Total	**6,440.29**	**700.71**	**-**	**7,141.00**
March 31, 2023				
Borrowings	2,648.43	956.37	-	3,604.80
Trade payable	5,038.54	-	-	5,038.54
Lease liabilities	36.44	226.95	-	263.39
Other financial liabilities	251.04	6.57	-	257.61
Total	**7,974.45**	**1,189.89**	**-**	**9,164.34**

C) Market risk

Foreign currency risk

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

Foreign currency risk exposure:

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

Particulars		As at December 31, 2023	As at March 31, 2023
Financial liabilities			
Payable on imports			
	USD	1,267,270	1,455,180
	INR in lacs	1,054.24	1,194.85
Financial assets			
Receivables on export			
	USD	440,277	164,635
	INR in lacs	366.27	135.18
	Euro	165,243	116,233
	INR in lacs	151.74	103.76

Sensitivity

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

Particulars	As at December 31, 2023	As at March 31, 2023
USD sensitivity		
INR/USD- increase by 200 basis points (200 bps)	(13.75)	(21.19)
INR/USD- decrease by 200 basis points (200 bps)	13.75	21.19
Euro sensitivity		
INR/Euro- increase by 200 basis points (200 bps)	3.03	2.08
INR/Euro- decrease by 200 basis points (200 bps)	(3.03)	(2.08)

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XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At December 31, 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits bear fixed interest rates.

Interest rate risk exposure

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

Particulars	**As at December 31, 2023**	**As at March 31, 2023**
Variable rate borrowings	2,338.01	3,604.80
Total borrowings	**2,338.01**	**3,604.80**

Sensitivity

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

Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	23.38	36.05
Interest rates – decrease by 100 basis points (100 bps)	(23.38)	(36.05)

Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Company' s capital management objectives are
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	**As at December 31, 2023**	**As at March 31, 2023**
Long-term borrowings	504.36	956.37
Current maturities of long-term borrowings	605.81	606.92
Short-term borrowings	1,227.84	2,041.51
Total borrowings	**2,338.01**	**3,604.80**
Less:		
Cash and cash equivalents	13.85	15.16
Bank balance other than cash and cash equivalents	12,858.65	3,001.11
Net debt	**(10,534.49)**	**588.53**
Total equity*	35,464.99	23,355.71
Net debt to equity ratio	**-29.70%**	**2.52%**

* *Equity includes equity share capital and other equity of the Group that are managed as capital.*

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XPRO INDIA LIMITED

43 Leases

a) The Group has adopted Ind AS 116 –'Lease' from April 1, 2019, which resulted in changes in accounting policies in the unaudited condensed interim consolidated financial statements.

b) **Practical expedients applied**
The Group has used the practical expedients permitted by the standard:
-applying a single discount rate to a portfolio of leases with reasonably similar characteristics
-accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

c) The weighted average lessee's incremental borrowing rate applied for the lease liabilities is 11.25%.

d) Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good condition of repair and return the property in the original condition at the end of the lease.

e) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated balance sheet:

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term(years)
Building	2	3 - 5	4.00
Land	3	69 - 82	76.00

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

f) Amounts recognized in unaudited condensed interim consolidated balance sheet and unaudited condensed interim consolidated statement of profit and loss:

The balance sheet shows the following amounts relating to leases:

Particulars	Category of right-of-use assets		
	Land	Buildings	Total
Balance as at April 1, 2022	711.17	170.05	881.22
Add: Additions during the year	-	73.63	73.63
Less: Amortisation on right-of-use assets	8.89	35.87	44.76
Balance as at March 31, 2023	702.28	207.81	910.09
Add: Additions during the period	-	-	-
Less: Amortisation on right-of-use assets	6.67	32.26	38.93
Balance as at December 31, 2023	695.61	175.55	871.16

Particulars	Movement in lease liabilities		
	Land	Buildings	Total
Balance as at April 1, 2022	-	217.82	217.82
Add: Additions during the year	-	73.44	73.44
Add: Interest expense	-	27.36	27.36
Less: Lease rental paid		55.23	55.23
Balance as at March 31, 2023	-	263.39	263.39
Add: Interest expense	-	21.23	21.23
Less: Lease rental paid	-	48.18	48.18
Balance as at December 31, 2023	-	236.44	236.44

g) **Amount recognised in Unaudited Condensed Interim Consolidated Statement of Profit and Loss:**

Particulars	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
i) Amorisation of right-of-use assets (classified under Depreciation and amortisation expense)	38.93	31.72
ii) Interest on lease liabilities (classified under Finance costs)	21.23	19.80
iii) Expenses related to short term leases (classified under Other expenses)	6.81	22.88

h) The total cash outflow for leases for the period ended December 31, 2023 was INR 48.18 lacs (December 31, 2022: INR 39.18 lacs)

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XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

i) Lease liabilities included in consolidated balance sheet:

Particulars	As at December 31, 2023	As at March 31, 2023
Current	40.09	36.44
Non-current	196.35	226.95

j) Future minimum lease payments are as follows:

As on December 31, 2023

Minimum lease payments due	Lease payments	Finance charges	Net present values
Within 1 year	64.68	(24.59)	40.09
1 - 2 years	72.97	(19.48)	53.49
2 - 3 years	75.77	(12.92)	62.85
3 - 4 years	71.81	(5.42)	66.39
4 - 5 years	13.87	(0.25)	13.62
Total	**299.10**	**(62.66)**	**236.44**

As on March 31, 2023

Minimum lease payments due	Lease payments	Finance charges	Net present values
Within 1 year	64.23	(27.79)	36.44
1 - 2 years	65.13	(23.45)	41.68
2 - 3 years	75.28	(17.95)	57.33
3 - 4 years	76.27	(11.13)	65.14
4 - 5 years	66.37	(3.57)	62.80
Total	**347.28**	**(83.89)**	**263.39**

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XPRO INDIA LIMITED

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(All amounts in INR lacs, unless otherwise stated)

44 Revenue related disclosures (in accordance with Ind AS 115)

A Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Group's revenue from contract with customers is set out below:

Particulars	April 01, 2023 to December 31, 2023	April 01, 2022 to December 31, 2022
Revenue from contracts with customers		
(i) Sale of products:		
(a) Coextruded sheets, cast films and liners	22,491.61	26,640.31
(b) Biaxially oriented films	10,932.26	11,179.90
(ii) Other operating income	276.27	849.42
Total revenue covered under Ind AS 115	**33,700.14**	**38,669.63**

B Contract balances

Information about contract liabilities and receivables from contract with customers:

	As at December 31 2023	As at March 31, 2023
Contract liabilities		
Advance received from consumers	13.30	13.52
Total contract liabilities	**13.30**	**13.52**
Receivables		
Trade receivables	4,080.02	5,098.39
Total receivables	**4,080.02**	**5,098.39**

C Significant changes in the contract liabilities balances during the period/ year:

	As at December 31, 2023	As at March 31, 2023
Contract liabilities - Revenue received in advance		
Opening balance	13.52	113.94
Addition during the period/ year	13.30	13.52
Revenue recognised during the period/ year	(13.52)	(113.94)
Closing balance	13.30	13.52

D. Refer Note No.40 for disclosure regarding three external customers each accounting for over ten percent of the revenue.

E. Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

Contract liabilities are on account of the advance payment received from customers for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls within 120 days from the completion of performance obligation.

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45 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will consider the impact in the period in which, the Code becomes effective along with the related rules.

46 The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Unit 1 Barjora were presented as 'Assets held for sale' separately from other assets in the balance sheet. The sale/business transfer was completed on October 20, 2022 at a consideration of INR 6.78 lacs for fixed assets. Accounting for the transaction resulted in an increase of other income by INR 85.75 lacs during the period ended December 31, 2022.

47 Dividend of INR 2 (Rupees Two only) per equity share of face value INR 10 each for the financial year ended March 31, 2023, was approved by shareholders at Annual General Meeting held August 10, 2023 and was paid on August 22, 2023.

48 **Subsequent events after the reporting period**

a) The Shareholders of the Holding Company through special resolution passed at the Extraordinary General Meeting held on January 16, 2024 have approved the raising of capital through a Qualified Institutions Placement for an aggregate amount not exceeding INR 150 Crores (Rupees One Hundred Fifty Crore only) by the issue of equity shares of face value of Rs. 10 each in accordance with relevant regulatory provisions and applicable laws.

b) Pursuant to the special resolution passed at the Extraordinary General Meeting held on January 16, 2024, and relevant regulatory provisions, the Holding Company has issued and allotted on January 29, 2024 by way of preferential allotment 14,35,750 warrants at a price of INR 975 each, each warrant carrying a right upon being fully paid up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR 10 of the Holding Company (including premium of INR 965 each). (Allotment money - INR 4899.50 lakhs, being 35% of the total consideration was received in January 2024.

There were no other significant adjusting events that occurred subsequent to the reporting period other than those disclosed in these financial statements.

49 The Unaudited Condensed Interim Consolidated Financial Statements were approved for issue by the Board of Directors on February 26, 2024.

In terms of our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera
Ashish Gera
Partner
Membership No.: 508685

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director and Chief Executive officer
(DIN: 00003343)

V.K. Agarwal
President (Finance) and Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

XPRO INDIA LIMITED *

Place: New Delhi
Date: February 26, 2024

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Independent Auditor's Review Report on Unaudited Special Purpose Interim Consolidated Financial Statements of the Xpro India Limited for the nine month period ended 31 December 2022

To the Board of Directors of Xpro India Limited

Introduction

1. We have reviewed the accompanying unaudited special purpose interim consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiary included in the unaudited special purpose interim consolidated financial statements), which comprise the Unaudited Special Purpose Interim Consolidated Balance Sheet as at 31 December 2022, the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Special Purpose Interim Consolidated Cash Flow Statement and the Unaudited Special Purpose Interim Consolidated Statement of Changes in Equity for the nine month period then ended, and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as the "Unaudited Special Purpose Interim Consolidated Financial Statements"). The Company's management is responsible for the preparation and presentation of these Unaudited Special Purpose Interim Consolidated Financial Statements in accordance with the basis of preparation stated in Note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements which has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Unaudited Special Purpose Interim Consolidated Financial Statements based on our review.

Scope of Review

2. We conducted our review of the Unaudited Special Purpose Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act 2013 (the "Act") and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Review Report on Unaudited Special Purpose Interim Consolidated Financial Statements of the Xpro India Limited for the nine month period ended 31 December 2022 (Cont'd)

Conclusion

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements are not prepared, in all material aspects, in accordance with the basis of preparation described in Note 2 to the Unaudited Special Purpose Interim Consolidated Financial Statements.

Emphasis of matter- Basis of Preparation and Restriction on Distribution or Use

4. Without modifying our conclusion, we draw attention to Note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements, which describes the basis of its preparation. The Unaudited Special Purpose Interim Consolidated Financial Statements has been prepared by the Holding Company's Management for the purpose of providing comparatives for the preparation of Unaudited Condensed Interim Consolidated Financial Statements of the Holding Company for the nine month period ended 31 December 2023, and for the purpose of including in the Holding Company's Preliminary Placement Document/Placement Document for the proposed offering of equity shares by the Holding Company as approved by the Board of Directors on 19 December 2023 through Qualified Institutional Placement and therefore, it may not be suitable for other purpose. This review report is issued solely for the aforementioned purpose, and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

Other Matter

5. The Unaudited Special Purpose Interim Consolidated Financial Statements includes the interim financial information of one subsidiary, which have not been reviewed by their auditors, whose interim financial information reflect total assets of ₹ 5.05 lacs as at 31 December 2022, and total revenues of ₹ NIL lacs, net loss after tax of ₹ 0.68 lacs, total comprehensive income of 0.68 lacs for the nine month period ended 31 December 2022, cash flow (net) of ₹ 0.34 lacs for the nine month period ended 31 December 2023, as considered in the Unaudited Special Purpose Interim Consolidated Financial Statements and have been furnished to us by the Holding Company's management. Our conclusion on the Unaudited Special Purpose Interim Consolidated Financial Statements Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors of the Holding Company.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Review Report on Unaudited Special Purpose Interim Consolidated Financial Statements of the Xpro India Limited for the nine month period ended 31 December 2022 (Cont'd)

6. The Holding Company had prepared separate set of consolidated financial information for the quarter and nine month period ended 31 December 2022 in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), on which we had issued review report dated 06 February 2023 to the Board of Directors of the Holding Company wherein we had expressed an unmodified conclusion.
Our conclusion is not modified in respect of this matter.

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

Ashish Gera

CHANDIOK & CO LLP * WALKER * CHARTERED ACCOUNTANTS

Ashish Gera
Partner
Membership No.: 508685

UDIN: 24508685BKEUCY5829

Place: New Delhi
Date: 26 February 2023

Independent Auditor's Review Report on Unaudited Special Purpose Interim Consolidated Financial Statements of the Xpro India Limited for the nine month period ended 31 December 2022 (Cont'd)

Annexure 1

List of entities included in the Unaudited Special Purpose Interim Consolidated Financial Statements

Name of Holding Company

a. Xpro India Limited

Name of Subsidiary Company

b. Xpro Global Limited

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Xpro India Limited
Unaudited Special Purpose Interim Consolidated Balance Sheet as at 31 December 2022
(All amounts in INR lacs, unless otherwise stated)

	Note No.	As at December 31, 2022
ASSETS		
Non-current assets		
(a) Property, plant and equipment	5	15,124.79
(b) Right-of-use assets	43	922.94
(c) Capital work-in-progress	5	327.40
(d) Other intangible assets	6	-
(e) Financial assets		
(i) Investments	7	477.13
(ii) Loans	8	42.56
(iii) Other financial assets	9	345.59
(f) Deferred tax assets (net)	24	172.44
(f) Non-current tax assets (net)	10	109.96
(g) Other non-current assets	11	385.47
Total non-current assets		**17,908.28**
Current assets		
(a) Inventories	12	4,954.74
(b) Financial assets		
(i) Trade receivables	13	4,193.79
(ii) Cash and cash equivalents	14	20.10
(iii) Bank balances other than (ii) above	15	3,066.88
(iv) Loans	16	11.67
(v) Other financial assets	17	26.87
(c) Other current assets	18	186.01
Total current assets		**12,460.06**
TOTAL ASSETS		**30,368.34**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	19	1,772.02
(b) Other equity	20	19,279.77
Total equity		**21,051.79**
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	21	1,488.64
(ii) Lease liabilities	43	236.45
(iii) Other financial liabilities	22	6.57
(b) Provisions	23	113.91
Total non-current liabilities		**1,845.57**
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	25	2,199.88
(ii) Lease liabilities	43	35.43
(iii) Trade payables	26	
- total outstanding dues of micro enterprises and small enterprises		46.40
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,648.05
(iv) Other financial liabilities	27	306.45
(b) Other current liabilities	28	234.77
Total current liabilities		**7,470.98**
Total liabilities		**9,316.55**
TOTAL EQUITY AND LIABILITIES		**30,368.34**

The accompanying notes are an integral part of the Unaudited Special Purpose Interim Consolidated Financial Statements.

In terms of our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director and Chief Executive officer
(DIN: 00003343)

V.K. Agarwal
President(Finance) and Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

Place: New Delhi
Date: February 26, 2024

Xpro India Limited

Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss for nine month period starting from April 01, 2022 and ended on December 31, 2022

(All amounts in INR lacs, unless otherwise stated)

	Note No.	April 01, 2022 to December 31, 2022
Income		
Revenue from operations	29	38,669.63
Other income	30	321.18
Total income		**38,990.81**
Expenses		
Cost of materials consumed	31	26,592.55
Changes in inventories of finished products and work-in-progress	32	30.44
Employee benefits expense	33	2,245.84
Finance costs	34	560.90
Depreciation and amortisation expense	35	877.81
Other expenses	36	4,283.51
Total expenses		**34,591.05**
Profit before tax		**4,399.76**
Tax expense:	24	
Current tax		-
Deferred tax expense		290.21
Tax adjustment for earlier period		(0.03)
Total tax expense		**290.18**
Profit for the period		**4,109.58**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans		(11.55)
Income tax relating to items that will not be reclassified to profit or loss		2.91
Items that will be reclassified to profit or loss		
Change in fair value of tax free bonds		(20.74)
Income tax relating to items that will be reclassified to profit or loss		5.22
Other comprehensive income for the period, net of tax		**(24.16)**
Total comprehensive income for the period (comprising profit after tax and other comprehensive income for the period)		**4,085.42**
Profit for the period attributable to		
Owners of the Company		4,109.58
Non-controlling interest		-
Other comprehensive income for the period attributable to		
Owners of the Company		(24.16)
Non-controlling interest		-
Total comprehensive income for the period attributable to		
Owners of the Company		4,085.42
Non-controlling interest		-
Earnings per equity share for the period (of INR 10/- each)		
Basic	37	23.19
Diluted		21.96

The accompanying notes are an integral part of the Unaudited Special Purpose Interim Consolidated Financial Statements.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera

Ashish Gera
Partner
Membership No.: 508685

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
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President(Finance) and Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

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XPRO INDIA LIMITED

Xpro India Limited
Unaudited Special Purpose Interim Consolidated Statement of Cash Flow for the nine month period starting from April 01, 2022 and ended on December 31, 2022
(All amounts in INR lacs, unless otherwise stated)

		April 01, 2022 to December 31, 2022
A	**Cash flow from operating activities**	
	Net profit before tax	4,399.76
	Adjustments for:	
	Depreciation and amortisation (net)	877.81
	Foreign currency translations (net)	(18.82)
	Interest income	(120.12)
	Finance costs	560.90
	Profit on sale of property, plant and equipment including assets held for sale	(76.51)
	Dividend income	(0.08)
	Operating profit before working capital changes	5,622.94
	Movement in financial assets	(23.18)
	Movement in trade receivables	2,460.63
	Movement in other assets	167.52
	Movement in inventory	(390.51)
	Movement in financial liabilities	(1,034.14)
	Movement in other liabilities	(119.19)
	Movement in provisions	(119.44)
	Net cash flow generated from operations (gross)	6,564.63
	Income-tax paid (net)	146.13
	Net cash flow generated from operating activities (A)	6,710.76
B	**Cash flow from investing activities**	
	Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(283.29)
	Proceeds from sale of property, plant and equipment	0.58
	Dividend received	0.08
	Interest received	105.18
	Investment in fixed deposits	(2,485.89)
	Net cash flow generated used in investing activities (B)	(2,663.34)
C	**Cash flows from financing activities**	
	Dividend paid	(232.58)
	Principal payment of lease liabilities	(19.38)
	Interest payment of lease liabilities	(19.80)
	Repayment from long-term borrowings	(4,882.29)
	Repayment of short-term borrowings (net)	(200.10)
	Interest paid/finance cost	(544.36)
	Net cash flow used in financing activities (C)	(5,898.51)
	Net decrease in cash and cash equivalents (A+B+C)	(1,851.09)
	Cash and cash equivalents at the beginning of the period	1,871.19
	Cash and cash equivalents at the end of the period	20.10
	Components of cash and cash equivalents (refer note 14):	
	Balances with scheduled banks :	
	In current accounts	17.47
	Cash on hand	2.63
		20.10

Note:
The Unaudited Special Purpose Interim Consolidated Cash Flow Statement has been prepared in accordance with the 'Indirect Method' as set out in the Ind AS 7 "Cash flow Statements".

The accompanying notes are an integral part of the Unaudited Special Purpose Interim Consolidated Financial Statements.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm registration number: 001076N/N500013

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Ashish Gera
Partner
Membership No : 508685

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
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(DIN: 00004213)

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Managing Director and
Chief Executive officer
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President(Finance) and Chief
Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

Place: New Delhi
Date: February 26, 2024

XPRO INDIA LIMITED

Xpro India Limited

Unaudited Special Purpose Interim Consolidated Statement of Changes in Equity for the nine month period starting from April 01, 2022 and ended on December 31, 2022

(All amounts in INR lacs, unless otherwise stated)

A) Equity share capital

	As at December 31, 2022	
	Number	**Amount**
Balance at the beginning of the reporting period	11,813,500	1,181.35
Add: Bonus shares issued during the period (refer note 20)	5,906,744	590.67
Balance at the end of the reporting period	**17,720,244**	**1,772.02**

B) Other equity

	Reserves and surplus						
	Capital subsidy reserve	**Securities Premium**	**General reserve**	**Retained earnings**	**Financial assets through OCI**	**Money received against share warrant**	**Total**
Balance as at April 1, 2022	60.50	406.58	6,750.00	5,068.29	(13.12)	3,749.04	16,021.29
Additions:							
Profit for the period	-	-	-	4,109.58	-	-	4,109.58
Other comprehensive income (net of tax)	-	-	-	(8.64)	(15.52)	-	(24.16)
Payment of Dividend	-	-	-	(236.27)	-	-	(236.27)
Issue of Bonus Shares	-	(406.58)	(184.09)	-	-	-	(590.67)
Balance as at December 31, 2022	**60.50**	-	**6,565.91**	**8,932.96**	**(28.64)**	**3,749.04**	**19,279.77**

The accompanying notes are an integral part of the Unaudited Special Purpose Interim Consolidated Financial Statements.

In terms of our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
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President(Finance) and Chief Financial officer

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Company Secretary

Place: New Delhi
Date: February 26, 2024

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WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

XPRO INDIA LIMITED ★

1. **Group Information:**

Xpro India Limited (the 'Holding Company') is a public limited company domiciled in India with its registered office located at Barjora Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Dist.: Bankura 722 202, West Bengal. Incorporated on November 26, 1997 as "Biax Films Limited" under the Companies Act, 1956, the present name was adopted w.e.f. September 22, 1998. Equity shares of the Holding Company are listed on the National Stock Exchange (NSE) and are admitted for trading on the Bombay Stock Exchange (BSE). Organised into operating divisions for operational convenience, the Holding 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).

These Unaudited Special Purpose Interim Consolidated Financial Statements comprise the standalone financial statements of the Holding Company and its subsidiary (collectively referred to as 'the Group') for the nine month period ended December 31, 2022

Name of Subsidiary	% Shareholding	Principal Activity	Country of Incorporation
Xpro Global Limited	100 *	General Trade	India

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiary are insignificant.

(* 100% shareholding for the period ended December 31, 2022);

2. **Basis for Preparation:**

The Unaudited Special Purpose Interim Consolidated Financial Statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') consisting of the Unaudited Special Purpose Interim Consolidated Balance Sheet as at 31 December 2023, the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Special Purpose Interim Consolidated Cash Flow Statement and the Unaudited Special Purpose Interim Consolidated Statement of Changes in Equity for the nine month period then ended, and a summary of the significant accounting policies and other explanatory information, has been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') 34, 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other generally accepted accounting principles in India.

However, Holding Company has not met all the presentation and disclosure requirements otherwise required under the applicable financial reporting framework, hence, comparative information has not been provided in these Unaudited Special Purpose Interim Consolidated Financial Statements. The Unaudited Special Purpose Interim Consolidated Financial Statements has been prepared by the Holding Company's Management for the purpose of providing comparatives for the preparation of Unaudited Special Purpose Condensed Interim Consolidated Financial Statements of the Holding Company for the nine months period ended 31 December 2023 and for the purpose of including in the Holding Company's Preliminary Placement Document/Placement Document for the purpose of proposed offering of equity shares by the Holding Company as approved by the Board of Directors on 19 December 2023 through Qualified Institutional Placement and therefore, such Unaudited Special Purpose Interim Consolidated Statements may not be suitable for any other purpose.

Principles of Consolidation

a. The Unaudited Special Purpose Interim Consolidated Financial Statements (hereinafter referred to as 'the consolidated financial statements') relate to Xpro India Limited ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

i) The standalone financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Standalone Financial Statements.

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

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended.

c. Basis of measurement

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

d. Functional and presentation currency

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

e. Current and non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

f. Fair Value Measurements

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

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XPRO INDIA LIMITED

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

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

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

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

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

Overall Considerations

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

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

4. **Material accounting policies:**

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

a. **Property, plant and equipment**

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

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

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

XPRO INDIA LIMITED

incurred during-the construction periods which are not related to construction activity nor are incidental thereto are charged to the Consolidated Statement of Profit and Loss.

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

b. Other intangible assets

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

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

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

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

c. Borrowing Costs

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

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XPRO INDIA LIMITED *

d. Impairment of non-financial assets

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

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

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

e. Assets held for sale

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

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

f. Inventories

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

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

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

PRO INDIA LIMITED

reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

Contingent Assets are neither recogn
ised nor disclosed in the consolidated financial statements.

h. Government grants

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

i. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j. Cash and cash equivalents

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

k. Foreign currency transactions and translation

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

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

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

l. Revenue recognition

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

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

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

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

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

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

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

Interest Income: Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

m. Employee Benefits

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

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

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

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

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

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

Retirement benefit in the form of provident fund is a defined benefit scheme. The Group contributes its portion of contribution to Xpro India Ltd. Employees Provident Fund Trust ('the Trust'). The Group

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has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and accounted by the Group as provident fund cost.

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

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

n. Leases

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

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

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

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

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

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

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

o. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

p. Earnings per share

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

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

q. Operating segment

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

r. Equity investment

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

s. Financial instruments

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

1. Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Financial assets classification

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company classifies its financial assets in the following measurement categories: Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

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Debt instruments at amortised cost

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

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

Investments carried at fair value through profit and loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading. Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases. Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit and loss.

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

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

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

Derecognition

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

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

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

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are measured at FVTOCI e.g. investment in bonds.

(c) Trade receivables under Ind AS 115.

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

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recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or fair value through profit and loss.

Financial liabilities at amortised cost

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

Derecognition

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

3. Offsetting

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

t. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid.

u. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised costs. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest rate method. Borrowing are de-recognised from the balance sheet when the obligation specified in the contact is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

v. Use of estimates and management judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date

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of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

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

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

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

Significant management judgements:

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

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

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

Significant management estimates:

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

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

Recent Pronouncements on Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April

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2023. However, these amendments are not expected to have any material impact on the Unaudited Special Purpose Interim Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

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(All amounts in INR lacs, unless otherwise stated)

5 Property, plant and equipment and capital work-in-progress

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Equipment & Fittings	Total	Capital work-in-progress
Gross Block								
Balance as on April 1, 2022	**4,134.96**	**25,273.02**	**334.58**	**340.82**	**158.07**	**120.19**	**30,361.64**	**37.30**
Additions during the period (refer note d below)	-	24.15	1.91	6.28	10.33	2.20	44.87	294.40
Less: Disposals/ adjustments during the period	-	-	113.85	-	-	41.53	155.38	4.30
Balance as on 31 Dec 2022	**4,134.96**	**25,297.17**	**222.64**	**347.10**	**168.40**	**80.86**	**30,251.13**	**327.40**
Accumulated depreciation								
Balance as on April 1, 2022	**1,106.34**	**12,725.71**	**262.22**	**90.49**	**134.05**	**107.00**	**14,425.81**	-
Add: Depreciation during the period	99.09	693.41	12.68	28.95	6.68	5.28	846.09	-
Less: Disposals during the period	-	-	(105.79)	-	-	(39.77)	(145.56)	-
Balance as on December 31, 2022	**1,205.43**	**13,419.12**	**169.11**	**119.44**	**140.73**	**72.51**	**15,126.34**	-
Balance as on December 31, 2022	**2,929.53**	**11,878.05**	**53.53**	**227.66**	**27.67**	**8.35**	**15,124.79**	**327.40**

Note:

a) Refer Note 21 for information on property, plant and equipment pledged as security by the Holding Company;

b) Refer Note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment;

c) The Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the normal course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is considered in these unaudited special purpose interim consolidated financial statements;

d) Exchange differences on all long-term monetary items resulted in INR 31.63 lacs to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

6 Other intangible assets

Particulars	Computer software	Technical Knowhow	Total
Gross block			
Balance as on April 1, 2022	28.32	348.38	376.70
Additions during the year	-	-	-
Balance as on December 31, 2022	**28.32**	**348.38**	**376.70**
Accumulated amortisation			
Balance as on April 1, 2022	28.32	348.38	376.70
Add: Depreciation for the year	-	-	-
Balance as on December 31, 2022	**28.32**	**348.38**	**376.70**
Balance as on December 31, 2022	-	-	-

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7 Investments (Non-current)

	As at December 31, 2022
Investments measured at amortised cost	
Investments in bonds (quoted) (Fair value through other comprehensive income)	
Tax Free Bonds (refer details below*)	477.13
Total Investments	477.13
Aggregate amount of quoted investments	477.13

** Quoted Investments*

	As at December 31, 2022	
	Number of Units	Amount
8.66% IIFCL Tax Free Bond - 2034 (Maturity - January 1, 2034) (Face Value: INR 1,000 each)	20000	258.78
8.48% IIFCL Tax Free Bond - 2028 (Maturity - September 9, 2028) (Face Value: INR 10,00,000 each)	10	113.89
8.66% NTPC Tax Free Bond - 2033 (Maturity - December 16, 2033) (Face Value: INR 1,000 each)	3463	44.81
8.63% IRFC Tax Free Bond - 2029 (Maturity - March 26, 2029) (Face Value: INR 1,000 each)	2500	29.26
8.66% IIFCL Tax Free Bond - 2034 (Maturity - January 22, 2034) (Face Value: INR 1,000 each)	1499	18.89
8.54% PFC Tax Free Bond - 2028 (Maturity - November 16, 2028) (Face Value: INR 1,000 each)	1000	11.50
		477.13

The aggregate amount of investment in bonds at purchase price is INR 510.98 lacs (March 31, 2023: INR 510.98 lacs)

8 Loans (Non-current)
(Considered good - unsecured)

	As at December 31, 2022
Loans to employees	42.56
	42.56

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

9 Other non-current financial assets
(Considered good - unsecured)

	As at December 31, 2022
VAT subsidy	165.37
Security deposits	180.22
	345.59

10 Non-current income-tax assets (net)

	As at December 31, 2022
Prepaid taxes (net of provision for tax Rs. Nil)	109.96
	109.96

11 Other non-current assets
(Considered good - unsecured)

	As at December 31, 2022
Capital advances	344.21
Advances other than capital advances:	
Prepaid expenses	8.31
Balances with statutory authorities	32.95
	385.47

Note:
Capital commitments
a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts (net of capital advances): INR 23,412.89 lacs.
b) Unpaid portion of subscribed equity capital in subsidiary: INR 47.50 lacs (March 31, 2022: INR 47.50 lacs)

12 Inventories
(valued at lower of cost and net realisable value)

	As at December 31, 2022
Raw material	2,991.44
Work-in-progress	255.63
Finished goods	1,326.35
Stores and spares	381.25
Stock-in-trade	0.07
	4,954.74

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(All amounts in INR lacs, unless otherwise stated)

13 Trade receivables

	As at December 31, 2022
Trade receivables considered good, unsecured	4,193.79
	4,193.79

Note:
(a)There are no amounts due by directors or other officers of the Group either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member
(b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

14 Cash and cash equivalents

	As at December 31, 2022
Balances with banks in current accounts	17.47
Cash on hand	2.63
	20.10

15 Bank balances other than cash and cash equivalents

	As at December 31, 2022
Deposit accounts with original maturity of more than 3 months but remaining maturity of less than 12 months	2,677.09
Unpaid dividend accounts	3.69
Balances held as margin money	386.10
	3,066.88

16 Loans (currents)
(Considered good - unsecured)

	As at December 31, 2022
Loans to employees	11.67
	11.67

17 Other financial assets (Current)
(Considered good - unsecured)

	As at December 31, 2022
Security deposits	0.42
Interest accrued but not due (on tax-free bonds)	26.45
	26.87

18 Other current assets
Considered good - unsecured

	As at December 31, 2022
Advances to suppliers	64.20
Prepaid expenses	55.99
Balance with statutory authorities	41.66
Other receivables	
Loans - considered good, unsecured	24.16
	186.01

Notes:
Balance with statutory authorities represents goods and services tax (earlier service tax) paid on inputs (earlier input and services) utilised by the Group and eligible for utilisation towards discharge of goods and services tax (earlier service tax liability) in respect of services rendered by the Group. The Group expects the utilisation of outstanding balances as at each date of Unaudited Special Purpose Interim Consolidated Financial Statement within twelve months thereof.

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

19 Equity share capital

	As at December 31, 2022
Authorised:	
3,50,00,000 Equity shares of INR 10 each	3,500.00
Issued, subscribed and paid up:	
1,77,20,244 equity shares of INR 10 each fully paid	1,772.02
Share capital suspense	
13 equity shares of INR 10 each fully paid	*
(*rounded off to INR Nil)	
	1,772.02

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

b) Reconciliation of number of equity shares outstanding:

	April 01, 2022 to December 31, 2022	
	Number of equity shares	**Amount**
At the beginning of the period	11,813,500	1,181.35
Bonus equity shares issued during the period	5,906,744	590.67
At the end of the period	17,720,244	1,772.02

c) **Terms/rights attached to equity shares**
The Holding Company has issued only one class of equity shares having a face value of INR 10 per share All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their respective shareholding. All shares rank equally with regard to the Holding Company's residual assets.

d) Shareholders holding more than 5% shares in the Company:

	As at December 31, 2022
Name of the Shareholder(s)	
i) Intellipro Finance Private Limited	
No. of shares	2,305,000
% of shares held	13.01
ii) iPro Capital Limited	
No. of shares	2,940,000
% of shares held	16.59

e) Shareholding of Promoters

Promoter Name	Shares held by Promoters/Promoter Group As on December 31, 2022	
	No. of Shares	% of total shares
1 Birla Eastern Limited	27,600	0.16
2.Birla Holdings Limited	249,975	1.41
3.Birla, Madhushree Smt	150,187	0.85
4.Birla, Sidharth Kumar	152,812	0.86
5.Birla, S K	829	0.00
6.Sudarshan Kumar Birla (HUF)	234	0.00
7 Birla, Sumangala Smt	2,290	0.01
8.Central India General Agents Limited	412,500	2.33
9.IntelliPro Finance Private Limited	3,457,500	19.51
10.iPro Capital Limited	4,409,999	24.89
Promoter/Promoter Group Total:	8,863,926	50.02

Promoters for the purpose of this disclosure means promoters as defined under section 2(69) of the Companies Act, 2013.

f) During the nine months period ended December 31, 2022, the Holding Company has issued 59,06,744 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares outstanding on record date of July,04 2022.
There have been no other shares which has been issued for a consideration other than cash and no shares bought back by the Holding Company during the period of 5 years immediately preceding the reporting date.

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

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XPRO INDIA LIMITED

Xpro India Limited
Notes to the Unaudited Special Purpose Interim Consolidated financial statements for nine month period starting from April 01, 2022 and ended on December 31, 2022
(All amounts in INR lacs, unless otherwise stated)

20 Other equity

	Reserves and surplus						
	Capital subsidy reserve	Securities Premium	General reserve	Retained earnings	Financial assets through OCI	Money received against share warrant	Total
Balance as at April 1, 2022	60.50	406.58	6,750.00	5,068.29	(13.12)	3,749.04	16,021.29
Additions:							
Profit for the period	-	-	-	4,109.58	-	-	4,109.58
Other comprehensive income (net of tax)	-	-	-	(8.64)	(15.52)	-	(24.16)
Payment of dividend	-	-	-	(236.27)	-	-	(236.27)
Issue of bonus shares	-	(406.58)	(184.09)	-	-	-	(590.67)
Balance as at December 31, 2022	60.50	-	6,565.91	8,932.96	(28.64)	3,749.04	19,279.77

Nature and purpose of reserves

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

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

c) General reserve
General reserve is a distributable reserve created by way of transfer from time to time from profits. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

d) Retained earnings
Represents the accumulated balances of profits earned over the years after appropriation to general reserves, and adjustments for dividends or other distributions paid to shareholders.

e) Money received against warrants
Represents amount received towards preferential allotment of convertible warrants issued.

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

	As at December 31, 2022
21 Non current financial liabilities - Borrowings	
Indian rupee loan from banks (secured)	
Term loans (refer note a to d)	1,474.17
Vehicle loans (refer note e)	14.47
	1,488.64

a) Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding INR 8,00.08 lacs (previous year: INR 11,00.90 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of INR 33.33 lacs each starting from January 2022 and (ii) last instalment of INR 33.49 lacs is due in December 2025 and is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC).

b) Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding INR 83.17 lacs, carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of INR 6.38 lacs each starting from February 2022 and (ii) last instalment of INR 6.70 lacs is due in January 2025 and is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

c) Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding INR 2,05.20 lacs, carrying interest linked to the bank's MCLR, repayable in 48 monthly instalments of INR 8.96 lacs each starting from April 2022 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

d) The above-mentioned term loans carry interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).

e) Vehicle Loan of INR 14.81 lacs carrying interest at between 7 to 7.8 % per annum repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles.

f) There has been no default in servicing of loans and interest due thereon during and as at the end of the period;

g) Term Loans from banks are further secured by pledge of 15% of promoters (Birla Holdings Limited and Ipro Capital Limited) equity shareholding in the Holding Company;

h) Interest accrued on above borrowings is INR 6.91 lacs.

22 Non-current financial liabilities - Others

	As at December 31, 2022
Security deposits	6.57
	6.57

23 Provisions

	As at December 31, 2022
Employee benefits	
Non-current	
Gratuity	113.91
	113.91

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP
CHARTERED ACCOUNTANTS

(All amounts in INR lacs, unless otherwise stated)

24 Deferred tax assets (net)

	April 01, 2022 to December 31, 2022
A. Components of Income Tax Expense	
I. Tax expense recognised in the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss	
Current tax	-
Tax adjusted for earlier years	(0.03)
	(0.03)
Deferred tax expense	290.21
Total	290.18
II. Recognised in Other Comprehensive Income	
Tax impact on	
- Re-measurement on defined benefit plan	2.91
- Change in fair value of tax free bonds	5.22
Total	8.13
B. Reconciliation of tax expense and the accounting profit	
Profit before tax	4,399.76
Statutory income tax rate (%)	25.17
Tax expense at statutory income tax rate	1,107.42
Tax adjustment for earlier years	(0.03)
Income chargeable at lower tax rate	(13.75)
Tax expense	1,093.64
Tax impact of utilisation of brought forward losses	(1,093.67)
Current tax	(0.03)

C. Deferred tax assets/ (liabilities) (net)

	As at December 31, 2022
Deferred tax assets	
Carried forward losses/unabsorbed depreciation	1,003.33
Provision for employee benefits	28.08
Investment at fair value through OCI	5.22
Gross deferred tax assets	1,036.63
Deferred tax liability to the extent recognized	1,036.63
Deferred tax liability	
Fixed assets:	864.19
Impact of difference between book and tax depreciation	864.19
Gross deferred tax liability	
Net deferred tax asset/(liability)	172.44

Movement in Deferred tax liabilities/assets (net)

	Property, plant and equipment	Carry forward of losses	Provision for employee benefits	Investment at fair value through OCI	Net deferred tax asset/(liability)
Balance as at April 1, 2022	(615.28)	1,020.98	48.82	-	454.52
Recognised during the period in Consolidated Statement of Profit and Loss	(248.91)	(17.65)	(23.65)	-	(290.21)
Recognised during the period in Other Comprehensive Income	-	-	2.91	5.22	8.13
Balance as at December 31, 2022	(864.19)	1,003.33	28.08	5.22	172.44

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

25 Current financial liabilities - Borrowings

	As at December 31, 2022
Secured	
Loans repayable on demand	
Working capital loan from banks (refer note a and b below)	545.85
Current maturities of long-term borrowings (refer note 21)	1,654.03
	2,199.88

Notes:

a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated.

b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the period.

26 Current financial liabilities - Trade payables

	As at December 31, 2022
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	46.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,979.27
Acceptances	1,668.78
	4,694.45

Notes:

a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 42 for information on the Group's credit risk management processes.

b) Acceptances include arrangements where operational supplies of goods and services are paid by banks on due date which are normally effected within a period of 90 days from the date of transaction.

c) Disclosures with respect to related party transactions is given in note 39.

d) Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the respective companies of the Group on the basis of the information available with the Company and the auditors have relied on the same.

27 Current financial liabilities - others

	As at December 31, 2022
Interest accrued but not due	6.75
Unpaid dividend	3.69
Employee payables	288.51
Security deposit received	7.50
	306.45

28 Other current liabilities

	As at December 31, 2022
Contract liabilities	27.43
Statutory dues payable	207.34
	234.77

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

(All amounts in INR lacs, unless otherwise stated)

29 Revenue from operations	April 01, 2022 to December 31, 2022
Sale of products	
- Finished goods	37,820.21
Other operating income	
- Scrap sale	271.62
- Export incentives and margins	69.35
- Processing charges	508.45
Total	**38,669.63**

30 Other Income

	April 01, 2022 to December 31, 2022
Interest on	
Fixed deposits	87.42
Other financial assets carried at fair value through other comprehensive income	24.85
Others	7.85
Dividend income	0.08
Other non operating income	
Foreign currency transactions (net)	32.23
Profit on sale of property, plant and equipment including assets held sale	76.51
Miscellaneous income	92.24
	321.18

31 Cost of materials consumed

	April 01, 2022 to December 31, 2022
Raw material at the beginning of the period	2,542.50
Add: Purchases during the period	27,041.49
Less: Raw material at the end of the period	(2,991.44)
Total cost of materials consumed	**26,592.55**

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

	April 01, 2022 to December 31, 2022
Inventories at the beginning of the period	
- Finished goods	1,432.75
- Work-in-progress	179.67
- Stock-in-trade	0.06
	1,612.48
Inventories at the end of the period	
- Finished goods	1,326.35
- Work-in-progress	255.63
- Stock-in-trade	0.06
	1,582.04
(Increase)/ Decrease in inventory	**30.44**

33 Employee benefits expense

	April 01, 2022 to December 31, 2022
Salary, wages and bonus	1,910.51
Contribution to provident and other funds	222.53
Staff welfare expenses	112.80
	2,245.84

34 Finance costs

	April 01, 2022 to December 31, 2022
Interest expense on borrowings measured at amortised cost	449.32
Interest on lease liability (refer note 43)	19.80
Other borrowing cost	91.78
	560.90

35 Depreciation and amortisation expense

	April 01, 2022 to December 31, 2022
Depreciation on tangible assets	846.09
Amortisation on right-of-use assets (refer note 43)	31.72
	877.81

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

36 Other expenses

	April 01, 2022 to December 31, 2022
Consumption of stores and spares	714.18
Processing charges	26.17
Power and fuel	2,289.09
Rent (refer note 43)	22.88
Repairs to:	
- Building	24.13
- Plant and machinery	164.49
- Others	28.92
Communication	16.15
Director's fees	19.11
Insurance	117.45
Legal and professional	80.53
Rates and taxes	38.31
Security expenses	57.78
Travelling and conveyance	157.23
Rebates and commission	156.89
Payment to auditors	23.09
Other selling expenses	14.36
Corporate Social Responsibility	15.00
Miscellaneous expenses	317.75
	4,283.51

37 Earnings per share

	April 01, 2022 to December 31, 2022
a) Profit for the period attributable to equity shareholders (A)	4,109.58
b) Number of equity shares outstanding at the beginning of the period	11,813,500
Add:- Bonus shares issued during the period	5,906,744
Weighted average number of equity shares outstanding during the period for computation of Basic EPS (B)	17,720,244
Add:- Impact of Convertible warrants	992,651
Weighted average number of equity shares outstanding during the period for computation of Diluted EPS (C)	18,712,895
Nominal value per share (INR)	10.00
c) Basic earnings per equity share (face value of share- Rs 10 each) (A/B) (INR)	23.19
d) Diluted earnings per equity share (face value of share- Rs 10 each) (A/C) (INR)	21.96

38 Contingent liabilities, contingent assets and commitments

A Contingent Liabilities and other commitments

	As at December 31, 2022
i) Claims against the Group not acknowledged as debts	2.50
ii) Sales tax, Excise and Customs matters	389.24
iii) Estimated Liability towards lenders for Right to Recompense for term loans taken in earlier years (Refer note 1)	200.00
iv) Others *(claims not acknowledged as debt)* (Refer note 2)	115.58

Note 1: The Company based on discussion with lenders believes that no liability will arise on account of this matter.

Note 2: During the period, West Bengal Electricity Regulatory Commission (WBERC) fixed the power tariff of Damodar Valley Corporation (DVC) for 2017-18 & onwards following which DVC raised a retrospective demand of INR 315.60 lacs on one of the units of the Company. While the demand has been challenged, the Company has made provision of Rs. 231.83 for the demand in the books of accounts as on December 31, 2022. The Company has made payment amounting to Rs. 4.87 lacs in nine month period ending December 2022 to WBERC.

Note 3 : The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Group as no reliable estimate can yet be made.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

39 Related Party Disclosures

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

A. List of Related Parties:

1. Entities exercising significant influence over the Group
   a) iPro Capital Limited;
   b) Intellipro Finance Pvt. Ltd.

2. Entities over which Key Managerial Personnel have control
   a) Central India General Agents Ltd.

3. Post-employment benefit funds
   a) Xpro India Limited Employees Provident Fund Trust;

4. Key managerial personnel
   a) Executive Directors:
   (i) Sri Sidharth Birla, Chairman
   (ii) Sri C Bhaskar, Managing Director & CEO

   b) Non-executive Independent Directors:
   (i) Sri K Balakrishnan (w.e.f. May 25, 2022)
   (ii) Sri Amitabha Guha
   (iii) Sri Ashok Kumar Jha
   (iv) Ms Suhana Murshed (w.e.f. August 10, 2021)
   (v) Sri Utsav Parekh
   (vi) Sri S Ragothaman
   (vii) Sri Umrao Chand Jain (upto May 29, 2023)

   c) Non-executive Non-Independent Directors:
   (i) Smt Madhushree Birla
   (ii) Sri Bharat Jhaver (w.e.f. May 25, 2022)

   d) Others:
   (i) Sri H Bakshi, Sr. President & COO
   (ii) Sri V K Agarwal, President (F) & CFO
   (iii) Sri Amit Dhanuka, Company Secretary (upto January 14, 2023)

   e) Relatives of Key managerial personnel *:
   (i) Sri Sudarshan Kumar Birla
   (ii) Smt Sumangala Birla
   (iii) Sri Sudarshan Kumar Birla (HUF)
   (iv) Smt Vasusri Jhaver
   (v) Smt Meenakshi Apoorva Bajaj
   (vi) Smt Usha Ragothaman
   (vii) Smt Kiran Jhaver
   (viii) Smt Mousumi Bakshi

   ** with whom the Group had transactions during the current period*

B. Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and settlement occurs in cash. This assessment is undertaken each period through examining the financial position of the related party and the market in which the related party operates.

C. Transactions with Related Parties:

Related Party	Nature of Transactions	April 01, 2022 to December 31, 2022
Xpro India Ltd. Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	44.04
iPro Capital Limited	Dividend paid	58.80
	Bonus shares issued *(face value of INR 10 each)*	147.00
Intellipro Finance Pvt. Ltd.	Dividend paid	46.10
	Bonus shares issued *(face value of INR 10 each)*	115.25
Central India General Agents Ltd.	Bonus shares issued *(face value of INR 10 each)*	13.10
	Dividend paid	5.50
Sri Sidharth Birla	Remuneration (including leave encashment)	94.68
	Dividend paid	2.04
	Bonus shares issued *(face value of INR 10 each)*	5.09
Sri C Bhaskar	Remuneration (including leave encashment)	95.52
	Dividend paid	1.15
	Bonus shares issued *(face value of INR 10 each)*	2.89
	Sitting fees	0.03
Sri K Balakrishnan	Sitting Fees	2.00
Sri Amitabha Guha	Sitting Fees	3.05
Sri Ashok Kumar Jha	Sitting Fees	2.00
Ms. Suhana Murshed	Sitting Fees	2.00
Sri Utsav Parekh	Sitting Fees	2.80
	Dividend paid	0.01
	Bonus shares issued *(face value of INR 10 each)*	0.03
Sri S Ragothaman	Sitting Fees	3.18
	Dividend paid	1.37
	Bonus shares issued *(face value of INR 10 each)*	3.42
Smt Madhushree Birla	Sitting Fees	2.03
	Dividend paid	2.00
	Bonus shares issued *(face value of INR 10 each)*	5.01

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

Related Party	Nature of Transactions	April 01, 2022 to December 31, 2022
Sri Bharat Jhaver	Sitting Fees	2.00
Sri Umrao Chand Jain	Sitting Fees	0.02
Sri H Bakshi	Remuneration	66.52
	Dividend paid	0.20
	Bonus shares issued *(face value of INR 10 each)*	0.51
Sri V K Agarwal	Remuneration	53.18
	Dividend paid	0.17
	Bonus shares issued *(face value of INR 10 each)*	0.42
Sri Amit Dhanuka	Remuneration	13.64
Sri Sudarshan Kumar Birla	Dividend paid	0.01
	Bonus shares issued *(face value of INR 10 each)*	0.03
Smt Sumangala Birla	Dividend paid	0.03
	Bonus shares issued *(face value of INR 10 each)*	0.08
Sri Sudarshan Kumar Birla (HUF)	Dividend paid	0.00
	Bonus shares issued *(face value of INR 10 each)*	0.01
Smt Vasusri Jhaver	Dividend paid	1.05
	Bonus shares issued *(face value of INR 10 each)*	2.62
Smt Meenakshi Apoorva Bajaj	Dividend paid	3.50
	Bonus shares issued *(face value of INR 10 each)*	8.75
Smt Usha Ragothaman	Dividend paid	0.07
	Bonus shares issued *(face value of INR 10 each)*	0.18
Smt Kiran Jhaver	Dividend paid	0.10
	Bonus shares issued *(face value of INR 10 each)*	0.25
Smt Mousumi Bakshi	Dividend paid	0.00
	Bonus shares issued *(face value of INR 10 each)*	0.00

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

D. No balances were outstanding at the end of the current period from/to any of the Related parties.

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XPRO INDIA LIMITED

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

40 Segment Information

The Group operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India. There are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.
Revenue of INR 16,454.34 lacs was derived from three external customers each accounting for over ten percent of the revenue.

41 Fair Value Measurements

a) Financial instruments by category

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

(b) Fair value hierarchy

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

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

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

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

Financial assets and financial liabilities measured at fair value - recurring fair value measurements

As at December 31, 2022	Level 1	Level 2	Level 3
Financial assets			
Fair value through other comprehensive income			
Derivatives assets	477.13	-	-
Total	477.13	-	-
Financial liabilities	-	-	-
Total	-	-	-

Valuation process and technique used to determine the fair value

Fair value through other comprehensive income

Investment in tax free bonds are valued at fair value which is based on direct and market observable inputs.

(c) Financial instrument by category measured at amortised cost

Particulars	As at December 31, 2022	
	Carrying value	Fair value
Financial assets		
Trade receivables	4,193.79	4,193.79
Cash and cash equivalents	20.10	20.10
Bank balances other than cash and cash equivalents	3,066.88	3,066.88
Loans	54.23	54.23
Other financial assets	372.46	372.46
Total	**7,707.46**	**7,707.46**
	Carrying value	Fair value
Financial liabilities		
Borrowings	3,688.52	3,688.52
Lease liabilities	271.88	271.88
Trade payables	4,694.45	4,694.45
Other financial liabilities	313.02	313.02
Total	**8,967.87**	**8,967.87**

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

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

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WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

42 Financial risk management

i) Financial instruments by category

Particulars	As at December 31, 2022		
	FVTPL	FVOCI	Amortised cost
Financial assets			
Investments	-	477.13	-
Trade receivables	-	-	4,193.79
Cash and cash equivalents	-	-	20.10
Bank balances other than cash and cash equivalents	-	-	3,066.88
Loans	-	-	54.23
Other financial assets	-	-	372.46
Total	-	477.13	7,707.46
Financial liabilities			
Borrowings	-	-	3,688.52
Lease Liabilities	-	-	271.88
Trade payables	-	-	4,694.45
Other financial liabilities	-	-	313.02
Total	-	-	8,967.87

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

ii) Risk management

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

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

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

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

The Group provides for expected credit loss on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, Bank balances other than cash and cash equivalents, loans, trade receivables and other financial assets	12 month expected credit loss

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

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

Assets under credit risk –

Credit rating	Particulars	As at December 31, 2022
Low credit risk	Cash and cash equivalents, Bank balances other than cash and cash equivalents, loans, trade receivables and other financial assets	7,707.46

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

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XPRO INDIA LIMITED

(All amounts in INR lacs, unless otherwise stated)

Expected credit losses for financial assets other than trade receivables

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

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
December 31, 2022				
Investments	477.13	0%	-	477.13
Loans	54.23	0%	-	54.23
Trade receivables	4,193.79	0%	-	4,193.79
Cash and cash equivalents	20.10	0%	-	20.10
Bank balances other than cash and cash equivalents	3,066.88	0%	-	3,066.88
Other financial assets	372.46	0%	-	372.46

Expected credit loss for trade receivables under simplified approach

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

Particulars		As at December 31, 2022
Gross amount of trade receivables where no default has occurred		4,193.79
Expected loss rate	(%)	-
Expected credit loss(loss allowance provision)		-

B) Liquidity risk

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

Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual discounted cash flows.

Particulars	≤ 1 year	1 - 5 year	≥ 5 years	Total
December 31, 2022				
Borrowings	2,199.88	1,488.64	-	3,688.52
Trade payable	4,694.45	-	-	4,694.45
Lease liabilities	35.43	222.83	13.62	271.88
Other financial liabilities	306.45	6.57	-	313.02
Total	**7,236.21**	**1,718.04**	**13.62**	**8,967.87**

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C) Market risk

Foreign currency risk

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

Foreign currency risk exposure:

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

Particulars		As at December 31, 2022
Financial liabilities		
Payable on imports		
	USD	2,029,120.00
	INR in lacs	1,678.69
Borrowings		
	Euro	1,141,556.86
	INR in lacs	1,013.59
Financial assets		
Receivables on export		
	USD	312,966.96
	INR in lacs	258.92
	Euro	351,393.39
	INR in lacs	312.00

Sensitivity

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

	As at December 31, 2022
USD sensitivity	
INR/USD- increase by 200 basis points (200 bps)	(28.39)
INR/USD- decrease by 200 basis points (200 bps)	28.39
Euro sensitivity	
INR/Euro- increase by 200 basis points (200 bps)	(14.03)
INR/Euro- decrease by 200 basis points (200 bps)	14.03

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(All amounts in INR lacs, unless otherwise stated)

Interest rate risk
Liabilities
The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At December 31, 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits bear fixed interest rates.

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

Particulars	As at December 31, 2022
Variable rate borrowings	3,688.52
Total borrowings	**3,688.52**

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

Interest sensitivity*	
Interest rates – increase by 100 basis points (100 bps)	36.89
Interest rates – decrease by 100 basis points (100 bps)	(36.89)

Assets
The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures
For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Company' s capital management objectives are
- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	**As at December 31, 2022**
Long-term borrowings	1,488.64
Current maturities of long-term borrowings	1,654.03
Short-term borrowings	545.85
Total borrowings	**3,688.52**
Less:	
Cash and cash equivalents	20.10
Bank balance other than cash and cash equivalents	3,066.88
Net debt	**601.54**
Total equity*	21,051.79
Net debt to equity ratio	**2.86%**

* *Equity includes equity share capital and other equity of the Group that are managed as capital.*

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(All amounts in INR lacs, unless otherwise stated)

43 Leases

a) The Group has adopted Ind AS 116 –'Lease' from April 1, 2019, which resulted in changes in accounting policies in the unaudited special purpose interim consolidated financial statements

b) **Practical expedients applied**
The Group has used the practical expedients permitted by the standard:
-applying a single discount rate to a portfolio of leases with reasonably similar characteristics
-accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

c) The weighted average lessee's incremental borrowing rate applied for the lease liabilities is 11.25%.

d) Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good condition of repair and return the property in the original condition at the end of the lease.

e) The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized on consolidated balance sheet.

Right-of-use assets	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term(years)
Building	2	3 - 5	4.00
Land	3	70 - 83	76.00

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

f) Amounts recognized in unaudited special purpose interim consolidated balance sheet and unaudited special purpose interim consolidated statement of profit and loss:

The balance sheet shows the following amounts relating to leases:

Particulars	**Category of right-of-use assets**		
	Land	**Buildings**	**Total**
Balance as at April 1, 2022	711.17	170.05	881.22
Add: Additions during the period	-	73.44	73.44
Less: Amortisation on right-of-use assets	(6.70)	(25.02)	(31.72)
Balance as at December 31, 2022	704.47	218.47	922.94

	Movement in lease liabilities		
	Land	**Buildings**	**Total**
Balance as at April 1, 2022	-	217.82	217.82
Add: Additions during the period	-	73.44	73.44
Add. Interest expense	-	19.80	19.80
Less: Lease rental paid	-	39.18	39.18
Balance as at December 31, 2022	-	271.88	271.88

g) **Amount recognised in Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss:**

	April 01, 2022 to December 31, 2022
i) Amorisation of right-of-use assets (classified under Depreciation and amortisation expense)	31.72
ii) Interest on lease liabilities (classified under Finance costs)	19.80
iii) Expenses related to short term leases (classified under Other expenses)	22.88

XPRO INDIA LIMITED

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h) The total cash outflow for leases for the period ended December 31, 2022 was INR 39.18 lacs.

i) Lease liabilities included in consolidated balance sheet:

	As at December 31, 2022
Current	35.43
Non-current	236.45

j) Future minimum lease payments are as follows:

As on December 31, 2022

Minimum lease payments due	**Lease payments**	**Finance charges**	**Net present values**
Within 1 year	64.23	(28.80)	35.43
1 - 2 years	64.69	(24.59)	40.10
2 - 3 years	72.97	(19.48)	53.49
3 - 4 years	75.77	(12.92)	62.85
4 - 5 years	71.81	(5.42)	66.39
After 5 years	13.87	(0.25)	13.62
Total	**363.34**	**(91.46)**	**271.88**

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XPRO INDIA LIMITED

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(All amounts in INR lacs, unless otherwise stated)

44 Revenue related disclosures (in accordance with Ind AS 115)

A Disaggregation of revenue

Revenue recognised mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Group's revenue from contract with customers is set out below:

Particulars	April 01, 2022 to December 31, 2022
Revenue from contracts with customers	
(i) Sale of products:	
(a) Coextruded sheets, cast films and liners	26,640.31
(b) Biaxially oriented films	11,179.90
(ii) Other operating income	849.42
Total revenue covered under Ind AS 115	**38,669.63**

B Contract balances

Information about contract liabilities and receivables from contract with customers:

Particulars	As at December 31 2022
Contract liabilities	
Advance received from consumers	27.43
Total contract liabilities	**27.43**
Receivables	
Trade receivables	4,193.79
Total receivables	**4,193.79**

C Significant changes in the contract liabilities balances during the period/ year:

Contract liabilities - Revenue received in advance	
Opening balance	113.94
Addition during the period	27.43
Revenue recognised during the period	(113.94)
Closing balance	27.43

D Refer Note No.40 for disclosure regarding three external customers each accounting for over ten percent of the revenue.

E Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

Contract liabilities are on account of the advance payment received from customers for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls within 120 days from the completion of performance obligation.

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45 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry The Group will assess the impact and its evaluation once the subject rules are notified. The Group will consider the impact in the period in which, the Code becomes effective along with the related rules.

46 The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Unit 1 Barjora were presented as 'Assets held for sale' separately from other assets in the balance sheet. The sale/business transfer was completed on October 20, 2022 at a consideration of INR 6.78 lacs for fixed assets. Accounting for the transaction resulted in an increase of other income by INR 85.75 lacs during the period ended December 31, 2022.

47 Dividend of Rs.2 (Rupees Two only) per equity share of face value Rs.10 each for the financial year ended March 31, 2022, was approved by shareholders at Annual General Meeting held on June 24, 2022 and was paid on July 4, 2022.

48 The Unaudited Special Purpose Interim Consolidated Financial Statements were approved for issue by the Board of Directors on February 26, 2024.

In terms of our report of even date attached
For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm registration number: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685

Place: New Delhi
Date: February 26, 2024

For and on behalf of the Board of Directors

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director and
Chief Executive officer
(DIN: 00003343)

V.K. Agarwal
President (Finance) and
Chief Financial officer

Kamal Kishor Sewoda
Company Secretary

Place: New Delhi
Date: February 26, 2024

Place: New Delhi
Date: February 26, 2024

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

XPRO INDIA LIMITED

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Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results and Year to Date Financial Results of Xpro India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Xpro India Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiary included in the Statement) for the quarter ended 31 December 2023 and the consolidated year to date results for the period 01 April 2023 to 31 December 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results and Year to Date Financial Results of Xpro India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by their auditor, whose interim financial information reflect total revenues of ₹ NIL and ₹ NIL, net loss after tax of ₹ 0.07 lacs and ₹ 0.51 lacs, total comprehensive income of ₹ 0.07 lacs and ₹ 0.51 lacs for the quarter and year-to-date period ended 31 December 2023 respectively as considered in the Statement and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

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

Ashish Gera

Ashish Gera
Partner
Membership No. 508685

UDIN: 24508685BKEUCM2038

Place: New Delhi
Date: 29 January 2024

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Walker Chandiok & Co LLP

Independent Auditor's Review Report on Unaudited Consolidated Quarterly Financial Results and Year to Date Financial Results of Xpro India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Annexure 1

List of entities included in the Statement

Name of Holding Company:

a. Xpro India Limited

Name of Subsidiary Company:

a. Xpro Global Limited

XPRO INDIA LIMITED

xproindia

Registered Office:
Barjora - Mejia Road, P.O. Ghutgoria,
Tehsil: Barjora, Distt.: Bankura, West Bengal 722 202
Tel: +91-9775301701; e-mail: cosec@xproindia.com

CIN: L25209WB1997PLC085972
Website: www.xproindia.com

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2023

(INR in lacs)

		3 months ended			9 months ended		Year ended
		December 31 2023	September 30 2023	December 31 2022	December 31 2023	December 31 2022	March 31 2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	a) Revenue from operations	9613.54	10997.42	9305.90	33700.14	38669.63	51097.03
	b) Other income	307.84	286.62	153.82	703.37	321.18	385.55
	Total income	**9921.38**	**11284.04**	**9459.72**	**34403.51**	**38990.81**	**51482.58**
2	**Expenses**						
	a) Cost of materials consumed	6235.21	7594.42	6456.80	22810.00	26592.55	34695.04
	b) Changes in inventories of finished goods and work-in-progress	(131.15)	(90.33)	(283.59)	(111.77)	30.44	315.25
	c) Employee benefits expense	869.15	794.40	694.04	2472.43	2245.84	3006.96
	d) Finance costs	118.36	128.06	157.56	422.58	560.90	753.19
	e) Depreciation and amortisation expense	265.36	291.64	289.43	851.80	877.81	1152.18
	f) Other expenses	1120.62	1211.75	1135.48	3594.29	4283.51	5636.88
	Total expenses	**8477.55**	**9929.94**	**8449.72**	**30039.33**	**34591.05**	**45559.50**
3	**Profit before tax** (1-2)	**1443.83**	**1354.10**	**1010.00**	**4364.18**	**4399.76**	**5923.08**
4	**Tax expense**						
	a) Current tax	181.38	212.50	-	639.65	-	7.83
	b) Deferred tax expense/ (credit)	194.95	193.99	362.69	580.06	290.21	1411.53
	c) Tax adjustment for earlier years	-	-	-	-	(0.03)	(32.69)
5	**Net Profit for the period** (3-4)	**1067.50**	**947.61**	**647.31**	**3144.47**	**4109.58**	**4536.41**
6	Other comprehensive income						
	(a) Items that will not be reclassified to profit or loss						
	(i) Remeasurement of defined benefit plans	(0.06)	(0.05)	(3.85)	(0.17)	(11.55)	(0.23)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.02	-	2.91	0.04	2.91	0.06
	(b) Items that will be reclassified to profit or loss						
	(i) Change in fair value of tax free bonds	(3.77)	0.02	0.84	7.73	(20.74)	(33.04)
	(ii) Income tax relating to items that will be reclassified to profit or loss	0.94	-	5.22	(1.95)	5.22	11.62
	Total other comprehensive income for the period (net of tax)	(2.87)	(0.03)	5.12	5.65	(24.16)	(21.59)
7	Total comprehensive income for the period (comprising Profit and other comprehensive income for the period (5+6))	1064.63	947.58	652.43	3150.12	4085.42	4514.82
8	Profit for the period attributable to						
	a) Owners of the Company	1067.50	947.61	647.31	3144.47	4109.58	4536.41
	b) Non-controlling interest	-	-	-	-	-	-
9	Other comprehensive income for the period attributable to						
	a) Owners of the Company	(2.87)	(0.03)	5.12	5.65	(24.16)	(21.59)
	b) Non-controlling interest	-	-	-	-	-	-
10	Total comprehensive income for the period attributable to						
	a) Owners of the Company	1064.63	947.58	652.43	3150.12	4085.42	4514.82
	b) Non-controlling interest						
11	Paid-up equity share capital (Face value: INR 10 per share)	2067.22	2067.22	1772.02	2067.22	1772.02	1821.22
12	Other equity						21534.49
13	Earnings per share (of INR 10 each) (INR)						
	(a) Basic	5.16*	4.64*	3.65*	15.90*	23.19*	25.57
	(b) Diluted	5.16*	4.64*	3.48*	15.90*	21.96*	24.35

*Not annualised.

XPRO INDIA LIMITED

Contd..

Notes:

1. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on January 29, 2024. The statutory auditors of the Holding Company have conducted a limited review of these financial results.

2. These consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial reporting ('Ind AS 34') prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by SEBI from time to time.

3. The consolidated financial results include the results of the Holding Company "Xpro India Limited" and its wholly owned subsidiary "Xpro Global Limited" together referred to as the "Group".

4. The group operates predominantly within a single reportable business segment "Polymer Processing" and mainly in a single geographic segment i.e. India (as per Ind AS 108 - "Segment reporting"). There are no separate reportable business or other geographic segments.

5. Dividend of INR 2 (Rupees Two only) per equity share of face value INR 10 each for the financial year ended March 31, 2023, was approved by shareholders at Annual General Meeting held August 10, 2023 and was paid on August 22, 2023.

6. Pursuant to the special resolution passed at the Extraordinary General Meeting held on January 16, 2024, and relevant regulatory provisions, the Holding Company has issued and allotted on January 29, 2024 by way of preferential allotment 14,35,750 warrants at a price of INR 975 each, each warrant carrying a right upon being fully paid up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR 10 of the Holding Company (including premium of INR 965 each). (Allotment money - INR 4899.50 lakhs, being 35% of the total warrant price was received in January 2024, i.e. after the end of quarter).

7. The Shareholders of the Holding Company through special resolution passed at the Extraordinary General Meeting held on January 16, 2024 have approved the raising of capital through a Qualified Institutions Placement for an aggregate amount not exceeding INR 150 Crores (Rupees One Hundred Fifty Crore only) by the issue of equity shares of face value of INR 10 each in accordance with relevant regulatory provisions and applicable laws.

8. On July 9, 2023, in accordance with earlier approval of shareholders and following exercise of the option on payment of the balance 75% (INR 9372.60 lacs) on warrants, the Holding Company issued and allotted to Malabar India Fund Limited (a) 16,40,000 equity shares of INR 10 each fully paid-up at a premium of INR 752 per equity share; and (b) 8,20,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two of the said equity shares. After this allotment, the issued Equity Share Capital of the Holding Company comprises of 2,06,72,244 shares of INR 10 each.

9. On October 13, 2023 the Holding Company has acquired 26% of the equity share capital of TP Mercury Limited (a Special Purpose Vehicle) pursuant to the Share Purchase Agreement entered into on September 13, 2023 with Tata Power Renewable Energy Limited and TP Mercury Limited for sourcing of solar power through open access for the Ranjangaon Unit of Holding Company under the Group Captive Scheme.

10. Previous periods' figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

For and on behalf of the Board

XPRO INDIA LIMITED *

New Delhi
January 29, 2024

C Bhaskar
Managing Director & Chief Executive Officer

Walker Chandiok & Co LLP
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurugram – 122 002
India

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Financial Results of Xpro India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Xpro India Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), (refer Annexure 1 for the list of subsidiary included in the Statement) for the quarter ended 31 December 2022 and the consolidated year to date results for the period 01 April 2022 to 31 December 2022, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Financial Results of Xpro India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The Statement includes the interim financial information of one subsidiary, which have not been reviewed by their auditor, whose interim financial information reflect total revenues of ₹ NIL and ₹ NIL, net loss after tax of ₹ 0.52 lacs and ₹ 0.68 lacs, total comprehensive income of ₹ 0.52 lacs and ₹ 0.68 lacs for the quarter and nine-month period ended 31 December 2022 respectively as considered in the Statement and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, this interim financial information is not material to the Group.

   Our conclusion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Ashish Gera
Partner
Membership No. 508685
UDIN: 23508685BGYCPW5100

Place: New Delhi
Date: 06 February 2023

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Financial Results of Xpro India Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

Annexure 1

List of entities included in the Statement

Name of Holding Company:

a. Xpro India Limited

Name of Subsidiary Company:

a. Xpro Global Limited

XPRO INDIA LIMITED

xproindia

Registered Office:
Barjora - Mejia Road, P.O. Ghutgoria,
Tehsil: Barjora, Distt.: Bankura, West Bengal 722 202
Tel: +91-9775301701; e-mail: cosec@xproindia.com

CIN: L25209WB1997PLC085972
Website: www.xproindia.com

Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022

(Rs. in lacs)

		3 months ended			9 months ended		Year ended
		December 31 2022	September 30 2022	December 31 2021	December 31 2022	December 31 2021	March 31 2022
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	a) Revenue from operations	9305.90	13400.39	11124.95	38669.63	32891.74	47171.99
	b) other income	153.82	106.59	23.51	321.18	89.76	183.89
	Total income	**9459.72**	**13506.98**	**11148.46**	**38990.81**	**32981.50**	**47355.88**
2	**Expenses**						
	a) Cost of materials consumed	6456.80	8854.34	7989.85	26592.55	23025.99	32797.43
	b) Changes in inventories of finished goods and work-in progress	(283.59)	262.52	(660.30)	30.44	(599.14)	(237.37)
	c) Employee benefits expense	694.04	753.80	749.05	2245.84	2149.35	3019.13
	d) Finance costs	157.56	182.05	351.26	560.90	1087.24	1300.72
	e) Depreciation and amortisation expense	289.43	293.56	303.45	877.81	914.37	1206.81
	f) Other expenses	1135.48	1623.91	1253.46	4283.51	3656.06	5210.38
	Total expenses	**8449.72**	**11970.18**	**9986.77**	**34591.05**	**30233.87**	**43297.10**
3	**Profit before tax** (1-2)	**1010.00**	**1536.80**	**1161.69**	**4399.76**	**2747.63**	**4058.78**
4	**Tax expense**						
	a) Current Tax	-	-	-	-	-	-
	b) Deferred Tax expense/ (credit)	362.69	(72.48)	-	290.21	-	(454.52)
	c) Tax adjustment for earlier years	-	(0.03)	-	(0.03)	-	20.12
5	**Net Profit for the period** (3-4)	**647.31**	**1609.31**	**1161.69**	**4109.58**	**2747.63**	**4493.18**
6	Other comprehensive income						
	(a) Items that will not be reclassified to profit or loss						
	(i) Remeasurement of defined benefit plans	(3.85)	(3.85)	(9.89)	(11.55)	(29.67)	(15.41)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	2.91	-	-	2.91	-	-
	(b) Items that will be reclassified to profit or loss						
	(i) Change in fair value of tax-free bonds	0.84	7.26	-	(20.74)	-	(13.12)
	(ii) Income tax relating to items that will be reclassified to profit or loss	5.22	-	-	5.22	-	-
	Total other comprehensive income for the period (net of tax)	5.12	3.41	(9.89)	(24.16)	(29.67)	(28.53)
7	Total comprehensive income for the period (comprising Profit and other comprehensive income for the period (5+6))	652.43	1612.72	1151.80	4085.42	2717.96	4464.65
8	Profit for the period attributable to						
	a) Owners of the Company	647.31	1609.31	1161.69	4109.58	2747.63	4493.18
	b) Non-controlling interest	-	-	-	-	-	-
9	Other comprehensive income for the period attributable to:						
	a) Owners of the Company	5.12	3.41	(9.89)	(24.16)	(29.67)	(28.53)
	b) Non-controlling interest	-	-	-	-		-
10	Total comprehensive income for the period attributable to:						
	a) Owners of the Company	652.43	1612.72	1151.80	4085.42	2717.96	4464.65
	b) Non-controlling interest						-
11	Paid-up equity share capital (Face value: Rs.10 per share)	1772.02	1772.02	1181.35	1772.02	1181.35	1181.35
12	Other equity						16021.29
13	Earnings per share (of Rs.10 each) (Rs)						
	(a) Basic (refer note 8)	* 3.65	* 9.08	* 6.56	* 23.19	* 15.51	25.36
	(b) Diluted (refer note 8)	* 3.48	* 8.59	* 6.56	* 21.96	* 15.51	25.05

*Not annualised.

Contd..

Notes:

1. The above consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 6, 2023. The Statutory Auditors of the Holding Company have conducted a limited review of these financial results.

2. These consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34, Interim Financial reporting ('Ind AS 34') prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by SEBI from time to time.

3. The consolidated financial results include the results of the Holding Company "Xpro India Limited" and its wholly owned subsidiary "Xpro Global Limited" together referred to as the "Group".

4. The group operates predominantly within a single reportable business segment "Polymer Processing" and mainly in a single geographic segment i.e. India (as per Ind AS 108 - "Segment reporting"). There are no separate reportable business or other geographic segments.

5. Revenue from operations during the quarter was subdued due to indifferent market demand and seasonal swings for consumer durables, leading to consequential materially lower off-take; as a leading supplier to consumer durables manufacturers, the Group is naturally exposed to volatility of their end-demand. We believe such swings are transient. The aggregate 9-month revenue y-o-y has yet grown 17.5%.

6. The sale/business transfer of the Holding Company's erstwhile Unit I, manufacturing packaging grade BOPP Films was completed on October 20, 2022 at a consideration of Rs. 678 lacs for fixed assets. Accounting for the transaction resulted in (a) an increase of other income by Rs.85.75 lacs and (b) an increase of Rs.170.65 lacs in deferred tax expense, for the quarter and nine month period ended December 31, 2022.

7. Dividend of Rs.2 (Rupees Two only) per equity share of face value Rs.10 each for the financial year ended March 31, 2022, was approved by shareholders at Annual General Meeting held June 24, 2022 and was paid on July 4, 2022.

8. The Holding Company has issued and allotted 59,06,744 equity shares of Rs.10 each as fully paid bonus shares in the ratio of one equity share for every two equity shares held on the record date of July 4, 2022. These bonus shares have accordingly been considered in calculating the earnings per share for the quarter and nine-month period ended December 31, 2022. Accordingly, the earnings per share has been adjusted for all periods presented in accordance with Ind AS 33, "Earnings per share".

9. Previous periods' figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

For and on behalf of the Board

Hong Kong
February 6, 2023

C Bhaskar
Managing Director & Chief Executive Officer

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of Xpro India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1) Revenue Recognition Refer note 4(l) of Summary of significant accounting policies and other explanatory information and the note 46 of the consolidated financial statements for the year ended 31 March 2023. The Revenues of the Holding Company consists primarily of sale of products and is recognized when control of products being sold is transferred to the customer and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates and trade discounts. The Holding Company focuses on revenue as a key performance measure. Considering the materiality of amounts involved, the same has been considered as a key audit matter for the current year's audit.	**Our key audit procedures included, but were not limited to, the following procedures:** a) Assessed the appropriateness of the Group's revenue recognition accounting policies in accordance with Ind AS 115 – Revenue from contracts with customers; b) Tested the design and operating effectiveness of the control environment for recognition of revenue; c) Performed analytical procedures on revenue; d) Tested, on a sample basis, sales transactions to the underlying supporting documentation which includes goods dispatch notes and shipping documents; e) Reviewed, on a sample basis, sales agreements and the underlying contractual terms related to delivery of goods and rebates to assess the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards; f) Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; g) Ensured the adequacy and appropriateness of disclosures made in the consolidated financial statements in accordance with the requirements of Ind AS 115

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

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

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

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which has been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of ₹2.80 lacs and net assets of ₹ 2.18 lacs as at 31 March 2023, total revenues of Nil and net cash outflows amounting to ₹2.63 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company, incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order report issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2' wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 39 to the consolidated financial statements;

ii. The Holding Company and its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, covered under the Act, during the year ended 31 March 2023:

iv. a. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in note 52(I) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds by the Holding Company or its subsidiary company, to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

b. The respective managements of the Holding Company and its subsidiary company, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary, respectively that, to the best of their knowledge and belief, as disclosed in the note 52(m) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditor to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement.

v. The final dividend paid by the Holding Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 37(b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Ashish Gera

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Ashish Gera
Partner
Membership No.: 508685

UDIN: 23508685BGYCQY2028

Place: Delhi
Date: 22 May 2023

Annexure 1

List of entities included in the consolidated financial statements:

Name of Holding Company:

a. Xpro India Limited

Name of Subsidiary Company:

b. Xpro Global Limited

Annexure 2

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

1. In conjunction with our audit of the consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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Xpro India Limited
Annexure 2 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2023 (Cont'd)

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 2.80 lacs and net assets of ₹ 2.18 lacs as at 31 March 2023, total revenues of ₹ Nil and net cash outflows amounting to ₹ (2.63) lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

Ashish Gera

Ashish Gera
Partner
Membership No.: 508685

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 23508685BGYCQY2028

Place: Delhi
Date: 22 May 2023

CONSOLIDATED BALANCE SHEET as at March 31, 2023

(INR lacs)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-Current assets			
a. Property, plant and equipment	5 (a)	1,50,81.26	1,59,35.83
b. Right-of-use assets	45 (f)	9,10.09	8,81.22
c. Capital work-in-progress	5 (b)	2,61.20	37.30
d. Other intangible assets	6	-	-
e. Financial assets - Investments	7	4,64.83	4,97.86
- Loans	8	22.13	13.45
- Other financial assets	9	3,41.43	4,53.79
f. Deferred tax assets (net)	24	-	4,54.52
g. Non-current tax assets (net)	10	1,71.80	2,56.06
h. Other non-current assets	11	35,57.43	4,33.56
		2,08,10.17	1,89,63.59
Current assets			
a. Inventories	12	47,32.13	45,64.23
b. Financial assets - Trade receivables	13	50,98.39	66,34.46
- Cash and cash equivalents	14	15.16	18,71.19
- Bank balances other than cash and cash equivalents	15	30,01.11	4,77.30
- Loans	16	12.44	9.41
- Other financial assets	17	12.09	82.72
c. Other current assets	18	3,33.20	3,61.01
		1,32,04.52	1,40,00.32
Assets held for sale	19	-	5,21.46
Total Assets		3,40,14.69	3,34,85.37
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20 A	18,21.22	11,81.35
b. Other equity	20 B	2,15,34.49	1,60,21.29
Total equity		2,33,55.71	1,72,02.64
Liabilities			
Non-Current liabilities			
a. Financial liabilities			
Borrowings	21	9,56.37	63,70.93
Lease liabilities	45	2,26.95	1,94.93
Other financial liabilities	22	6.57	6.57
b. Provisions	23	18.98	2,21.79
c. Deferred tax liabilities (net)	24	9,45.33	-
		21,54.20	67,94.22
Current liabilities			
a. Financial liabilities			
Borrowings	25	26,48.43	23,99.98
Lease liabilities	45	36.44	22.89
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	26	1,41.04	1,76.05
- total outstanding dues of creditors other than micro enterprises and small enterprises	26	48,97.50	56,17.13
Other financial liabilities	27	2,51.04	2,40.50
b. Other current liabilities	28	5,30.33	10,31.96
		85,04.78	94,88.51
Total liabilities		1,06,58.98	1,62,82.73
Total Equity and liabilities		3,40,14.69	3,34,85.37

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

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

Ashish Gera
Partner
Membership No. 508685
New Delhi, May 22, 2023

Kamal Kishor Sewoda
Company Secretary

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

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

XPRO INDIA LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
For the Year ended March 31, 2023

(INR lacs)

	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Revenue			
- Revenue from operations	29	5,10,97.03	4,71,71.99
- Other income	30	3,85.55	1,83.89
Total income		**5,14,82.58**	**4,73,55.88**
Expenses			
- Cost of materials consumed	31	3,46,95.04	3,27,97.43
- Changes in inventories of finished goods and work-in-progress	32	3,15.25	(2,37.37)
- Employee benefits expense	33	30,06.96	30,19.13
- Finance costs	34	7,53.19	13,00.72
- Depreciation and amortisation expense	35	11,52.18	12,06.81
- Other expenses	36	56,36.88	52,10.38
Total expenses		**4,55,59.50**	**4,32,97.10**
Profit before tax		**59,23.08**	**40,58.78**
Tax expense	24		
- Current tax		7.83	-
- Deferred tax expense/(credit)		14,11.53	(4,54.52)
- Tax adjusted for earlier years		(32.69)	20.12
Total tax expense		13,86.67	(4,34.40)
Profit for the year		**45,36.41**	**44,93.18**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(0.23)	(15.41)
- Income tax relating to items that will not be reclassified to profit or loss		0.06	-
Items that will be reclassified to profit or loss			
- Change in fair value of tax free bonds		(33.04)	(13.12)
- Income tax relating to items that will be reclassified to profit or loss		11.62	-
Other comprehensive income for the year, net of tax		**(21.59)**	**(28.53)**
Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year)		**45,14.82**	**44,64.65**
Profit for the year attributable to			
- Owners of the Company		45,36.41	44,93.18
- Non-controlling interest		-	-
Other comprehensive income for the year attributable to			
- Owners of the Company		(21.59)	(28.53)
- Non-controlling interest		-	-
Total comprehensive income for the year attributable to			
- Owners of the Company		45,14.82	44,64.65
- Non-controlling interest		-	-
Earnings per equity share (of INR 10/- each)	37		
- Basic (INR)		25.57	25.36
- Diluted (INR)		24.35	25.05

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

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

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 22, 2023

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

Kamal Kishor Sewoda
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

XPRO INDIA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year ended March 31, 2023

(INR lacs)

		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flow from operating activities**		
	Net profit before tax	59,23.08	40,58.78
	Adjustments for:		
	Depreciation and amortisation (net)	11,52.18	12,06.81
	Excess provision written back	(0.15)	(49.56)
	Interest income	(1,56.03)	(50.71)
	Finance costs	7,53.19	13,00.72
	Gain/Loss on sale of property, plant and equipment	(80.15)	29.04
	Dividend income	(0.08)	(0.05)
	Operating profit before working capital changes	75,92.04	64,95.03
	Movement in financial assets	4.93	32.46
	Movement in trade receivables	15,36.07	3.65
	Movement in other assets	24.95	(1,78.08)
	Movement in inventories	(1,67.90)	(4,60.44)
	Movement in financial liabilities	(7,87.04)	(13,48.77)
	Movement in other liabilities	1,76.37	6,13.54
	Movement in provisions	(2,03.04)	(2,23.27)
	Cash flow generated from operations (gross)	81,76.38	49,34.12
	Income tax paid (net)	1,09.12	(72.00)
	Net cash flow generated from operating activities (A)	82,85.50	48,62.12
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, right-of-use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(36,31.88)	(6,54.38)
	Investment in tax-free bonds	-	(5,10.99)
	Proceeds from sale of property, plant and equipment	76.50	1,34.34
	Dividend received	0.08	0.05
	Interest received	1,56.03	39.20
	Investment in fixed deposits	(24,28.26)	(54.08)
	Net cash flow used in investing activities (B)	(58,27.53)	(10,45.86)
C.	**Cash flow from financing activities**		
	Proceeds from convertible warrants	18,74.52	37,49.04
	Dividend paid	(2,32.58)	-
	Principal payment of lease liabilities	(27.87)	(13.82)
	Interest payment of lease liabilities	(27.36)	(25.36)
	Proceeds from long-term borrowings	-	4,86.93
	Repayment of long-term borrowings	(54,13.32)	(38,43.10)
	Proceeds/Repayment of short-term borrowings (net)	2,48.45	(11,88.40)
	Interest paid/finance cost	(7,35.84)	(12,81.05)
	Net cash flow used in financing activities (C)	(43,14.00)	(21,15.76)
	Net decrease/increase in cash and cash equivalents (A+B+C)	(18,56.03)	17,00.50
	Cash and Cash Equivalents at the beginning of the year	18,71.19	1,70.69
	Cash and Cash Equivalents at the end of the year *(refer Note 14)*	15.16	18,71.19

	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents *(refer Note 14)*		
Balances with scheduled banks:		
- In current accounts	13.03	18,68.60
Cash on hand	2.13	2.59
	15.16	18,71.19

Notes:

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

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

(INR lacs)

	Lease liabilities	Long-term borrowings	Short-term Borrowings
Balance as on April 1, 2021*	2,31.64	97,00.68	35,88.38
Cash flows:			
Proceeds	-	4,86.93	-
Repayments	(39.18)	(38,43.10)	(11,88.40)
Non-cash changes on account of:			
foreign exchange fluctuation	-	26.42	-
interest cost on lease liabilities	25.36	-	-
Balance as on April 1, 2022*	2,17.82	63,70.93	23,99.98
Cash flows:			
Proceeds	-	-	2,48.45
Repayments	(55.23)	(54,13.32)	-
Non-cash changes on account of:			
addition	73.44	-	
foreign exchange fluctuation	-	(1.24)	-
interest cost on lease liabilities	27.36	-	-
Balance as on March 31, 2023*	2,63.39	9,56.37	26,48.43

* includes current maturity of long-term borrowings INR 6,06.92 lacs (March 31, 2022: INR 16,59.50 lacs, March 31, 2021: INR 24,16.41 lacs)

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

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

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 22, 2023

Kamal Kishor Sewoda
Company Secretary

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

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

XPRO INDIA LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2023

(INR lacs)

A. Equity Share Capital

Particulars	Number of shares	Amount
Balance as at April 1, 2021	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	1,18,13,500	11,81.35
Bonus equity shares issued during the year (*Note 20*)	59,06,744	5,90.67
Equity shares issued on Conversion of fully paid Warrants (*Note 20 & 47*)	3,28,000	32.80
Bonus equity shares issued on conversion of fully paid warrants (*Note 20*)	1,64,000	16.40
Balance as at March 31, 2023	1,82,12,244	18,21.22

B. Other equity

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Financial assets through OCI	Money received against warrants	Total
Balance as at April 1, 2021	60.50	4,06.58	67,50.00	5,90.52	-	-	78,07.60
Profit for the year	-	-	-	44,93.18	-	-	44,93.18
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	37,49.04	37,49.04
Balance as at March 31, 2022	60.50	4,06.58	67,50.00	50,68.29	(13.12)	37,49.04	1,60,21.29
Profit for the year	-	-	-	45,36.41	-	-	45,36.41
Other comprehensive income/(loss) (net of tax)	-	-	-	(0.17)	(21.42)	-	(21.59)
Payment of Dividend	-	-	-	(2,36.27)	-	-	(2,36.27)
Issue of Bonus shares	-	(4,06.58)	(200.49)	-	-	-	(6,07.07)
Balance proceeds from warrants	-	-	-	-	-	18,74.52	18,74.52
Issue of shares against warrants	-	24,66.56	-	-	-	(24,99.36)	(32.80)
Balance as at March 31, 2023	60.50	24,66.56	65,49.51	93,68.26	(34.54)	31,24.20	2,15,34.49

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

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

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 22, 2023

Kamal Kishor Sewoda
Company Secretary

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

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

Notes to the Consolidated Financial Statements

1. Group Information:

These consolidated financial statements comprise the standalone financial statements of Xpro India Limited ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') for the year ended March 31, 2023

Name of Subsidiary	% Shareholding	Principal Activity	Country of Incorporation
Xpro Global Limited	100 *	General Trade	India

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiary are insignificant.

(* 100% shareholding in each of the years ended March 31, 2023 and March 31, 2022);

2. Recent accounting pronouncements issued but not made effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a. Amendment to Ind AS 1, Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.

b. Amendment to Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

c. Amendment to Ind AS 12, Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

3. Basis for Preparation:

a. Principles of Consolidation

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

i) The standalone financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Standalone Financial Statements.

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

These consolidated financial statements comply in all material aspects with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as amended.

c. Basis of measurement

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

d. Functional and presentation currency

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

e. Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

XPRO INDIA LIMITED

An asset is treated as current when it is:

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

f. Fair Value Measurements

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

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

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

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

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

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

Overall Considerations

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

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

4. Significant accounting policies:

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

a. Property, plant and equipment

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

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

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

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

b. Other intangible assets

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

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

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

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

c. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. Capitalisation of borrowing costs ceases

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when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised as an expense in the year in which they are incurred.

d. Impairment of non-financial assets

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

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

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

e. Assets held for sale

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

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

f. Inventories

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

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

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

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

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

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

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

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h. Government grants

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

i. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

j. Cash and cash equivalents

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

k. Foreign currency transactions and translation

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

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

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

l. Revenue recognition

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

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

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

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

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

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

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

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

Interest Income: Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal

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outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

m. Employee Benefits

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

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

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

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

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

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

Retirement benefit in the form of provident fund is a defined benefit scheme. The Group contributes its portion of contribution to Xpro India Ltd. Employees Provident Fund Trust ('the Trust'). The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate and accounted by the Group as provident fund cost.

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

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

n. Leases

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

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to the consolidated statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each

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period. Variable lease payments that depends on sales are recognised in the consolidated statement of profit and loss in the period in which the condition that triggers those payments occurs.

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

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

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

o. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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

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

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

p. Earnings per share

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

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

q. Operating segment

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

r. Equity investment

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

s. Financial instruments

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

1. Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

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Subsequent measurement:

Debt instruments at amortised cost

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

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

Derecognition

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

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

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

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

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

Derecognition

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

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are measured at FVTOCI e.g. investment in bonds.

(c) Trade receivables under Ind AS 115.

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

2. **Financial liabilities**

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortised cost

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

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Derecognition

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

3. Offsetting

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

t. Use of estimates and management judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

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

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

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

Significant management judgements:

1. Recoverable amount of property, plant and equipment

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

2. Provisions and contingencies

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

3. Recognition of deferred tax assets

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

Significant management estimates:

1. Useful life of property, plant and equipment

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

2. Employee benefit plans

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

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5. a) Property, plant and equipment

(INR lacs)

Particulars	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers	Equipment & Fittings	Total	Capital work-In Progress
Gross Block								
Balance as on April 1, 2021	42,29.68	2,53,01.63	3,35.48	3,15.68	1,55.72	1,17.23	3,04,55.42	31.24
Additions *(refer Note 'd' below)*	55.97	31.24	1.75	1,37.58	12.59	6.39	2,45.52	37.30
Less: Disposals/adjustments	1,50.69	59.85	2.65	1,12.44	10.24	3.43	3,39.30	31.24
Balance as on March 31, 2022	41,34.96	2,52,73.02	3,34.58	3,40.82	1,58.07	120.19	3,03,61.64	37.30
Additions *(refer Note 'd' below)*	51.23	1,19.41	2.07	1,43.66	10.69	7.88	3,34.94	2,28.20
Less: Disposals/adjustments	-	17,79.92	1,45.90	58.21	33.88	54.22	20,72.13	4.30
Balance as on March 31, 2023	41,86.19	2,36,12.51	1,90.75	4,26.27	1,34.88	73.85	2,86,24.45	2,61.20
Accumulated Depreciation								
Balance as on April 1, 2021	10,17.88	1,17,93.47	2,45.32	1,33.05	1,39.41	1,03.02	1,34,32.15	-
Add: depreciation for the year	1,36.95	9,64.00	19.41	37.56	4.42	7.24	11,69.58	-
Less: Disposals	48.49	31.76	2.51	80.12	9.78	3.26	1,75.92	-
Balance as on March 31, 2022	11,06.34	1,27,25.71	2,62.22	90.49	1,34.05	1,07.00	1,44,25.81	-
Add: depreciation for the year	1,31.52	9,06.60	15.45	37.75	8.23	7.87	11,07.42	-
Less: Disposals	-	17,46.92	1,37.85	18.93	33.88	52.46	19,90.04	-
Balance as on March 31, 2023	12,37.86	1,18,85.39	1,39.82	1,09.31	1,08.40	62.41	1,35,43.19	-
Balance as on March 31, 2023	29,48.33	1,17,27.12	50.93	3,16.96	26.48	11.44	1,50,81.26	2,61.20
Balance as on March 31, 2022	30,28.62	1,25,47.31	72.36	2,50.33	24.02	13.19	1,59,35.83	37.30

Notes:

a) Refer Note 21 for information on property, plant and equipment pledged as security by the Holding Company;

b) Refer Note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) The Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is considered in these consolidated financial statements;

d) Exchange differences on all long-term monetary items resulted in deletion of INR 1.24 lacs (March 31, 2022: addition of INR 26.42 lacs) to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

e) The Group has constructed buildings on leasehold lands which are shown under note 45 – Leases; There are no separate title deeds for such buildings.

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5. b) Capital Work-in-progress (CWIP)

(INR lacs)

	Amount in CWIP for a period of				Total
	< 1 year	1 – 2 years	2 – 3 years	> 3 years	
As at March 31, 2023					
Projects in progress	228.20	33.00	-	-	261.20
As at March 31, 2022					
Projects in progress	37.30	-	-	-	37.30

There are no projects as on end of each reporting period (a) where activity has been suspended and (b) which has exceeded cost as compared to its original plan or where completion is overdue.

6. **Other intangible assets**

(INR lacs)

	Computer software	Technical knowhow	Total
Gross block			
Balance as at April 1, 2021	28.32	3,48.38	3,76.70
Additions	-	-	-
Balance as at March 31, 2022	28.32	3,48.38	3,76.70
Additions	-	-	-
Balance as at March 31, 2023	28.32	3,48.38	3,76.70
Accumulated amortisation			
Balance as at April 1, 2021	28.32	3,48.38	3,76.70
Add: Amortisation during the year	-	-	-
Balance as at March 31, 2022	28.32	3,48.38	3,76.70
Add: Amortisation during the year	-	-	-
Balance as at March 31, 2023	28.32	3,48.38	3,76.70
Net balance as at March 31, 2022	-	-	-
Net balance as at March 31, 2023	-	-	-

7. **Investments (Non-current)**

Investments measured at amortised cost

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Investments in bonds (quoted) (Fair value through other comprehensive income):		
Tax Free Bonds (*refer details below**)	4,64.83	4,97.86
Total investments	**4,64.83**	**4,97.86**
Aggregate amount of quoted investments	**4,64.83**	**4,97.86**

* Quoted investments

	As at March 31, 2023		As at March 31, 2022	
	Number of Units	Amount (INR lacs)	Number of Units	Amount (INR lacs)
8.66% IIFCL Tax Free Bond - 2034 (January 1, 2034) (Face Value: INR 1,000 each)	20000	2,48.50	20000	2,64.62
8.48% IIFCL Tax Free Bond - 2028 (September 9, 2028) (Face Value: INR 10,00,000 each)	10	1,13.89	10	1,21.89
8.66% NTPC Tax Free Bond - 2033 (December 16, 2033) (Face Value: INR 1,000 each)	3463	43.31	3463	47.64
8.63% IRFC Tax Free Bond - 2029 (March 26, 2029) (Face Value: INR 1,000 each)	2500	28.91	2500	30.85
8.66% IIFCL Tax Free Bond - 2034 (January 22, 2034) (Face Value: INR 1,000 each)	1499	18.78	1499	20.56
8.54% PFC Tax Free Bond - 2028 (November 16, 2028) (Face Value: INR 1,000 each)	1000	11.44	1000	12.30
		4,64.83		4,97.86

The aggregate amount of investment in bonds at purchase price is INR 5,10.98 lacs (March 31, 2022: INR 5,10.98 lacs)

8. **Loans (Non-current)**

(Considered good, unsecured)

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Loans to employees	22.13	13.45
Total	**22.13**	**13.45**

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

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9. Other financial assets (Non-current)

(Considered good, unsecured)

	As at March 31, 2023	As at March 31, 2022
		(INR lacs)
Security deposits	1,80.20	1,77.91
VAT Subsidy	1,56.78	1,75.88
Bank Deposits with more than 12 months maturity	4.45	1,00.00
Total	3,41.43	4,53.79

10. Non-current tax assets (net)

	As at March 31, 2023	As at March 31, 2022
		(INR lacs)
Pre-paid taxes *(net of provision for tax INR Nil; previous year INR Nil)*	1,71.80	2,56.09
Total	1,71.80	2,56.09

11. Other assets (Non-current)

(Considered good, unsecured)

	As at March 31, 2023	As at March 31, 2022
		(INR lacs)
Capital advances [*refer Note (a) and (b) below*]	35,17.10	3,96.09
Advances other than capital advances		
- Pre-paid expenses	11.78	8.42
- Balances with statutory authorities	28.55	29.05
Total	35,57.43	4,33.56

Note:

Capital commitment:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for in the accounts (net of capital advances): INR 2,55,03.70 lacs (March 31, 2022: INR 1,45.81 lacs)

b) Unpaid portion of subscribed equity capital in subsidiary: INR 47.50 lacs (March 31, 2022: INR 47.50 lacs)

12. Inventories

(valued at lower of cost and net realisable value)

	As at March 31, 2023	As at March 31, 2022
		(INR lacs)
Raw material	30,64.19	25,42.50
Work-in-progress	2,70.39	1,79.67
Finished goods	10,26.78	14,32.75
Stores and spares	3,70.71	4,09.25
Stock-in-trade	0.06	0.06
Total	47,32.13	45,64.23

13. Trade receivables

	As at March 31, 2023	As at March 31, 2022
		(INR lacs)
Trade receivables: Considered good, unsecured	50,98.39	66,34.46
Total	50,98.39	66,34.46

Note:

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

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

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(c) Trade receivables ageing schedule (INR lacs)

Particulars	Not Due	Outstanding for following periods from due date of payment: < 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	Total
March 31, 2023							
Undisputed trade receivables							
i) considered good	44,92.71	6,03.02	2.66	-	-	-	50,98.39
ii) which have significant increase in credit risk	-	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-	-
March 31, 2022							
Undisputed trade receivables							
i) considered good	58,38.30	7,96.13	0.03	-	-	-	66,34.46
ii) which have significant increase in credit risk	-	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-	-

14. Cash and cash equivalents (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Balance with banks in current accounts	13.03	18,68.60
Cash on hand	2.13	2.59
Total	15.16	18,71.19

15. Bank balances other than cash and cash equivalents (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months	26,25.90	65.13
Unpaid dividend accounts	3.69	-
Deposit with banks held as margin money	3,71.52	4,12.17
Total	30,01.11	4,77.30

16. Loans (Current)
(Considered good, unsecured) (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Loans to employees	12.44	9.41
Total	12.44	9.41

17. Other financial assets (Current)
(Considered good, unsecured) (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Security deposits	0.57	0.41
Interest accrued but not due (on tax-free bonds)	11.52	11.51
Recoverable from others *(refer note 19)*	-	70.80
Total	12.09	82.72

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18. Other current assets

(Considered good, unsecured)

	As at March 31, 2023	(INR lacs) As at March 31, 2022
Advance to suppliers	28.58	18.57
Prepaid expenses	1,94.94	2,44.77
Balance with government authorities	59.96	64.61
Other receivable		
Loans - considered good, unsecured	49.72	33.06
Total	3,33.20	3,61.01

Notes:

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

19. Assets held for sale

	As at March 31, 2023	(INR lacs) As at March 31, 2022
Property, plant and equipment	-	5,21.46
Total	-	5,21.46

The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Biax Division Unit 1 were presented as 'Assets held for sale' separately from other assets in the balance sheet. The sale/business transfer was completed on October 20, 2022 at a consideration of INR 6,78 lacs for fixed assets. Accounting for the transaction resulted in an increase of other income by INR 85.75 lacs during the current financial year.

20. A) Equity share capital

Particulars	As at March 31, 2023	(INR lacs) As at March 31, 2022
Authorised Share Capital		
3,50,00,000 (March 31, 2022: 3,50,00,000) Equity shares of INR 10 each	35,00.00	35,00.00
Issued, Subscribed & Paid-up		
1,82,12,231 (March 31, 2022: 1,18,13,487) equity shares of INR 10 each fully paid	18,21.22	11,81.35
Share Capital Suspense		
13 (March 31, 2022:13) equity shares of INR 10 each fully paid	-*	-*
(*rounded off to INR Nil)	18,21.22	11,81.35

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

b) Reconciliation of number of equity shares outstanding:

	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of equity shares	Amount (INR lacs)	Number of equity shares	Amount (INR lacs)
At the beginning of the year	1,18,13,500	11,81.35	1,18,13,500	11,81.35
Bonus equity shares issued during the year	59,06,744	5,90.67	-	-
Equity shares issued on conversion of fully paid warrants	3,28,000	32.80	-	-
Bonus equity shares issued on conversion of fully paid warrants	1,64,000	16.40	-	-
At the end of the year	1,82,12,244	18,21.22	1,18,13,500	11,81.35

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

The Holding Company has issued only one class of equity shares having a face value of INR 10 per share. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their respective shareholding. All shares rank equally with regard to the Holding Company's residual assets.

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

Name of the Shareholder(s)	As at March 31, 2023	As at March 31, 2022
i) Intellipro Finance Private Limited		
- No. of shares	34,57,500	23,05,000
- % of shares held	18.98	19.51
ii) iPro Capital Limited		
- No. of shares	44,09,999	29,40,000
- % of shares held	24.21	24.89

e) Shareholding of Promoters:

Sl.	Promoter Name	Shares held by Promoters/Promoter Group: As on March 31, 2022		As on March 31, 2023		% change during the year
		No. of Shares	% of total	No. of Shares	% of total	
1	Birla Eastern Limited	18400	0.16	27600	0.15	(0.01)
2	Birla Holdings Limited	166650	1.41	249975	1.37	(0.04)
3	Birla, Madhushree Smt.	100125	0.85	150187	0.82	(0.03)
4	Birla, Sidharth Kumar	101875	0.86	152812	0.84	(0.02)
5	Birla, S K	553	Neg.	829	Neg.	Neg.
6	Sudarshan Kumar Birla (HUF)	156	Neg.	234	Neg.	Neg.
7	Birla, Sumangala Smt.	1527	0.01	2290	0.01	Neg.
8	Central India General Agents Limited	275000	2.33	805500	4.42	2.09
9	IntelliPro Finance Private Limited	2305000	19.51	3457500	18.98	(0.53)
10	iPro Capital Limited	2940000	24.89	4409999	24.21	(0.68)
11	Janardhan Trading Co. Ltd.	-	-	99000	0.54	0.54
	Promoter/Promoter Group Total:	5909286	50.02	9355926	51.34	1.32

f) During the year ended March 31, 2023, the Holding Company issued and allotted (a) 59,06,744 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares outstanding on record date, and (b) 1,64,000 equity shares of INR 10 each as fully paid-up bonus shares in the ratio of one equity share for every two equity shares to warrant holders on conversion of fully paid warrants to equity shares. There have been no other shares which has been issued for a consideration other than cash and no shares bought back by the Holding Company during the period of 5 years immediately preceding the reporting date.

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

B) Other Equity

(INR lacs)

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Financial assets through OCI	Money received against warrants	Total
Balance as at April 1, 2021	60.50	4,06.58	67,50.00	5,90.52	-	-	78,07.60
Profit for the year	-	-	-	44,93.18	-	-	44,93.18
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	37,49.04	37,49.04
Balance as at March 31, 2022	60.50	4,06.58	67,50.00	50,68.29	(13.12)	37,49.04	1,60,21.29
Profit for the year	-	-	-	45,36.41	-	-	45,36.41
Other comprehensive income/(loss) (net of tax)	-	-	-	(0.17)	(21.42)	-	(21.59)
Payment of Dividend	-	-	-	(2,36.27)	-	-	(2,36.27)
Issue of Bonus shares	-	(4,06.58)	(200.49)	-	-	-	(6,07.07)
Balance proceeds from warrants	-	-	-	-	-	18,74.52	18,74.52
Issue of shares against warrants	-	24,66.56	-	-	-	(24,99.36)	(32.80)
Balance as at March 31, 2023	60.50	24,66.56	65,49.51	93,68.26	(34.54)	31,24.20	2,15,34.49

Nature and purpose of reserves

a) Capital subsidy reserve

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

b) Securities premium

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

c) General reserve

General reserve is a distributable reserve created by way of transfer from time to time from annual profits. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

d) Retained earnings

Represents the accumulated balances of profits earned over the years after appropriation for general reserves, and adjustments for dividends or other distributions paid to shareholders.

e) Money received against warrants

Represents amount received towards preferential allotment of convertible warrants issued.

21. Non-current financial liabilities - Borrowings (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Loans from banks - Secured		
Term loans (*refer note a to m*)	9,47.10	53,61.29
Foreign currency borrowings (*refer note n*)	-	9,70.59
Vehicle loans (*refer note o*)	9.27	39.05
Total	9,56.37	63,70.93

a. Term Loan from Punjab National Bank, outstanding INR Nil (previous year: INR 3,47.35 lacs), carried interest linked to the bank's MCLR was repayable in (i) 4 quarterly instalments of INR 7.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of INR 24.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of INR 28.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of INR 30.00 lacs each starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

b. Term Loan from State Bank of India, outstanding INR Nil (previous year: INR 9,05.72 lacs) carried interest linked to the bank's MCLR was repayable in (i) 4 quarterly instalments of INR 15.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of INR 51.75 lacs each starting from April 2018; (iii) 12 quarterly instalments of INR 62.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of INR 64.75 lacs each starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

c. Term Loan from State Bank of India, outstanding INR Nil (previous year: INR 6,99.26 lacs) carried interest linked to the bank's MCLR was repayable in (i) 4 quarterly instalments of INR 12.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of INR 40.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of INR 48.00 lacs each starting from April 2019; & (iv) 16 quarterly instalments of INR 50.00 lacs each starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

d. Term Loan from State Bank of India, outstanding INR Nil (previous year: INR 7,22.62 lacs) carried interest linked to the bank's MCLR was repayable in (i) 4 quarterly instalments of INR 12.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of INR 41.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of INR 49.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of INR 51.75 lacs each starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

e. Term Loan from Indian Bank, outstanding INR Nil (previous year: INR 6,36.23 lacs), carried interest linked to the bank's MCLR was repayable in (i) 2 quarterly instalments of INR 7.50 lacs each starting from October, 2016; (ii) 4 quarterly instalments of INR 11.25 lacs each starting from April 2017; (iii) 4 quarterly instalments of INR 37.50 lacs each starting from April 2018 (iv) 12 quarterly instalments of INR 44.50 lacs each starting from April 2019 & (v) 16 quarterly instalments of INR 47.25 lacs each

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starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

f. Corporate Loan from State Bank of India, outstanding INR Nil (previous year: INR 3,55.66 lacs), carried interest linked to the bank's MCLR was repayable in (i) 4 quarterly instalments of INR 11.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of INR 37.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of INR 45.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of INR 47.00 lacs each starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

g. Term Loan from Punjab National Bank, outstanding INR Nil (previous year: INR 1,35.99 lacs), carried interest linked to the bank's MCLR, was repayable in (i) 24 quarterly instalments of INR 25.00 lacs each starting from June, 2020; and was secured by exclusive 1st charge on the assets to be acquired out of above loan and ranking pari passu 2nd charge on all the current assets of the Holding Company with other term lenders.

h. During the year, term/corporate loans aggregating to INR 48,07.64 lacs has been pre-paid to banks.

i. During 2020-21, the Holding Company had been granted a moratorium of 6 months w.e.f. March 2020 for payment of instalment(s) on above mentioned terms loans as per RBI guidelines following the Covid-19 pandemic; accordingly the re-payment schedule had been extended.

j. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding INR 11,00.90 lacs (previous year: INR 15,00.01 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of INR 33.33 lacs each starting from January 2022 & (ii) last instalment of INR 33.49 lacs in December 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC).

k. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding INR 1,40.62 lacs (previous year: INR 2,15.60 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of INR 6.38 lacs each starting from February 2022 & (ii) last instalment of INR 6.70 lacs in January 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

l. Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding INR 2,89.67 lacs (previous year: INR 4,26.93 lacs), carrying interest linked to the bank's MCLR, repayable in 48 monthly instalments of INR 8.96 lacs each starting from April 2022 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

m. The above-mentioned term loans carry interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).

n. ECB from Oldenburgische Landesbank AG ('OLB'), in the nature of term loan, outstanding € Nil; equivalent to INR Nil (previous year: €2,268,005; equivalent to INR 19,41.19 lacs), carried annual interest at Euribor + 1.75% was repayable in 14 semi-annual instalments of €567,001.34 each, along with interest, commencing from April 2017, was secured by hypothecation of specified Dielectric Film Line and slitter at Barjora and was insured under Hermes export credit guarantee;

o. Vehicle Loan(s) of INR 29.98 lacs (previous year: INR 70.32 lacs) carrying interest at between 7 to 7.8 % per annum (previous year: 9 to 9.5%) repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles;

p. Lenders retain the right to recompense for NPV loss amount of upto INR 3,65.00 lacs arising on rescheduling of term loans effective April 1, 2016;

q. There has been no default in servicing of loans and interest due thereon during and as at the end of the year;

r. Loans from Indian banks are further secured by pledge of 15% of promoters equity shareholding in the Holding Company;

s. Interest accrued on above borrowings is INR 2.12 lacs (March 31, 2022: INR 73.55 lacs).

22. Non-current financial liabilities - Others

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Security deposits	6.57	6.57
Total	6.57	6.57

23. Provisions

	As at March 31, 2023	(INR lacs) As at March 31, 2022
Employee benefits		
Non-current		
Gratuity (*refer Note 39*)	18.98	1,93.96
Compensated absences	-	27.83
	18.98	2,21.79

24. Deferred tax

	Year ended March 31, 2023	(INR lacs) Year ended March 31, 2022
A. Components of Income Tax Expense		
I. Tax expense recognized in the consolidated statement of profit and loss		
Current tax	7.83	-
Tax adjusted for earlier years	(32.69)	20.12
	(24.86)	20.12
Deferred Tax	14,11.53	(4,54.52)
Total	13,86.67	(4,34.40)
II. Recognized in Other Comprehensive Income		
Tax impact on		
- Re-measurement on defined benefit plan	0.06	-
- Change in fair value of tax free bonds	11.62	-
Total	11.68	-
B. Reconciliation of tax expense and the accounting profit		
Profit before tax	59,23.08	40,58.78
Statutory income tax rate (%)	25.17	25.17
Tax expense at statutory income tax rate	14,90.84	10,21.57
Tax adjustment for earlier years	(32.69)	20.12
Non-deductible expenses	(18.64)	-
Income chargeable at lower tax rate	(13.75)	-
Tax expense	14,25.76	10,41.69
Tax impact of utilisation of brought forward losses	(14,50.62)	(10,21.57)
Current tax	(24.86)	20.12

The carry forward tax losses as at March 31, 2023 are as follows:-

Loss for the tax assessment year ended	Losses with no expiry Unabsorbed depreciation (INR lacs)
2017-18	7,66.11
2018-19	10,66.29
2020-21	4,90.51

Deferred tax assets/liabilities (net)

	As at March 31, 2023	(INR lacs) As at March 31, 2022
Deferred tax liability		
Fixed assets:		
Impact of difference between book and tax depreciation	15,46.41	6,15.28
Gross deferred tax liability	15,46.41	6,15.28
Deferred tax assets		
Carried forward losses/unabsorbed depreciation	5,84.68	10,20.98
Provision for employee benefits	4.78	48.82
Investment at fair value through OCI	11.62	-
Gross deferred tax assets	6,01.08	10,69.80
Deferred tax assets to the extent recognized	6,01.08	10,69.80
Net deferred tax asset/(liability)	(9,45.33)	4,54.52

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Movement in Deferred tax liabilities/assets (net) (INR lacs)

March 31, 2023

Particulars	Balance as at April 1, 2022	Recognised during the year In Statement of Profit and Loss	Recognised during the year In OCI	Balance as at March 31, 2023
Deferred tax liabilities				
Property, plant and equipment	6,15.28	9,31.13	-	15,46.41
	6,15.28	9,31.13	-	15,46.41
Deferred tax assets				
Carry forward of losses	10,20.98	(4,36.30)	-	5,84.68
Provision for employee benefits	48.82	(44.10)	0.06	4.78
Investment at fair value through OCI	-	-	11.62	11.62
	10,69.80	(4,80.40)	11.68	6,01.08
Net deferred tax asset/(liability)	4,54.52	(14,11.53)	11.68	(9,45.33)

March 31, 2022

Particulars	Balance as at April 1, 2021	Recognised during the year In Statement of Profit and Loss	Recognised during the year In OCI	Balance as at March 31, 2022
Deferred tax liabilities				
Property, plant and equipment	3,84.00	2,31.28	-	6,15.28
	3,84.00	2,31.28	-	6,15.28
Deferred tax assets				
Carry forward of losses	3,31.00	6,89.98	-	10,20.98
Provision for employee benefits	53.00	(4.18)	-	48.82
	3,84.00	6,85.80	-	10,69.80
Net deferred tax asset	-	4,54.52	-	4,54.52

25. **Current financial liabilities - Borrowings** (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Secured		
Loans repayable on demand		
- Working capital loan from banks	20,41.51	7,40.48
- Current maturities of long term borrowings (*refer note 21*)	6,06.92	16,59.50
Total	26,48.43	23,99.98

a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated.

b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the year.

26. **Current financial liabilities – Trade payables** (INR lacs)

	As at March 31, 2023	As at March 31, 2022
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,41.04	1,76.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	36,91.22	37,42.73
Acceptances	12,06.28	18,74.40
Total	50,38.54	57,93.18

a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 44 for information on the Group's credit risk management processes.

b) Acceptances include arrangements where operational supplies of goods and services are paid by banks on due date which are normally effected within a period of 90 days from the date of transaction.

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c) Disclosures with respect to related party transactions is given in note 40.

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

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Principal amount due and remaining unpaid	1,41.04	1,75.92
Interest due on above and remaining unpaid	-	0.13
Interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
Payment made to suppliers (other than interest) beyond appointed day	-	-
Interest paid in terms of Sec.16 of MSMED Act	-	-
Further interest remaining due and payable in the succeeding years for the purpose o disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments made	-	-
Interest accrued and remaining unpaid	-	-

e) Trade payables ageing schedule

(INR lacs)

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		< 1 year	1 – 2 years	2 – 3 years	> 3 years	
March 31, 2023						
i) MSME	-	1,40.56	-	-	-	1,40.56
ii) Others	10,10.50	38,44.97	1.07	0.02	40.94	48,97.50
iii) Disputed Dues - MSME	-	0.48	-	-	-	0.48
iv) Disputed Dues - Others	-	-	-	-	-	-
March 31, 2022						
i) MSME	-	1,76.05	-	-	-	1,76.05
ii) Others	6,16.51	49,63.41	0.34	0.37	36.50	56,17.13
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-	-

27. Current financial liabilities – Others

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Creditors for capital expenditure	49.61	0.20
Interest accrued but not due	-	10.01
Unpaid dividend	3.69	-
Employees payables	1,90.24	2,22.79
Security deposit received	7.50	7.50
Total	2,51.04	2,40.50

28. Other current liabilities

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Revenue received in advance	13.52	1,13.94
Statutory dues payable	5,16.81	2,40.02
Advance against sale of 'assets held for sale'	-	6,78.00
Total	5,30.33	10,31.96

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29. Revenue from operations

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Sale of products (refer note 46)		
- Finished goods	5,01,89.06	4,58,48.95
Other operating income		
- Scrap sale	3,28.77	3,94.92
- Export incentives and margins	70.75	59.99
- Processing charges	5,08.45	8,68.13
Total	5,10,97.03	4,71,71.99

30. Other income

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest on		
- Fixed deposits	1,07.08	35.07
- Other financial assets carried at FVTOCI	33.02	5.30
- Others	8.04	8.54
- Income-tax refund	7.89	1.81
Dividend Income	0.08	0.05
Other non-operating income		
- Foreign currency transactions (net)	48.95	-
- Excess provision written back	0.15	49.56
- Profit on sale of other fixed assets	80.15	-
- Miscellaneous income	1,00.19	83.56
Total	3,85.55	1,83.89

31. Cost of materials consumed

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year	25,42.50	23,62.53
Add: Purchases during the year	3,52,16.73	3,29,77.40
Less: Inventories at the end of the year	30,64.19	25,42.50
Cost of materials consumed	3,46,95.04	3,27,97.43

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

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	14,32.75	11,45.98
Work-in-progress	1,79.67	2,29.06
Stock-in-trade	0.06	0.07
	16,12.48	13,75.11
Inventories at the end of the year		
Finished goods	10,26.78	14,32.75
Work-in-progress	2,70.39	1,79.67
Stock-in-trade	0.06	0.06
	12,97.23	16,12.48
Net decrease/(increase)	3,15.25	(2,37.37)

33. Employees benefits expense

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages & bonus	26,50.41	26,00.74
Contribution to provident and other funds	2,17.59	2,82.69
Staff welfare expenses	1,38.96	1,35.70
Total	30,06.96	30,19.13

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

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34. **Finance costs**

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on borrowings measured at amortised cost	5,92.51	11,80.99
Interest on lease liability	27.36	25.36
Other borrowing costs	1,33.32	94.37
Total	7,53.19	13,00.72

Note: In the current year, interest on cash credit of INR 2,33.36 lacs (previous year: INR 2,41.95 lacs) has been included in "interest expense on borrowings measured at amortised cost" to ensure better presentation. Accordingly corresponding previous year figures have been reclassified. Other borrowing costs includes charges towards letters of credit, bank guarantee, and ancillary costs towards borrowing.

35. **Depreciation and amortisation expenses**

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on tangible assets	11,07.42	11,69.58
Amortisation on right-to-use assets	44.76	37.23
Total	11,52.18	12,06.81

36. **Other expenses**

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Consumption of stores and spares	9,45.92	10,55.32
Processing charges	36.93	35.39
Power & Fuel *(refer Note 50)*	29,70.48	25,56.96
Rent	31.13	31.62
Repairs to:		
- Buildings	25.57	8.82
- Plant & Machinery	1,91.56	1,86.52
- Others	38.62	24.78
Communication	20.73	19.21
Director's Fees	56.95	40.64
Insurance	1,54.45	1,06.39
Legal & professional	1,28.73	2,05.91
Rates & Taxes	41.62	82.84
Security expenses	78.52	67.39
Travelling and conveyance	2,12.09	1,51.05
Rebate and commission	2,44.03	2,68.44
Payment to Auditors *(refer note 'a' below)*	27.42	21.72
Other selling expenses	26.17	20.06
Corporate social responsibility *(refer Note 42)*	47.50	17.70
Loss on disposal/discard of property, plant and equipment	-	29.04
Foreign currency transactions (net)	-	23.29
Miscellaneous expenses	3,58.46	2,57.29
Total	56,36.88	52,10.38

a) Payment to auditors

To Statutory Auditors		
- As Auditors	25.00	18.00
- For other matters	0.75	0.75
- Reimbursement of expenses	1.67	2.97
	27.42	21.72

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37.A) Earnings per share (EPS)

	Year ended March 31, 2023	Year ended March 31, 2022
a) Profit attributable to equity shareholders (A) (INR lacs)	45,36.41	44,93.18
b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS (B) *	1,77,41,811	1,77,20,244
Add: impact of convertible warrants	8,84,424	2,19,572
Weighted average number of equity shares outstanding during the year for computation of Diluted EPS (C) *	1,86,26,235	1,79,39,816
Nominal value per share (INR)	10	10
c) Basic earnings per equity share (face value INR10 each) (A/B) (INR)	25.57	25.36
Dilutive earnings per equity share (face value INR10 each) (A/C) (INR)	24.35	25.05

* Previous year numbers are adjusted for 59,06,755 bonus shares issued during the year

B) Details of Dividends:

Dividend of INR 2 per equity share of face value INR 10 each for the financial year ended March 31, 2022, was approved by shareholders of the Holding Company at Annual General Meeting held on June 24, 2022 and was paid on July 4, 2022 with a total appropriation of INR 2,36.27 lacs.

The Board of Directors of the Holding Company, at its meeting held on May 22, 2023, has recommended for approval by Members at the ensuing Annual General Meeting a dividend of INR 2 per fully paid-up equity share of Rs.10 each for the financial year ended March 31, 2023, and which, if approved, would result in a cash outflow of INR 4,13.44 lacs (assuming full conversion of outstanding convertible warrants into fully paid equity shares, prior to the record date that may be set for the purpose.)

38. Employee benefits

Defined Contribution Plan

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

The Group recognized INR 98.04 lacs (March 31, 2022: INR 1,39.36 lacs) towards provident fund contributions and ESI contribution in the Consolidated Statement of Profit and Loss included in "Employee benefits expense" (note 33).

Defined Benefit Plan

Gratuity

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

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

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Liability recognised in consolidated balance sheet		
Present value of the obligation at end of the year	10,60.37	11,02.26
Fair value of plan assets	10,41.39	9,08.30
Net liability recognised in balance sheet as provision	18.98	1,93.96
(ii) Amount recognised in the consolidated statement of profit and loss is as under:		
Current service cost	50.54	53.51
Net interest cost	11.35	17.46
Expense recognised in the income statement	61.89	70.97
(iii) Amount recognised in other comprehensive income is as under:		
Actuarial gain/(loss) for the year on defined benefit obligation	(2.68)	(8.41)
Actuarial gain/(loss) for the year on plan assets	2.45	(7.00)
Total actuarial gain/(loss) for the year	(0.23)	(15.41)

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(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
(iv) Movement in the liability recognised in the consolidated balance sheet is as under:		
Present value of defined obligation as at start of the year	11,02.26	9,99.00
Current service cost	50.54	53.51
Interest cost	77.38	64.93
Actuarial loss/(gain) recognised during the year	2.68	8.41
Benefits paid	(1,72.49)	(23.59)
Present value of defined benefit obligation as at the end of the year	10,60.37	11,02.26
(v) Movement in the plan assets recognised in the consolidated balance sheet is as under:		
Fair value of plan assets at beginning the year	9,08.30	5,92.90
Expected return on plan assets	66.03	47.47
Employer's contribution	1,02.00	2,98.52
Benefits paid	(37.39)	(23.59)
Actuarial gain/(loss) on plan assets	2.45	(7.00)
Fair value of plan assets at the end of the year	10,41.39	9,08.30
Actual return on plan assets	68.48	40.47
(vi) Breakup of actuarial (gain)/loss on defined benefit obligation:		
Actuarial (gain)/loss on arising from change in financial assumption	(5.20)	-
Actuarial (gain)/loss on arising from experience adjustment	7.88	8.41
Total actuarial (gain)/loss for the year	2.68	8.41
(vii) Actuarial assumptions:		
Discount rate (%)	7.02	6.50
Future salary increase (%)	6.00	6.00
Expected average remaining working lives of employees (years)	10.21	13.07

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

	Year ended March 31, 2023	Year ended March 31, 2022
(viii) Sensitivity analysis for gratuity liability		
Impact of the change in discount rate		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	(21.56)	(26.22)
- Impact due to decrease of 1 %	25.15	30.31
Impact of the change in salary increase		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	25.15	30.16
- Impact due to decrease of 1 %	(21.94)	(26.57)
(ix) Expected (undiscounted) benefit payments in future years		
Projections are for current members and their currently accumulated benefits		
Year- 1	7,84.96	7,59.42
Year- 2	13.77	32.43
Year- 3	62.63	30.01
Year- 4	18.18	56.08
Year- 5	44.76	31.83
Year- 6 to Year- 10	1,58.49	2,80.56
(x) Category of plan assets		
LIC managed fund	100 %	100 %

(xi) The Group expects to contribute INR 50 lacs (2022-23: INR 102 lacs) to the funded plan during the financial year 2023-24.

Provident Fund

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Group to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Group is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Group's contribution is transferred to Government administered pension fund. The

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contributions made by the Group and the shortfall of interest, if any, are recognised as an expense in consolidated statement of profit and loss under employee benefits expense. During the current year the Group has recognised an amount of INR 179.68 lacs (March 31,2022: INR 86.38 lacs) being the decline in market value of certain investments of the trust.

C. Other long term benefits:

The leave obligations cover the Group's liability for earned leave. The liability towards compensated absences based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution to the plan assets resulted in a net asset of INR 21.34 lacs as on March 31, 2023, and a net liability of INR 27.83 lacs as on March 31, 2022 which have been shown under "Other current assets" and "Provisions" respectively in the Consolidated Financial Statements.

39. Contingent Liabilities

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Claims against the Group, not acknowledged as debt	2.50	2.50
Sales tax, Excise & Customs matters under appeal	3,89.24	3,95.10
Others *(claims not acknowledged as debt)*	36.68	36.68

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

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

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

A. List of Related Parties:

1. Entities exercising significant influence over the Group
   a) iPro Capital Limited;
   b) Intellipro Finance Pvt. Ltd.;
2. Entities over which Key Managerial Personnel have control
   a) Alpha Capital Resources Pte. Ltd., Singapore;
   b) Central India General Agents Ltd.
   c) Tanjore Partners LLP;
3. Post-employment benefit funds
   a) Xpro India Limited Employees Provident Fund Trust
   b) Xpro India Limited Senior Officers Superannuation Fund
   c) Xpro India Limited Employees Gratuity Fund
4. Key managerial personnel
   a) Executive Directors:
      (i) Sri Sidharth Birla, *Chairman*
      (ii) Sri C Bhaskar, *Managing Director & CEO*
   b) Non-executive Independent Directors:
      (i) Sri K Balakrishnan *(w.e.f. 25/5/2022)*
      (ii) Sri Amitabha Guha
      (iii) Sri Ashok Kumar Jha
      (iv) Ms Suhana Murshed *(w.e.f. 10/8/2021)*
      (v) Sri Utsav Parekh
      (vi) Sri S Ragothaman
      (vii) Sri Umrao Chand Jain
   c) Non-executive Non-Independent Directors:
      (i) Smt Madhushree Birla
      (ii) Sri Bharat Jhaver *(w.e.f. 25/5/2022)*
   d) Others:
      (i) Sri H Bakshi, *Sr. President & COO*
      (ii) Sri V K Agarwal, *President (F) & CFO*
      (iii) Sri Kamal Kishor Sewoda, *Company Secretary (w.e.f. 15/2/2023)*
      (iv) Sri Amit Dhanuka, *Company Secretary (upto 14/1/2023)*

e) Relatives of Key managerial personnel *:

(i) Sri Sudarshan Kumar Birla
(ii) Smt Sumangala Birla
(iii) Sri Sudarshan Kumar Birla (HUF)
(iv) Smt Vasusri Jhaver
(v) Smt Meenakshi Apoorva Bajaj
(vi) Smt Usha Ragothaman
(vii) Smt Kiran Jhaver
(viii) Smt Mousumi Bakshi

* *with whom the Group had transactions during the current or previous year*

B. Terms and conditions of transactions with related parties

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

C. Transactions with Related Parties:

(INR lacs)

Related Party	Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Xpro India Ltd. Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	1,79.68	56.95
Xpro India Ltd. Senior Officers Superannuation Fund	Contribution to post employment benefit fund (with LIC)	61.67	59.20
Xpro India Ltd. Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	1,07.00	2,98.52
iPro Capital Limited	Dividend paid	58.80	-
	Bonus shares issued (*face value of INR 10 each*)	1,47.00	-
Intellipro Finance Pvt. Ltd.	Dividend paid	46.10	-
	Bonus shares issued (*face value of INR 10 each*)	1,15.25	-
Central India General Agents Ltd.	Proceeds from warrants	14,97.33	4,99.11
	Issue of Equity shares (*face value of INR 10 each*)	26.20	-
	Bonus shares issued (*face value of INR 10 each*)	13.10	-
Sri Sidharth Birla	Remuneration (including leave encashment)	1,34.20	1,07.81
	Dividend paid	2.04	-
	Bonus shares issued (*face value of INR 10 each*)	5.09	-
Sri C Bhaskar	Remuneration (including leave encashment)	1,56.33	1,43.52
	Dividend paid	1.15	-
	Bonus shares issued (*face value of INR 10 each*)	2.89	-
	Sitting fees	0.04	0.04
	Payable amount at year end	-	8.75
Sri K Balakrishnan	Sitting Fees	5.00	-
Sri Amitabha Guha	Sitting Fees	9.40	8.65
Sri Ashok Kumar Jha	Sitting Fees	7.00	6.50
Ms. Sultana Murshed	Sitting Fees	6.00	4.50
Sri Utsav Parekh	Sitting Fees	8.90	6.90
	Dividend paid	0.01	-
	Bonus shares issued (*face value of INR 10 each*)	0.03	-
Sri S Ragothaman	Sitting Fees	9.54	7.99
	Dividend paid	1.37	-
	Bonus shares issued (*face value of INR 10 each*)	3.42	
Smt Madhushree Birla	Sitting Fees	6.04	6.04
	Dividend paid	2.00	-
	Bonus shares issued (*face value of INR 10 each*)	5.01	-
Sri Bharat Jhaver	Sitting Fees	5.00	-
Sri Umrao Chand Jain	Sitting Fees	0.03	0.02
Sri H Bakshi	Remuneration	1,25.31	1,31.38
	Dividend paid	0.20	-
	Bonus shares issued (*face value of INR 10 each*)	0.51	
Sri V K Agarwal	Remuneration	98.36	94.22
	Dividend paid	0.17	
	Bonus shares issued (*face value of INR 10 each*)	0.42	-
Sri Kamal Kishor Sewoda	Remuneration	2.35	-
Sri Amit Dhanuka	Remuneration	15.61	20.35

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(INR lacs)

Related Party	Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Sri Sudarshan Kumar Birla	Dividend paid	0.01	-
	Bonus shares issued *(face value of INR 10 each)*	0.03	-
Smt Sumangala Birla	Dividend paid	0.03	-
	Bonus shares issued *(face value of INR 10 each)*	0.08	-
Sri Sudarshan Kumar Birla (HUF)	Dividend paid	Neg.	-
	Bonus shares issued *(face value of INR 10 each)*	0.01	-
Smt Vasusri Jhaver	Dividend paid	1.05	-
	Bonus shares issued *(face value of INR 10 each)*	2.62	-
Smt Meenakshi Apoorva Bajaj	Dividend paid	3.50	-
	Bonus shares issued *(face value of INR 10 each)*	8.75	-
Smt Usha Ragothaman	Dividend paid	0.07	-
	Bonus shares issued *(face value of INR 10 each)*	0.18	-
Smt Kiran Jhaver	Dividend paid	0.10	-
	Bonus shares issued *(face value of INR 10 each)*	0.25	-
Smt Mousumi Bakshi	Dividend paid	Neg.	-
	Bonus shares issued *(face value of INR 10 each)*	Neg.	-

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

D. No balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than as stated above.

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

41. Segment Information

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

Revenue of INR 1,73,54.77 lacs (previous year: INR 1,32,64.60 lacs) was derived from two external customers each accounting for over ten percent of the revenue.

42. CSR Expenditure

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
i) Gross amount required to be spent during the year as per provisions of Section 135 of the Companies Act 2013	36.90	10.84
ii) Amount spent during the year on the following:		
a) Construction/acquisition of any asset	-	-
b) On purposes other than (a) above	54.36	17.70
iii) Excess amount spent as per Section 135 of the Companies Act 2013		
Carried forward Opening balance	6.86	-
Amount required to be spent during the year	36.90	10.84
Amount spent during the year	47.50	17.70
Carried forward Closing balance	17.46	6.86
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	*Not applicable*	*Not applicable*

vi) Nature of CSR Activities:

Areas selected from those identified and prescribed under the Companies Act, 2013. The Group has adopted a policy to support duly registered and qualified external bodies including NGOs or Government relief funds including through financial contribution. Activities supported during the current year included promoting education/special education, health-care, employment enhancing vocational skills especially among children, women and the differently abled (previous year: contribution to PM Cares Fund and Covid-19 related activities)

vii) The Group does not carry any provisions for CSR expenses for the current year and previous year;

viii) The Group intends to carry forward the excess amount of INR 17.46 lacs spent during the year (2021-22: INR 6.86 lacs);

43. Fair Value Measurement

Financial instrument by category

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

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Fair Value hierarchy

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

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

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

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

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

Financial instrument by category measured at amortised cost (INR lacs)

Particulars	March 31, 2023 Carrying Value	March 31, 2023 Fair Value	March 31, 2022 Carrying Value	March 31, 2022 Fair Value
Financial assets				
- Trade Receivables	50,98.39	50,98.39	66,34.46	66,34.46
- Cash & cash equivalents	15.16	15.16	18,71.19	18,71.19
- Other bank balances	30,01.11	30,01.11	4,77.30	4,77.30
- Loans	34.57	34.57	22.86	22.86
- Other financial asset	3,53.52	3,53.52	5,36.51	5,36.51
Total	85,02.75	85,02.75	95,42.32	95,42.32
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities				
- Borrowings	36,04.80	36,04.80	87,70.91	87,70.91
- Other financial liabilities	2,57.61	2,57.61	2,47.07	2,47.07
- Trade payables	50,38.54	50,38.54	57,93.18	57,93.18
- Lease liabilities	2,63.39	2,63.39	2,17.82	2,17.82
Total	91,64.34	91,64.34	1,50,28.98	1,50,28.98

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

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

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44. Financial risk management

i) Financial instrument by category

(INR lacs)

Particulars	March 31, 2023 FVTPL	FVOCI	Amortised cost	March 31, 2022 FVTPL	FVOCI	Amortised cost
Financial assets						
- Investments	-	4,64.83	-	-	4,97.86	-
- Trade receivable	-	-	50,98.39	-	-	66,34.46
- Cash and cash equivalent	-	-	15.16	-	-	18,71.19
- Other Bank balances	-	-	30,01.11	-	-	4,77.30
- Loans	-	-	34.57	-	-	22.86
- Other financial assets	-	-	3,53.52	-	-	5,36.51
	-	4,64.83	85,02.75		4,97.86	95,42.32
Financial liabilities						
- Borrowings	-	-	36,04.80	-	-	87,70.91
- Trade payables	-	-	50,38.54	-	-	57,93.18
- Other financial liabilities	-	-	2,57.61	-	-	2,47.07
Total	-	-	89,00.95	-	-	1,48,11.16

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

ii) Risk management

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

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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

Credit risk management

Credit risk rating

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

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

The Group provides for expected credit loss on the following:

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

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

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

Assets under credit risk -

(INR lacs)

Credit rating	Particulars	As at March 31, 2023	As at March 31, 2022
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	85,02.75	95,42.32

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

Expected credit risk losses for financial assets other than trade receivables

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

(INR lacs)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2023				
Investments	4,64.83	0 %	-	4,64.83
Loans	34.57	0 %	-	34.57
Trade receivables	50,98.39	0 %	-	50,98.39
Cash and cash equivalents	15.16	0 %	-	15.16
Other bank balances	30,01.11	0 %	-	30,01.11
Other financial assets	3,53.52	0 %	-	3,53.52
March 31, 2022				
Investments	4,97.86	0 %	-	4,97.86
Loans	22.86	0 %	-	22.86
Trade receivables	66,34.46	0 %	-	66,34.46
Cash and cash equivalents	18,71.19	0 %	-	18,71.19
Other bank balances	4,77.30	0 %	-	4,77.30
Other financial assets	5,36.51	0 %	-	5,36.51

Expected credit loss for trade receivables under simplified approach

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

(INR lacs)

Particulars		As at March 31, 2023	As at March 31, 2022
Gross amount of trade receivables where no default has occurred		50,98.39	66,34.46
Expected loss rate	(%)	-	-
Expected credit loss (loss allowance provision)		-	-

B. **Liquidity Risk**

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

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Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(INR lacs)

Particulars	< 1 year	1 - 5 years *	>5 years	Total
As at March 31, 2023				
Borrowings	26,48.43	9,56.37	-	36,04.80
Trade payables	50,38.54	-	-	50,38.54
Lease liabilities	36.44	2,26.95	-	2,63.39
Financial liabilities	2,51.04	6.57	-	2,57.61
Total	**79,74.45**	**11,89.89**	-	**91,64.34**
As at March 31, 2022				
Borrowings	23,99.98	63,70.93	-	87,70.91
Trade payables	57,93.18	-	-	57,93.18
Lease liabilities	22.89	1,42.69	52.24	2,17.82
Financial liabilities	2,40.50	6.57	-	2,47.07
Total	**84,56.55**	**65,20.19**	**52.24**	**1,50,28.98**

*interest outflow of the said liabilities has not been considered

C. **Market risk**

Foreign currency risk

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

Foreign currency risk exposure

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

Particulars		As at March 31, 2023	As at March 31, 2022
Financial liabilities			
Payable on imports			
	USD	14,55,180	24,54,180
Borrowings			
	Euro	-	2,279,707
Financial assets			
Receivables on export			
	USD	1,64,635	1,228,594
	Euro	1,16,233	1,62,009

Sensitivity

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

(INR lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
USD sensitivity		
INR/USD - increase by 2 %	(21.19)	(18.88)
INR/USD - decrease by 2 %	21.19	18.88
Euro sensitivity		
INR/Euro - increase by 2 %	2.08	(36.32)
INR/Euro - decrease by 2 %	(2.08)	36.32

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Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits bear fixed interest rates.

Interest rate risk exposure

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

(INR lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	36,04.80	87,70.91
Fixed rate borrowings	-	-
Total borrowings	36,04.80	87,70.91

Sensitivity

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

Interest sensitivity		
Interest rates - increase by 1 %	36.05	1,30.07
Interest rates - decrease by 1 %	(36.05)	(1,30.07)

Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern

- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(INR lacs)

Particulars	Year ending March 31, 2023	Year ending March 31, 2022
Long-term borrowings	9,56.37	63,70.93
Current maturities of long-term borrowings	6,06.92	16,59.50
Short-term borrowings	20,41.51	7,40.48
Interest accrued but not due on borrowings	-	10.01
Total borrowings	36,04.80	87,80.92
Less: Cash and cash equivalents	15.16	18,71.19
Less: Bank balance other than above	30,01.11	4,77.30
Net debt	5,88.53	64,32.43
Total equity *	2,33,55.71	1,72,02.64
Net debt to equity ratio	2.52 %	37.39 %

* *Equity includes equity share capital and other equity of the Group that are managed as capital*

45. **Leases**

a. The Group has adopted Ind AS 116 -'Lease' from April 1, 2019, which resulted in changes in accounting policies in the consolidated financial statements.

b. **Practical expedients applied**

The Group has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities on April 1, 2019 was 11.25% with maturity between 2020 - 2028.

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d. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good state of repair and return the property in the original condition at the end of the lease.

e. The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term (Years)	Average remaining lease term (years)
Building	2	4 - 5	4.75
Land	3	69 - 83	76.66

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

f. **Amounts recognized in consolidated balance sheet and consolidated statement of profit and loss:**

The balance sheet shows the following amounts relating to leases:

(INR lacs)

	Category of right-of-use assets		
	Land	Building	Total
Balance as at April 1, 2021	6,86.93	1,98.39	8,85.32
Add: Additions	33.13	-	33.13
Less: Amortisation charged on the right-of-use assets	8.89	28.34	37.23
Balance as at March 31, 2022	7,11.17	1,70.05	8,81.22
Add: Additions	-	73.63	73.63
Less: Amortisation charged on the right-of-use assets	8.89	35.87	44.76
Balance as at March 31, 2023	7,02.28	2,07.81	9,10.09

	Movement in lease liabilities		
	Land	Building	Total
Balance as at April 1, 2021	-	2,31.64	2,31.64
Add: Interest expense on lease liabilities	-	25.36	25.36
Less: Lease rental paid	-	39.18	39.18
Balance as at March 31, 2022	-	2,17.82	2,17.82
Add: Additions	-	73.44	73.44
Add: Interest expense on lease liabilities		27.36	27.36
Less: Lease rental paid	-	55.23	55.23
Balance as at March 31, 2023	-	2,63.39	2,63.39

g. **Amount recognised in Consolidated Statement of Profit and Loss:**

(INR lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Amorisation of right-of-use assets (classified under Depreciation and amortisation expense)	44.76	37.23
ii) Interest on lease liabilities (classified under Finance costs)	27.36	25.36
iii) Expenses related to short term leases (classified under Other expenses)	31.13	31.62

h. The total cash outflow for leases for the year ended March 31, 2023 was INR 55.23 lacs (March 31, 2022: INR 39.18 lacs)

i. **Lease liabilities included in balance sheet:**

(INR lacs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current	36.44	22.89
Non-current	2,26.95	1,94.93

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j. Future minimum lease payments are as follows: (INR lacs)

As on March 31, 2023

Minimum lease payments due:	Lease Payments	Finance charges	Net present value
Within 1 year	64.23	(27.79)	36.44
1 - 2 years	65.13	(23.45)	41.68
2 - 3 years	75.28	(17.95)	57.33
3 - 4 years	76.27	(11.13)	65.14
4 - 5 years	66.37	(3.57)	62.80
After 5 years	-	-	-
Total	3,47.28	(83.89)	2,63.39

As on March 31, 2022

Minimum lease payments due:	Lease Payments	Finance charges	Net present value
Within 1 year	46.23	(23.34)	22.89
1 - 2 years	46.23	(20.64)	25.59
2 - 3 years	46.23	(17.60)	28.63
3 - 4 years	55.48	(13.72)	41.76
4 - 5 years	55.48	(8.77)	46.71
After 5 years	55.48	(3.24)	52.24
Total	3,05.13	(87.31)	2,17.82

46. **Revenue related disclosures (in accordance with Ind AS 115)**

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Group's revenue from contract with customers is set out below:

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from contracts with customers		
(i) Sale of products:		
(a) Coextruded sheets, cast films and liners	3,45,53.62	3,32,97.20
(b) Biaxially oriented films	1,56,35.44	1,25,51.75
(ii) Other operating income	9,07.97	13,23.04
Total revenue covered under Ind AS 115	**5,10,97.03**	**4,71,71.99**

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

(INR lacs)

	Year ended March 31, 2023	Year ended March 31, 2022
Contract liabilities		
Advance received from customers	13.52	1,13.94
Total contract liabilities	13.52	**1,13.94**
Receivables		
Trade receivables	50,98.39	66,34.46
Total receivables	50,98.39	66,34.46

C. Significant changes in the contract liabilities balances during the year:

(INR lacs)

	As at March 31, 2023	As at March 31, 2022
Contract liabilities - Advance received from customers		
Opening balance	1,13.94	10.75
Addition during the year	13.52	1,13.94
Revenue recognized during the year	(1,13.94)	(10.75)
Closing balance	13.52	**1,13.94**

D. Refer Note No.41 for disclosure regarding two external customers each accounting for over ten percent of the revenue.

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E. Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

47. Pursuant to the special resolution passed at the Extraordinary General Meeting held on December 29, 2021, and relevant regulatory provisions, the Holding Company issued and allotted on January 11, 2022 by way of preferential allotment 19,68,000 warrants at a price of INR 762 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value INR10 of the Holding Company (including premium of INR 752 each). The Holding Company received allotment money of INR 37,49.04 lacs, being 25% of the total warrant price in 2021-22. Promoter group warrant holders, holding 3,28,000 warrants exercised their option in full on payment of the balance 75% (INR 18,74.52 lacs) during the year. As per the offer letter, the issue proceeds may be utilized for growth capital and expansion/diversification requirements (whether organic or inorganic), to meet capital expenditure, to reduce borrowings, to enhance long-term resources and strengthen the financial structure, for meeting working capital requirements and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being fully utilized for the purposes stated.

48. **Additional Information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

(INR lacs)

Name of the Company	Net Assets (Total Assets minus total liabilities)		Share in Profit or Loss		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit/(Loss)	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
2022 - 23								
Parent Company								
Xpro India Ltd.	99.99	233,53.53	100.00	45,36.35	100.00	(21.59)	100.00	45,14.76
Indian Subsidiary								
Xpro Global Ltd.	0.01	2.18	0.00	0.06	-	-	0.00	0.06
	100.00	233,55.71	100.00	45,36.41	100.00	(21.59)	100.00	45,14.82
2021 - 22								
Parent Company								
Xpro India Ltd.	99.99	172,00.52	100.00	44,93.07	100.00	(28.53)	100.00	44,64.54
Indian Subsidiary								
Xpro Global Ltd.	0.01	2.12	0.00	0.11	-	-	0.00	0.11
	100.00	172,02.64	100.00	44,92.18	100.00	(28.53)	100.00	44,64.65

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2023 and March 31, 2022 respectively

49. **Ratios**

	Ratio	Ratio Formula	Year 2022-23	Year 2021-22	Variance (%)	Explanation for variance
a)	Current ratio	*Current assets / Current liabilities*	1.55	1.53	-	-
b)	Debt-equity ratio	*Total debt / Shareholder's equity (excluding lease liability)*	0.15	0.51	(69.76)	Repayment of term loans; lower working capital borrowing, profit earned and infusion of capital

	Ratio	Ratio Formula	Year 2022-23	Year 2021-22	Variance (%)	Explanation for variance
c)	Debt service coverage ratio	*Earnings available for Debt Service (i.e. net profit after taxes + interest and lease payment + depreciation and amortization expenses + loss on sale of PPE) / Debt Service (i.e. Interest and lease payments + principal repayments during the year)*	0.88	1.18	25.42	Increase in operating profitability, with accelerated reduction in debt, including through pre-payment
d)	Return on equity (%)	*Profit for the year / Avg. shareholder's equity*	22.37	34.31	(34.80)	Increase in profitability along with increase in equity
e)	Inventory turnover ratio	*Cost of goods sold / Average inventory*	7.53	7.51	Neg.	-
f)	Trade receivables turnover ratio	*Revenue from operations / Average trade receivables*	8.71	7.11	22.50	Higher revenue together with improved collection of outstanding trade receivables
g)	Trade payables turnover ratio	*Purchase of raw materials/ Average trade payables*	6.51	5.07	28.38	Higher purchase value together with lower average payable
h)	Net capital turnover ratio	*Revenue from operations / Working capital (i.e. Current assets – current liabilities)*	10.88	9.37	16.11	Increase in revenue along with decrease in working capital
i)	Net profit before tax ratio (%)	*Profit before tax for the year / Revenue from operations*	11.60	8.60	34.88	Increase in profitability, together with higher value-added products, and optimisation of product & customer mix
j)	Net profit ratio (%)	*Profit for the year / Revenue from operations*	8.88	9.52	(6.79)	Increase in profitability, together with higher value-added products, and optimisation of product & customer mix, offset by increase in deferred tax expense
k)	Return on capital employed (%)	*Earning before interest & taxes / Capital employed (i.e. total equity + borrowings including accrued interest)*	24.76	20.63	20.02	Increase in profitability
l)	Return on investment (%)	*Income earned on investment / Average investment*	6.46	6.46	-	-

50. During the year West Bengal Electricity Regulatory Commission (WBERC) fixed the power tariff of Damodar Valley Corporation (DVC) for 2017-18 & onwards following which DVC raised a retrospective demand of INR 315.60 lacs on one of the units of the Company. While the demand has been challenged, the Group has made provision for the entire demand in the books of accounts.

51. **Significant events after the reporting period**

The Board of Directors of the Holding Company has recommended a dividend of INR 2 per share for the year 2022-23, (March 31, 2022 - INR 2 per share) subject to approval by the shareholders at the ensuing Annual General Meeting of the Holding Company; No liability has been recognised as at March 31, 2023 (Nil as at March 31, 2022).

There were no other significant adjusting events that occurred subsequent to the reporting period other than events disclosed in the relevant notes.

52. **Additional Regulatory Information:**

a. There are no immovable properties where the title deeds are not held in the name of the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group);

b. There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or period of repayment;

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c. The Group does not have any Benami property, and no proceedings have been initiated or is pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988;

d. The Group has been regular in filling quarterly returns or statements of current assets with banks and those are in agreement with the books of accounts;

e. The Group has not been declared a wilful defaulter by any bank or financial institution;

f. The Group has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956;

g. The Group does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period;

h. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year;

i. The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017;

j. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

k. The Group does not have any scheme of arrangement which needs to be accounted for in the books of accounts of the Group;

l. The Group has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;

m. The Group has not received any funds from any person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;

n. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

53. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its consolidated financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

54. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

55. The audited consolidated financial results along with the report thereon are also available on the Holding Company's website www.xproindia.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

56. The consolidated financial statements were approved for issue by the Board of Directors at their meeting held at New Delhi on May 22, 2023.

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

Ashish Gera
Partner
Membership No. 508685
New Delhi
May 22, 2023

For and on behalf of the Board

Sidharth Birla
Chairman
(DIN: 00004213)

Kamal Kishor Sewoda
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer
(DIN: 00003343)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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Independent Auditor's Report

To the Members of Xpro India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Xpro India Limited** ('the Holding Company'), and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive loss), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive loss), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recognition and recoverability of deferred tax assets Refer note 4(n) of Summary of significant accounting policies and other explanatory information and the note 25 of the consolidated financial statements of the Group for the year ended 31 March 2022. At the balance sheet date 31 March 2022, the Holding Company has recognised deferred tax assets (net) of Rs. 454.52 lacs which includes deferred tax asset recognized for carried forward tax losses and unabsorbed depreciation amounting to Rs. 1,020.98 lacs (31 March 2021: Rs. 384.00 lacs). The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets created for unabsorbed losses including depreciation within the period prescribed under the relevant tax laws involves significant judgement regarding the likelihood of its realisation within the specified time period through estimation of future taxable profits of the Holding Company and consequently there is a risk that such deferred tax assets may not be realised within the specified period, if these future projections are not met. Determining forecasts of future projections and taxable profits include key factors such as future growth rate, market conditions, expected reduction in fixed costs and finance costs and closure of loss making business lines. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions and materialization of the Group's expansion plans.	Our key audit procedures included, but were not limited to, the following procedures: a) Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company over recognition of deferred tax assets. b) Understood the process and tested the relevant key controls over preparation of future taxable profit projections based on reasonable and supportable assumptions c) Reconciled the future taxable profit projections to future business plans of the Holding Company as approved by the Board of Directors. d) Tested the assumptions used in the aforesaid future projections such as growth rates, expected savings etc, considering our understanding of business, actual historical results, other relevant existing conditions, external data and market conditions and challenged management's judgements relating to the forecasts of future taxable profits to conclude on the reasonableness of the assumptions. e) Compared the prior year expected tax profits with the actual results to determine the efficacy of the management's budgeting process. f) Tested the arithmetical accuracy of the projections including those related to sensitivity analysis performed by management. g) Performed independent sensitivity analysis to the key assumptions used in the future projections to determine impact of estimation uncertainty on future taxable profits.

Owing to the significance of the balances and inherent uncertainty involved in judgements and estimates of future taxable profits as described above, we have considered recognition and recoverability of deferred tax assets recognised during the current year as a key audit matter.	h) Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961. i) Re-computed the amount of deferred tax assets as appearing in the consolidated financial statements. j) Assessed the appropriateness and adequacy of the disclosures included in the accompanying consolidated financial statements in accordance with applicable accounting standards.

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

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

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

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors of the Companies are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of Rs. 5.84 lacs and net assets of Rs. 2.12 lacs as at 31 March 2022, total revenues of Rs. Nil and net cash outflows amounting to Rs. 4.37 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on the reports of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such company.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements has been audited under the Act, we report, to the extent applicable, that:

  a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

  b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

  c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

  d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

  e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the report of the statutory auditor of its subsidiary company covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

  f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2' wherein we have expressed an unmodified opinion; and

  g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:

    i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 40 to the consolidated financial statements;

    ii. the Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act, during the year ended 31 March 2022;

    iv. a. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 53(i) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any persons or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary respectively that, to the best of their knowledge and belief, as disclosed in note 53(j) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary company, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (iv)(a) and (iv)(b) above contain any material misstatement.

v. As stated in note 52 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared during the year ended 31 March 2022 by the Holding Company is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

Nitin Toshniwal
Partner
Membership No:507568

UDIN: 22507568AJOEZD9088

Place: Faridabad
Date: 25 May 2022

Annexure 1

List of entities included in the consolidated financial statements:

Name of Holding Company:

a. Xpro India Limited

Name of Subsidiary Company:

b. Xpro Global Limited

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure 2

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

1. In conjunction with our audit of the consolidated financial statements of Xpro India Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to the financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to the Consolidated Financial Statements

6. A company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

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

Inherent Limitations of Internal Financial Controls with Reference to the Consolidated Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to the consolidated financial statements of the subsidiary company, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to the consolidated financial statements and such controls were operating effectively as at 31 March 2022, based on internal financial controls with reference to the consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of Rs. 5.84 lacs and net assets of Rs. 2.12 lacs as at 31 March 2022, total revenues of Rs. Nil and net cash outflows amounting to Rs. (4.37) lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, has been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

Nitin Toshniwal
Partner
Membership No:507568

UDIN: 22507568AJOEZD9088
Place: Faridabad
Date: 25 May 2022

Chartered Accountants

CONSOLIDATED BALANCE SHEET as at March 31, 2022

(Rs. in lacs)

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-Current assets			
a. Property, plant and equipment	5(a)	1,59,35.83	1,70,23.27
b. Capital work-in-progress	5(b)	37.30	31.24
c. Right-of-use assets	46	8,81.22	8,85.32
d. Other intangible assets	6	-	-
e. Financial assets - Investments	7	4,97.86	-
- Loans	8	13.45	8.88
- Other financial assets	9	4,53.79	3,91.32
f. Deferred tax assets (net)	25	4,54,52	-
g. Non-current tax assets (net)	10	2,56.06	2,01.82
h. Other non-current assets	11	4,33.56	54.63
		1,89,63.59	1,85,96.48
Current assets			
a. Inventories	12	45,64.23	41,03.80
b. Financial assets - Trade receivables	13	66,34.46	66,38.12
- Cash and cash equivalents	14	18,71.19	1,70.69
- Other bank balances	15	4,77.30	4,23.21
- Loans	16	9.41	8.71
- Other financial assets	17	82.72	1,71.42
c. Current tax assets	18	-	2.39
d. Other current assets	19	3,61.01	1,65.75
		1,40,00.32	1,16,84.09
Assets held for sale	20	5,21.46	5,21.46
Total Assets		3,34,85.37	3,08,02.03
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	21	11,81.35	11,81.35
b. Other equity	21	1,60,21.29	78,07.60
Total equity		1,72,02.64	89,88.95
Liabilities			
Non-Current liabilities			
a. Financial liabilities			
Borrowings	22	63,70.93	97,00.68
Lease liabilities	46	1,94.93	2,18.57
Other financial liabilities	23	6.57	6.57
b. Provisions	24	2,21.79	4,29.65
		67,94.22	1,03,55.47
Current liabilities			
a. Financial liabilities			
Borrowings	26	23,99.98	35,88.38
Lease liabilities	46	22.89	13.07
Trade payables - total outstanding dues of micro enterprises & small enterprises	27	1,76.05	1,37.67
- total outstanding dues of creditors other than micro enterprises & small enterprises	27	56,17.13	70,97.17
Other financial liabilities	28	2,40.50	2,02.90
b. Other current liabilities	29	10,31.96	4,18.42
		94,88.51	1,14,57.61
Total liabilities		1,62,82.73	2,18,13.08
Total Equity and liabilities		3,34,85.37	3,08,02.03

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

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

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

For and on behalf of the Board

Amit Dhanuka
Company Secretary

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

Sidharth Birla
Chairman

C. Bhaskar
Managing Director & Chief Executive Officer

STATEMENT OF CONSOLIDATED PROFIT AND LOSS
For the Year ended March 31, 2022

(Rs. in lacs)

	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
Revenue			
- Revenue from operations	30	4,71,71.99	3,73,35.36
- Other income	31	1,83.89	2,10.99
Total income		4,73,55.88	3,75,46.35
Expenses			
- Cost of materials consumed	32	3,27,97.43	2,62,00.75
- Changes in inventories of finished goods & work-in-progress	33	(2,37.37)	3,05.55
- Employee benefits expense	34	30,19.13	27,61.37
- Finance costs	35	13,00.72	16,53.27
- Depreciation and amortisation expense	36	12,06.81	12,39.69
- Other expenses	37	52,10.38	40,37.71
Total expenses		4,32,97.10	3,61,98.34
Profit before exceptional items and tax		40,58.78	13,48.01
Exceptional items		-	-
Profit before tax		40,58.78	13,48.01
Tax expense			
- Current tax		-	-
- Deferred tax	25	(4,54.52)	5,33.58
- Tax adjusted for earlier years		20.12	(20.93)
Total tax expense		(4,34.40)	5,12.65
Profit for the year		44,93.18	8,35.36
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(15.41)	(39.55)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss			
- Change in fair value of tax free bonds		(13.12)	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		(28.53)	(39.55)
Total comprehensive income for the year (comprising profit after tax and other comprehensive income for the year)		44,64.65	7,95.81
Profit for the year attributable to			
- Owners of the Company		44,93.18	8,35.36
- Non-controlling interest		-	-
Other comprehensive income for the year attributable to			
- Owners of the Company		(28.53)	(39.55)
- Non-controlling interest		-	-
Total comprehensive income for the year attributable to			
- Owners of the Company		44,64.65	7,95.81
- Non-controlling interest		-	-
Earnings per equity share (of Rs.10/- each)	38		
- Basic (Rs.)		38.03	7.07
- Diluted (Rs.)		37.57	7.07

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

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

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

For and on behalf of the Board

Sidharth Birla
Chairman

Amit Dhanuka
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer

STANDALONE STATEMENT OF CASH FLOWS
For the Year ended March 31, 2022

(Rs. in lacs)

		Year ended March 31, 2022	Year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Net profit before tax	40,58.78	13,48.01
	Adjustments for:		
	Depreciation and amortisation (net)	12,06.81	12,39.69
	Excess provision written back	(49.56)	(87.30)
	Interest income	(50.71)	(46.92)
	Finance costs	13,00.72	16,53.27
	Loss on sale of property, plant & equipment	29.04	0.08
	Dividend income	(0.05)	(0.05)
	Operating profit before working capital changes	64,95.03	41,06.78
	Movement in financial assets	32.46	(0.99)
	Movement in trade receivables	3.65	(13,64.44)
	Movement in other assets	(1,78.08)	2,99.77
	Movement in inventory	(4,60.44)	69.64
	Movement in financial liabilities	(13,48.77)	16,93.22
	Movement in other liabilities	6,13.54	1,87.90
	Movement in provisions	(2,23.27)	(1,48.68)
	Cash flow generated from operations (gross)	49,34.12	48,43.19
	Less: taxes paid (net)	(72.00)	(62.64)
	Net cash flow generated from operating activities (A)	48,62.12	47,80.56
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment, right-of-use assets and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(6,54.38)	(2,39.67)
	Investment in tax-free bonds	(5,10.99)	-
	Proceeds from sale of property, plant and equipment	1,34.34	20.53
	Dividend received	0.05	0.05
	Interest received	39.20	46.92
	Proceeds from maturity of/(Investment in) fixed deposits	(54.08)	22.42
	Net cash flow (used in)/generated from investing activities (B)	(10,45.86)	(1,49.75)
C.	**Cash flow from financing activities**		
	Payment of lease liabilities	(39.18)	(39.18)
	Proceeds from issue of convertible warrants	37,49.04	-
	Proceeds from long-term borrowings	4,86.93	19,30.00
	Repayment of long-term borrowings	(38,43.10)	(30,25.36)
	Repayment of short-term borrowings (net)	(11,88.40)	(23,06.67)
	Interest paid/finance cost	(12,81.05)	(16,42.47)
	Net cash flow (used in) from financing activities (C)	(21,15.76)	(50,83.68)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	17,00.50	(4,52.88)
	Cash and Cash Equivalents at the beginning of the year	1,70.69	6,23.57
	Cash and Cash Equivalents at the end of the year (*refer Note 14*)	18,71.19	1,70.69

	As at March 31, 2022	As at March 31, 2021
Components of cash and cash equivalents (*refer Note 14*)		
Balances with scheduled banks:		
- In current accounts	18,68.60	1,66.55
Cash on hand	2.59	4.14
	18,71.19	1,70.69

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

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

(Rs. in lacs)

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

Lease liabilities in 2019-20 have been created on account of transition to Ind AS 116 (refer note 46 for details)

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

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

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

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

For and on behalf of the Board

Sidharth Birla
Chairman

Amit Dhanuka
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2022

(Rs. in lacs)

A. Equity Share Capital

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

B. Other equity

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Financial assets through OCI	Money received against warrants	Total
Balance as at April 1, 2020	60.50	4,06.58	67,50.00	(2,07.57)	2.28	-	-	70,11.79
Profit for the year	-	-	-	8,35.36	-	-	-	8,35.36
Other comprehensive income/(loss) (net of tax)	-	-	-	(39.55)	-	-	-	(39.55)
Currency fluctuation on translation	-	-	-	2.28	(2.28)	-	-	-
Balance as at March 31, 2021	60.50	4,06.58	67,50.00	5,90.52	-	-	-	78,07.60
Profit for the year	-	-	-	44,93.18	-	-	-	44,93.18
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	-	(13.12)	-	(28.53)
On preferential issue of warrants	-	-	-	-	-	-	37,49.04	37,49.04
Balance as at March 31, 2022	60.50	4,06.58	67,50.00	50,68.29	-	(13.12)	37,49.04	1,60,21.29

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

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

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

Amit Dhanuka
Company Secretary

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

For and on behalf of the Board

Sidharth Birla
Chairman

C. Bhaskar
Managing Director & Chief Executive Officer

Notes to the Financial Statements

1. Company Information:

These Consolidated financial statements comprise the financial statements of Xpro India Limited ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') for the year ended March 31, 2022

	Name of Subsidiary	% Shareholding	Principal Activity	Country of Incorporation
a.	Xpro Global Limited	100 *	General Trade	India
b.	Xpro Global Pte. Ltd.	100 ^	General Wholesale Trade Business & management consultancy services	Singapore

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiaries are insignificant.
(* 100% shareholding in each of the years ended March 31, 2022 and March 31, 2021);
(^100% shareholding in the year 2020-21; Xpro Global Pte. Ltd., Singapore, had applied voluntarily and was accordingly struck off the Register of Companies by the regulatory agency in Singapore, with effect from February 8, 2021)

2. Recent accounting pronouncements issued but not made effective

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

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

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

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

c. Amendment to Ind AS 103, Business Combinations

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

d. Amendment to Ind AS 109, Financial Instruments

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

3. Basis for Preparation:

a. Principles of Consolidation

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

i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Separate Financial Statements.

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

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

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

c. Basis of measurement

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

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

d. Functional and presentation currency

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

e. Current and non-current classification

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

f. Fair Value Measurements

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

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

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

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

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

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

Overall Considerations

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

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

4. Significant accounting policies:

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

a. Property, plant and equipment

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

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

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

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

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

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

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

Leasehold improvements are amortised over the lease period.

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

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

b. Other intangible assets

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

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

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

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

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c. Borrowing Costs

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

d. Impairment of non-financial assets

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

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

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

e. Assets held for sale

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

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

f. Inventories

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

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

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

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

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

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

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

h. Government grants

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

i. Cash and cash equivalents

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

j. Foreign currency transactions and translation

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

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

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

k. Revenue recognition

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

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

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

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

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

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

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

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

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

Derecognition

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

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

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

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

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

Derecognition

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

Impairment of financial assets

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

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are measured at FVTOCI e.g. investment in bonds.

(c) Trade receivables under Ind AS 115.

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

2. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at amortised cost

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

Derecognition

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

3. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability

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simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

s. Use of estimates and management judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

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

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

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

Significant management judgements:

1. Recoverable amount of property, plant and equipment

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

2. Provisions and contingencies

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

3. Recognition of deferred tax assets

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

Significant management estimates:

1. Useful life of property, plant and equipment

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

2. Employee benefit plans

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

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5. a) Property, plant and equipment

(Rs. in lacs)

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

Notes:

a) Refer Note 23 for information on property, plant and equipment pledged as security by the Group;

b) Refer Note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) The Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts;

d) Exchange differences on all long-term monetary items resulted in an addition of Rs.26.42 lacs (March 31, 2021: addition of Rs.1,24.45 lacs) to Gross Block of plant & equipment, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

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5. b) Capital Work-in-progress (CWIP) Schedule

(Rs. in lacs)

	Amount in CWIP for a period of				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
As at March 31, 2022					
Projects in progress	37.30	-	-	-	37.30
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2021					
Projects in progress	31.24	-	-	-	31.24
Projects temporarily suspended	-	-	-	-	-

6. Other intangible assets

(Rs. in lacs)

	Computer software	Technical knowhow	Total
Gross block			
Balance as at April 1, 2020	28.32	3,48.38	3,76.70
Additions	-	-	-
Balance as at March 31, 2021	28.32	3,48.38	3,76.70
Additions	-	-	-
Balance as at March 31, 2022	28.32	3,48.38	3,76.70
Accumulated amortisation			
Balance as at April 1, 2020	28.32	3,48.38	3,76.70
Add: Amortisation during the year	-	-	-
Balance as at March 31, 2021	28.32	3,48.38	3,76.70
Add: Amortisation during the year	-	-	-
Balance as at March 31, 2022	28.32	3,48.38	3,76.70
Net balance as at March 31, 2021	-	-	-
Net balance as at March 31, 2022	-	-	-

7. Investments (Non-current)

Investments measured at amortised cost

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Investments in bonds (quoted) (Fair value through other comprehensive income):		
Tax Free Bonds (*refer details below***)	4,97.86	-
Aggregate amount of quoted investments	4,97.86	-

** Quoted investments March 31, 2022	Number of Units	Amount (Rs. in Lacs)
8.66% IIFCL Tax Free Bond - 2034 (January 1, 2034) (Face Value: Rs.1,000 each)	20000	2,64.62
8.48% IIFCL Tax Free Bond - 2028 (September 9, 2028) (Face Value: Rs.10,00,000 each)	10	1,21.89
8.66% NTPC Tax Free Bond - 2033 (December 16, 2033) (Face Value: Rs.1,000 each)	3463	47.64
8.63% IRFC Tax Free Bond - 2029 (March 26, 2029) (Face Value: Rs.1,000 each)	2500	30.85
8.66% IIFCL Tax Free Bond - 2034 (January 22, 2034) (Face Value: Rs.1,000 each)	1499	20.56
8.54% PFC Tax Free Bond - 2028 (November 16, 2028) (Face Value: Rs.1,000 each)	1000	12.30
		4,97.86

The aggregate amount of investment in bonds at purchase price is Rs 5,10.98 lacs (March 31, 2021: Nil)

8. Loans (Non-current)

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Loans to employees	13.45	8.88
Total	13.45	8.88

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

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9. Other financial assets (Non-current)

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Security deposits	1,77.91	1,77.91
VAT Subsidy	1,75.88	2,13.41
Bank Deposits with more than 12 months maturity	1,00.00	-
Total	4,53.79	3,91.32

10. Non-current tax assets (net)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Pre-paid taxes *(net of provision for tax Rs.Nil; previous year Rs Nil)*	2,56.06	2,01.82
Total	2,56.06	2,01.82

11. Other assets (Non-current)

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Capital advances [*refer Note below*]	3,96.09	-
Advances other than capital advances		
- Pre-paid expenses	8.42	10.78
- Balances with statutory authorities	29.05	43.85
Total	4,33.56	54.63

Note:

Capital commitment:

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

12. Inventories

(valued at lower of cost and net realisable value)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Raw material	25,42.50	23,62.53
Work-in-progress	1,79.67	2,29.06
Finished products	14,32.75	11,45.98
Stores and spares	4,09.25	3,66.17
Stock-in-trade	0.06	0.06
Total	45,64.23	41,03.80

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

13. Trade receivables

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Trade receivables: Considered good, unsecured	66,34.46	66,38.12
Total	66,34.46	66,38.12

Note:

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

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

(c) Trade receivables ageing schedule (Rs. in lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
March 31, 2022						
Undisputed trade receivables						
i) considered good	66,34.43	0.03	-	-	-	66,34.46
i) which have significant increase in credit risk	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-

(Rs. in lacs)

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 – 2 years	2 – 3 years	> 3 years	
March 31, 2021						
Undisputed trade receivables						
i) considered good	66,36.11	2.01	-	-	-	66,38.12
ii) which have significant increase in credit risk	-	-	-	-	-	-
iii) credit impaired	-	-	-	-	-	-

14. Cash and cash equivalents

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Balance with banks in current accounts	18,68.60	1,66.55
Cash on hand	2.59	4.14
Total	18,71.19	1,70.69

15. Other bank balances

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months	65.13	70.32
Earmarked balances with bank (held as margin money)	4,12.17	3,52.89
Total	4,77.30	4,23.21

16. Loans (Current)
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Loans to employees	9.41	8.71
Total	9.41	8.71

17. Other financial assets (Current)
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Security deposits	0.41	1,00.62
Interest accrued but not due (on tax-free bonds)	11.51	-
Recoverable from others (*refer note 20*)	70.80	70.80
Total	82.72	1,71.42

18. Current tax assets
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Income-tax	-	2.39
Total	-	2.39

19. Other current assets
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Advance to suppliers	18.57	12.72
Prepaid expenses	2,44.77	74.94
Balance with government authorities	64.61	35.38
Other receivable		
Loans - considered good, unsecured	33.06	42.71
Total	3,61.01	1,65.75

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Notes:

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

20. Assets held for sale

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	5,21.46	5,21.46
Total	5,21.46	5,21.46

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

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

21.a) Equity Share Capital

For disclosures please refer Notes to standalone financial statements

b) Other Equity

(Rs. in lacs)

Particulars	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign Currency translation reserve	Financial assets through OCI	Money received against warrants	Total
Balance as at April 1, 2020	60.50	4,06.58	67,50.00	(2,07.57)	2.28	-	-	70,11.79
Profit for the year	-	-	-	8,35.36		-	-	8,35.36
Other comprehensive income/(loss) (net of tax)	-	-	-	(39.55)		-	-	(39.55)
Currency fluctuation on translation	-	-	-	2.28	(2.28)	-	-	-
Balance as at March 31, 2021	60.50	4,06.58	67,50.00	5,90.52	-	-	-	78,07.60
Profit for the year	-	-	-	44,93.18				44,93.18
Other comprehensive income/(loss) (net of tax)	-	-	-	(15.41)	-	(13.12)		(28.53)
On preferential issue of warrants	-	-	-	-	-	-	37,49.04	37,49.04
Balance as at March 31, 2022	60.50	4,06.58	67,50.00	50,68.29	-	(13.12)	37,49.04	1,60,21.29

Nature and purpose of reserves

a) Capital subsidy reserve

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

b) Securities premium reserve

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

c) General reserve

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

d) Retained earnings

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

e) Money received against warrants

Represents amount received towards preferential allotment money of convertible warrants.

22. Non-current financial liabilities - Borrowings

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Loans from banks - Secured		
Term loans (*refer note a to p*)	53,61.29	76,97.38
Foreign currency borrowings (*refer note q*)	9,70.59	19,83.82
Vehicle loans (*refer note r*)	39.05	19.48
Total	63,70.93	97,00.68

a. Term loan from State Bank of India, outstanding Rs.Nil (previous year: Rs 2,72.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.3.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.10.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.12.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to Oldenburgische Landesbank AG ('OLB')) of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

b. Term Loan from Punjab National Bank, outstanding Rs.3,47.35 lacs (previous year: Rs 5,74.78 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.7.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.24.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.28.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

c. Term Loan from State Bank of India, outstanding Rs.9,05.72 lacs (previous year: Rs.14,08.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.15.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.51.75 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.62.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

d. Term Loan from State Bank of India, outstanding Rs.6,99.26 lacs (previous year: Rs.10,88.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.40.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.48.00 lacs each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

e. Term Loan from State Bank of India, outstanding Rs.7,22.62 lacs (previous year: Rs.11,25.50 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.41.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.49.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

f. Term Loan from Indian Bank, outstanding Rs.6,36.23 lacs (previous year: Rs.10,20.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 2 quarterly instalments of Rs.7.50 lacs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (iii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018 (iv) 12 quarterly instalments of Rs.44.50 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.47.25 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

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g. Corporate Loan from State Bank of India outstanding Rs. Nil (previous year: Rs 1,67.79 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.4.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.13.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.15.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

h. Corporate Loan from State Bank of India, outstanding Rs.3,55.66 lacs (previous year: Rs.10,20.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.45.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

i. Corporate Loan from State Bank of India, outstanding Rs. Nil (previous year: Rs.2,47.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.2.75 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.9.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.11.00 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.11.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company & second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

j. Term Loan from Punjab National Bank, outstanding Rs.1,35.99 lacs (previous year: Rs.3,39.77 lacs), carrying interest linked to the bank's MCLR, is repayable in (i) 24 quarterly instalments of Rs.25.00 lacs each starting from June, 2020; and is secured by exclusive 1st charge on the assets to be acquired out of above loan and ranking pari passu 2nd charge on all the current assets of the Holding Company with other term lenders.

k. During the year, term/corporate loans aggregating to Rs.26,90.00 lacs has been pre-paid to banks.

l. During the previous year, the Holding Company had been granted a moratorium of 6 months w.e.f. March 2020 for payment of instalment(s) on above mentioned terms loans as per RBI guidelines following the Covid-19 pandemic; accordingly the re-payment schedule has been extended.

m. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding Rs.15,00.01 lacs (previous year: Rs.16,00.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of Rs.33.33 lacs each starting from January 2022 & (ii) last instalment of Rs.33.49 lacs in December 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Trustee Company Ltd (NCGTC).

n. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding Rs.2,15.60 lacs (previous year: Rs.230.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of Rs.6.38 lacs each starting from February 2022 & (ii) last instalment of Rs.6.70 lacs in January 2025 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

o. Working Capital Term Loan from Indian Bank, under GECL2.0 scheme, outstanding Rs.4,26.93 lacs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in 48 monthly instalments of Rs.8.96 lacs each starting from April 2022 is secured by extension of second charge over the existing primary and collateral securities including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

p. The above-mentioned term loans carry interest rate between 7.9 to 12 % per annum (previous year: 7.9 to 12 %).

q. ECB from Oldenburgische Landesbank AG ('OLB'), in the nature of term loan, outstanding €2,268,005; equivalent to Rs.19,41.19 lacs (previous year: €3,402,008; equivalent to Rs.29,75.74 lacs), carrying annual interest at Euribor + 1.75% is repayable in 14 semi-annual instalments of €567,001.34 each, along with interest, commencing from April 2017, is secured by hypothecation of specified Dielectric Film Line and slitter at Barjora and is insured under Hermes export credit guarantee;

r. Vehicle Loan(s) of Rs.70.32 lacs (previous year: Rs.30.61 lacs) carrying interest at between 7 to 7.8 % per annum (previous year: 9 to 9.5%), repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles;

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s. Lenders retain the right to recompense for NPV loss amount of upto Rs.3,65.00 lacs arising on rescheduling of term loans effective April 1, 2016;

t. There has been no default in servicing of loans and interest due thereon during and as at the end of the year;

u. Loans from Indian banks are further secured by pledge of 15% of promoters equity shareholding in the Holding Company;

v. Rs.Nil, (March 31, 2021: Rs.80.46 lacs) has been adjusted against long term borrowings being adjustments on account of adoption of Ind AS.

w. Interest accrued and due on above borrowings is Rs.73.55 lacs (March 31, 2021: Rs.80.72 lacs).

23. Non-current financial liabilities - Others

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Security deposits	6.57	6.57
Total	6.57	6.57

24. Provisions

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Employee Benefits		
Non-current		
Gratuity (refer Note 39)	1,93.96	4,06.09
Compensated absences	27.83	23.56
	2,21.79	4,29.65

25. Deferred tax

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

Deferred tax assets/liabilities (net):

(Rs. in lacs)

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

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Movement in Deferred tax asset (Rs. in lacs)

March 31, 2022

Particulars	Balance as at April 1, 2021	Recognised during the year In Statement of Profit & Loss	In OCI	Balance as at March 31, 2022
Deferred tax liabilities				
Property, plant and equipment	3,84.00	2,31.28	-	6,15.28
	3,84.00	2,31.28	-	6,15.28
Deferred tax assets				
Carry forward of losses	3,31.00	6,89.98	-	10,20.98
Provision for employee benefits	53.00	(4.18)	-	48.82
	3,84.00	6,85.80	-	10,69.80
Net deferred tax asset		4,54.52	-	4,54.52

March 31, 2021

Particulars	Balance as at April 1, 2020	Recognised during the year In Statement of Profit & Loss	In OCI	Balance as at March 31, 2021
Deferred tax liabilities				
Property, plant and equipment	12,70.00	(8,86.00)	-	3,84.00
	12,70.00	(8,86.00)	-	3,84.00
Deferred tax assets				
Carry forward of losses	12,22.00	8,91.00	-	3,31.00
Provision for employee benefits	48.00	5.00	-	53.00
	12,70.00	8,86.00	-	3,84.00
Net deferred tax asset	-	-	-	-

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

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

Reconciliation of tax and book profit (Rs. in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	40,58.78	13,48.01
Tax rate (%)	25.17	25.17
Tax expense at above rate	10,21.59	3,39.29
Tax impact of utilisation of brought forward losses	(10,21.59)	(3,39.29)
Current Tax	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Income tax expense		
Deferred Tax	(4,54.52)	5,33.58
Add: Tax adjusted for earlier years	20.12	(20.93)
Total tax expense	(4,34.40)	5,12.65

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

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

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

26. Current financial liabilities - Borrowings

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Secured		
Loans repayable on demand		
- Working capital loan from banks	7,40.48	11,71.97
- Current maturities of long term borrowings (*refer note 22*)	16,59.50	24,16.41
Total	23,99.98	35,88.38

a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 8.75 to 10.75 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated.

b) There has been no default in servicing of loans and interest payable thereon during and as at the end of the year.

27. Current financial liabilities – Trade payables

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Trade payables		
Total outstanding dues to micro enterprises & small enterprises	1,76.05	1,37.67
Total outstanding dues to creditors other than micro enterprises & small enterprises	37,42.73	51,01.83
Acceptances	18,74.40	19,95.34
Total	57,93.18	72,34.84

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

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

c) Disclosures with respect to related party transactions is given in note 41.

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

(Rs. in lacs)

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

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e) Trade payables ageing schedule

(Rs. in lacs)

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 – 2 years	2 – 3 years	> 3 years	
March 31, 2022					
i) MSME	1,76.05	-	-	-	1,76.05
ii) Others	55,79.92	0.34	0.37	36.50	56,17.13
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-
March 31, 2021					
i) MSME	1,37.67	-	-	-	1,37.67
ii) Others	70,60.01	0.55	0.31	36.30	70,97.17
iii) Disputed Dues - MSME	-	-	-	-	-
iv) Disputed Dues - Others	-	-	-	-	-

28. **Current financial liabilities – Others**

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Creditors for capital expenditure	0.20	0.20
Interest accrued but not due	10.01	15.72
Employees payables	2,22.79	1,82.18
Security deposit received	7.50	4.80
Total	2,40.50	2,02.90

29. **Other current liabilities**

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Advance from customer	1,13.94	10.75
Statutory dues payable	2,40.02	1,82.67
Advance against sale of 'assets held for sale'	6,78.00	2,25.00
Total	10,31.96	4,18.42

30. **Revenue from operations**

(Rs.in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products *(refer note 47)*		
- Finished goods	4,58,48.95	3,67,91.75
Other operating income		
- Scrap sale	3,94.92	5,33.89
- Export incentives and margins	59.99	9.72
- Processing charges	8,68.13	-
Total	4,71,71.99	3,73,35.36

31. **Other income**

(Rs.in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on		
- Fixed deposits	35.07	19.87
- Other financial assets carried at FVTOCI	5.30	-
- Others	8.54	21.07
- Income-tax refund	1.81	5.99
Dividend Income	0.05	0.05
Other non-operating income		
- Foreign currency transactions (net)	-	41.01
- Excess provision written back	49.56	87.30
- Miscellaneous income	83.56	35.70
Total	1,83.89	2,10.99

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32. Cost of materials consumed

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Inventories at the beginning of the year	23,62.53	21,62.30
Add: Purchases during the year	3,29,77.40	2,64,00.98
Less: Inventories at the end of the year	25,42.50	23,62.53
Cost of materials consumed	3,27,97.43	2,62,00.75

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

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	11,45.98	13,49.29
Work-in-progress	2,29.06	3,31.26
Stock-in-trade	0.07	0.11
	13,75.11	16,80.66
Inventories at the end of the year		
Finished goods	14,32.75	11,45.98
Work-in-progress	1,79.67	2,29.06
Stock-in-trade	0.06	0.07
	16,12.48	13,75.11
Net (decrease)/increase	(2,37.37)	3,05.55

34. Employees benefits expense

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Salaries, wages & bonus	26,00.74	23,58.12
Contribution to provident and other funds	2,82.69	2,77.70
Staff welfare expenses	1,35.70	1,25.55
Total	30,19.13	27,61.37

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 39

35. Finance costs

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Interest expense on borrowings measured at amortised cost	9,39.04	11,59.33
Interest on lease liability	25.36	26.82
Other borrowing costs	3,36.32	4,67.12
Total	13,00.72	16,53.27

36. Depreciation and amortisation expenses

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Depreciation on tangible assets	11,69.58	12,02.80
Depreciation on right-to-use assets	37.23	36.89
Total	12,06.81	12,39.69

37. Other expenses

	Year ended March 31, 2022	(Rs.in lacs) Year ended March 31, 2021
Consumption of stores and spares	10,55.32	8,60.76
Processing charges	35.39	34.52
Power & Fuel	25,56.96	19,99.65
Rent	31.62	45.24
Repairs to:		
- Buildings	8.82	15.81
- Plant & Machinery	1,86.52	1,08.74
- Others	24.78	22.32

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Other expenses (contd.)

(Rs.in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Communication	19.21	16.76
Director's Fees	40.64	35.80
Insurance	1,06.39	78.07
Legal & professional	2,05.91	1,05.75
Rates & Taxes	82.84	42.76
Security expenses	67.39	64.15
Travelling and conveyance	1,51.05	75.62
Rebate and commission	2,68.44	2,90.07
Payment to Auditors *(refer note 'a' below)*	21.72	19.53
Other selling expenses	20.06	8.69
Corporate social responsibility *(refer Note 43)*	17.70	-
Loss on disposal/discard of property, plant and equipment	29.04	0.07
Foreign currency transactions (net)	23.29	-
Miscellaneous expenses	2,57.29	2,13.40
Total	52,10.38	40,37.71

a) Payment to auditors

(Rs.in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
To Statutory Auditors		
- As Auditors	18.00	18.00
- For other matters	0.75	-
- Reimbursement of expenses	2.97	1.53
	21.72	19.53

38. Earnings per share (EPS)

(Rs.in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
a) Profit for the year attributable to equity shareholders (A)	44,93.18	8,35.36
b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS	1,18,13,500	1,18,13,500
add: Impact of convertible warrants	1,46,381	-
Weighted average number of equity shares outstanding during the year for computation of Diluted EPS	1,19,59,881	1,18,13,500
Nominal value per share (Rs.)	10	10
c) Basic earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	38.03	7.07
Dilutive earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	37.57	7.07

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

39. Employee benefits

Defined Contribution Plan

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

The Group recognized Rs.2,82.69 lacs (March 31, 2021: Rs 2,77.70 lacs) towards provident fund contributions and ESI contribution in the Statement of Profit and Loss included in "Employee benefits expense" (note 34).

Defined Benefit Plan

Gratuity

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

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

	Year ended March 31, 2022	(Rs in lacs) Year ended March 31, 2021
(i) Asset/(Liability) recognised in Balance Sheet		
Present value of the obligation at end of the year	11,02.26	9,99.00
Fair value of plan assets	9,08.30	5,92.90
Net assets/(liability) recognised in balance sheet as provision	1,93.96	4,06.10
(ii) Amount recognised in the statement of profit and loss is as under:		
Current service cost	53.51	49.45
Net interest cost	17.46	28.81
Expense recognised in the income statement	70.97	78.26
(iii) Amount recognised in other comprehensive income is as under:		
Actuarial gain/(loss) for the year on defined benefit obligation	(8.41)	(36.82)
Actuarial gain/(loss) for the year on plan assets	(7.00)	(2.73)
Total actuarial gain/(loss) for the year	(15.41)	(39.55)
(iv) Movement in the liability recognised in the balance sheet is as under:		
Present value of defined obligation as at start of the year	9,99.00	9,26.85
Current service cost	53.51	49.45
Interest cost	64.93	60.25
Actuarial loss/(gain) recognised during the year	8.41	36.82
Benefits paid	(23.59)	(74.37)
Present value of defined benefit obligation as at the end of the year	11,02.26	9,99.00
(v) Movement in the plan assets recognised in the balance sheet is as under:		
Fair value of plan assets at beginning the year	5,92.90	4,03.08
Expected return on plan assets	47.47	31.43
Employer's contribution	2,98.52	2,00.00
Benefits paid	(23.59)	(38.87)
Actuarial gain/(loss) on plan assets	(7.00)	(2.74)
Fair value of plan assets at the end of the year	9,08.30	5,92.90
Actual return on plan assets	40.47	28.70
(vi) Breakup of actuarial (gain)/loss on defined benefit obligation:		
Actuarial (gain)/loss on arising from change in financial assumption	-	7.86
Actuarial (gain)/loss on arising from experience adjustment	8.41	28.96
Total actuarial (gain)/loss for the year	8.41	36.82
(vii) Actuarial assumptions:		
Discount rate (%)	6.50	6.50
Future salary increase (%)	6.00	6.00
Expected average remaining working lives of employees (years)	13.07	14.31

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2012-14) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(viii) Sensitivity analysis for gratuity liability		
Impact of the change in discount rate		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	(26.22)	(25.02)
- Impact due to decrease of 1 %	30.31	28.75
Impact of the change in salary increase		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	30.16	25.35
- Impact due to decrease of 1 %	(26.57)	(28.60)

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

Compensated absence:

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

40. Contingent Liabilities

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

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

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

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

A. List of Related Parties:

1. Entities exercising significant influence over the Group
   a) iPro Capital Limited;
   b) Intellipro Finance Pvt. Ltd.;
2. Entities over which Key Managerial Personnel have control
   a) Alpha Capital Resources Pte. Ltd., Singapore;
   b) Tanjore Partners LLP;
3. Post-employment benefit funds
   a) Xpro India Limited Employees Provident Fund Trust
   b) Xpro India Limited Senior Officers Superannuation Fund
   c) Xpro India Limited Employees Gratuity Fund
4. Key managerial personnel
   a) Executive Directors:
      (i) Sri Sidharth Birla, *Chairman*;
      (ii) Sri C Bhaskar, *Managing Director & CEO*
   b) Non-executive Independent Directors:
      (i) Sri Amitabha Guha;
      (ii) Sri Ashok Kumar Jha;
      (iii) Sri Utsav Parekh;

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(iv) Sri S Ragothaman:
(v) Smt. Vijaya Sampath (upto 17/6/2020)
(vi) Ms. Suhana Murshed (w.e.f. 10/8/2021)
(vii) Sri Umrao Chand Jain

c) Non-executive Non-Independent Directors:
(i) Smt Madhushree Birla

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

B. Transactions with Related Parties:

(Rs.in Lacs)

Related Party	Nature of transaction	Year ended March 31, 2022	Year ended March 31, 2021
iPro Capital Limited	Aggregate ICD repayments	-	1,00.00
	Outstanding amount at year end	-	-
	Interest paid on inter-corporate deposits	-	9.97
Xpro India Limited Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	56.95	49.70
Xpro India Limited Senior Officers Superannuation Fund	Contribution to post employment benefit fund (with LIC)	59.20	38.77
Xpro India Limited Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	3,00.00	2,00.00
Sri Sidharth Birla	Remuneration (including leave encashment)	1,07.81	91.08
Sri C Bhaskar	Remuneration (including leave encashment)	1,43.52	1,47.46
	Payable amount at year end	8.75	-
	Sitting Fees	0.04	0.20
Smt Madhushree Birla	Sitting Fees	6.04	5.80
Sri Amitabha Guha	Sitting Fees	8.65	8.45
Sri Ashok Kumar Jha	Sitting Fees	6.50	6.40
Sri Utsav Parekh	Sitting Fees	6.90	6.95
Sri S Ragothaman	Sitting Fees	7.99	7.75
Smt Vijaya Sampath	Sitting Fees	-	0.10
Ms. Suhana Murshed (w.e.f.10/8/21)	Sitting Fees	4.50	-
Sri Umrao Chand jain	Sitting Fees	0.02	0.15
Sri H Bakshi	Remuneration	1,31.38	1,01.88
Sri V K Agarwal	Remuneration	94.22	75.57
Sri S C Jain	Remuneration	-	18.08
Sri Amit Dhanuka	Remuneration	20.35	14.64

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

C. No balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than as stated above.

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

42. Segment Information

The Group operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India; the transactions of the subsidiaries being insignificant. Accordingly, there are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

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

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43. CSR Expenditure

(Rs.in lacs)

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

Note: i) All CSR expenditure has been paid during the year and accordingly there are no provisions for expenses;
ii) The Group intends to carry forward the excess amount of Rs.6.86 lacs spent during the year;
iii) The Group does not have any ongoing projects as at March 31, 2022.

44. Fair Value Measurement

Financial instrument by category

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

Fair Value hierarchy

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

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

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

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

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

Financial instrument by category measured at amortised cost

(Rs. in lacs)

Particulars	March 31, 2022		March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
- Trade Receivables	66,34.46	66,34.46	66,38.12	66,38.12
- Cash & cash equivalents	18,71.19	18,71.19	1,70.69	1,70.69
- Other bank balances	4,77.30	4,77.30	4,23.21	4,23.21
- Loans	22.86	22.86	17.59	17.59
- Other financial asset	5,36.51	5,36.51	5,62.74	5,62.74
Total	95,42.32	95,42.32	78,12.35	78,12.35
Financial liabilities				
- Borrowings	87,70.91	87,70.91	1,32,89.06	1,32,89.06
- Other financial liabilities	2,47.07	2,47.07	2,09.47	2,09.47
- Trade payables	57,93.18	57,93.18	72,34.84	72,34.84
- Lease liabilities	2,17.82	2,17.82	2,31.64	2,31.64
Total	1,50,28.98	1,50,28.98	2,09,65.01	2,09,65.01

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

(i) Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and other market risk factors.

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

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

45. Financial risk management

i) Financial instrument by category

(Rs. in lacs)

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
- Investments	-	4,97.86	-	-	-	-
- Trade receivable	-	-	66,34.46	-	-	66,38.12
- Cash and cash equivalent	-	-	18,71.19	-	-	1,70.69
- Other Bank balances	-	-	4,77.30	-	-	4,23.21
- Loans	-	-	22.86	-	-	17.59
- Other financial assets	-	-	5,36.51	-	-	5,62.74
	-	4,97.86	95,42.32			78,12.35
Financial liabilities						
- Lease liabilities	-	-	2,17.82	-	-	2,31.64
- Borrowings	-	-	87,70.91	-	-	1,32,89.06
- Trade payables	-	-	57,93.18	-	-	72,34.84
- Other financial liabilities	-	-	2,47.07	-	-	2,09.47
Total	-	-	1,50,28.98	-	-	2,09,65.01

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

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

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

ii) Risk management

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

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

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

Credit risk management

Credit risk rating

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

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

The Group provides for expected credit loss on the following:

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

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

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

Assets under credit risk -

(Rs. in lacs)

Credit rating	Particulars	As at March 31, 2022	As at March 31, 2021
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	95,42.32	78,12.35

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

Expected credit risk losses for financial assets other than trade receivables

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

(Rs. in lacs)

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2022				
Investments	4,97.86	0 %	-	4,97.86
Loans	22.86	0 %	-	22.86
Trade receivables	66,34.46	0 %	-	66,34.46
Cash and cash equivalents	18,71.19	0 %	-	18,71.19
Other bank balances	4,77.30	0 %	-	4,77.30
Other financial assets	5,36.51	0 %	-	5,36.51
March 31, 2021				
Loans	17.59	0 %	-	17.59
Trade receivables	66,38.12	0 %	-	66,38.12
Cash and cash equivalents	1,70.69	0 %	-	1,70.69
Other bank balances	4,23.21	0 %	-	4,23.21
Other financial assets	5,62.74	0 %	-	5,62.74

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Expected credit loss for trade receivables under simplified approach

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

(Rs. in lacs)

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

B. Liquidity Risk

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

Maturities of financial liabilities

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

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rs in lacs)

Particulars	< 1 year	1 – 5 years *	>5 years	Total
As at March 31, 2022				
Borrowings	23,99.98	63,70.93	-	87,70.91
Trade payables	57,93.18	- -	-	57,93.18
Lease liabilities	22.89	1,42.69	52.24	2,17.82
Financial liabilities	2,40.50	6.57	-	2,47.07
Total	84,56.55	65,20.19	52.24	1,50,28.98
As at March 31, 2021				
Borrowings	35,88.38	97,00.68	-	1,32,89.06
Trade payables	72,34.84	-	-	72,34.84
Lease liabilities	13.07	1,06.39	1,12.18	2,31.64
Financial liabilities	2,02.90	6.57	-	2,09.47
Total	1,10,39.19	98,13.64	1,12.16	2,09,65.01

*interest outflow of the said liabilities has not been considered

C. Market risk

Foreign currency risk

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

Foreign currency risk exposure

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

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
Payable on imports		
- USD	24,54,180	25,12,515
Borrowings		
- Euro	2,279,707	3,419,980

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Receivables on export		
- USD	1,228,594	383,774
- Euro	162,009	61,571

Sensitivity

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

(Rs. in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
USD sensitivity		
INR/USD – increase by 2 %	(18.88)	(31.62)
INR/USD – decrease by 2 %	18.88	31.62
Euro sensitivity		
INR/Euro – increase by 2 %	(36.32)	(58.79)
INR/Euro – decrease by 2 %	36.32	58.79

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

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

(Rs.in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	87,70.91	1,32,89.06
Fixed rate borrowings	-	-
Total borrowings	87,70.91	1,32,89.06

Sensitivity

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

(Rs.in lacs)

Particulars	Year ending March 31, 2022	Year ending March 31, 2021
Interest sensitivity		
Interest rates - increase by 1 %	1,30.07	1,65.32
Interest rates - decrease by 1 %	(1,30.07)	(1,65.32)

Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Rs.in lacs)

Particulars	Year ending March 31, 2022	Year ending March 31, 2021
Long-term borrowings	63,70.93	97,00.68
Current maturities of long-term borrowings	16,59.50	24,16.41
Short-term borrowings	7,40.48	11,71.97
Interest accrued but not due on borrowings	10.01	15.72
Total borrowings	87,80.92	1,33,04.78
Less: Cash and cash equivalents	18,71.19	1,70.69
Other bank balance	4,77.30	4,23.21
Net debts	64,32.43	1,27,10.88
Total equity *	1,72,02.64	89,88.95
Net debts to equity ratio	37.39 %	141.41 %

* *Equity includes equity share capital and other equity of the Group that are managed as capital*

46. Leases

a. The Group has adopted Ind AS 116 -'Lease' from April 1, 2019, which resulted in changes in accounting policies in the standalone financial statements.

b. **Practical expedients applied**

The Group has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities on April 1, 2019 was 11.25% with maturity between 2020 - 2028.

d. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good state of repair and return the property in the original condition at the end of the lease.

e. The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term (Years)	Average remaining lease term (years)
Building	1	6	6
Land	4	68 - 85	75.37

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

f. **Amounts recognized in balance sheet and statement of profit and loss account:**

The balance sheet shows the following amounts relating to leases:

(Rs. in lacs)

	Category of right-of-use assets		
	Land	Building	Total
Balance as at April 1, 2020 (on account of initial application of Ind AS 116)	6,95.50	2,26.71	9,22.21
Add: Additions	-	-	-
Less: Depreciation charged on the right-of-use	8.57	28.32	36.89
Balance as at March 31, 2021	6,86.93	1,98.39	8,85.32
Add: Additions	33.13	-	33.13
Less: Depreciation charged on the right-of-use	8.89	28.34	37.23
Balance as at March 31, 2022	7,11.17	1,70.05	8,81.22

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g. Amount recognised in Statement of Profit or Loss:

(Rs. in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Depreciation of right-of-use assets (classified under Depreciation and amortisation expense)	37.23	36.89
ii) Interest on lease liabilities (classified under Finance costs)	25.36	26.82
iii) Expenses related to short term leases (classified under Other expenses)	31.62	45.24

h. The total cash outflow for leases for the year ended March 31, 2022 was Rs.39.18 lacs (March 31, 2021: Rs.39.18 lacs)

i. Lease liabilities included in balance sheet:

(Rs. in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current	22.89	13.07
Non-current	194.93	218.57

j. Future minimum lease payments are as follows: (Rs. in lacs)

As on March 31, 2022

Minimum lease payments due:	Lease Payments	Finance charges	Net present value
Within 1 year	46.23	(23.34)	22.89
1 - 2 years	46.23	(20.64)	25.59
2 - 3 years	46.23	(17.60)	28.63
3 - 4 years	55.48	(13.72)	41.76
4 - 5 years	55.48	(8.77)	46.71
After 5 years	55.48	(3.24)	52.24
Total	3,05.13	(87.31)	2,17.82

As on March 31, 2021 (Rs. in lacs)

Minimum lease payments due:	Lease Payments	Finance charges	Net present value
Within 1 year	39.18	(25.36)	13.82
1 - 2 years	46.23	(23.35)	22.88
2 - 3 years	46.23	(20.64)	25.59
3 - 4 years	46.23	(17.60)	28.63
4 - 5 years	55.48	(13.72)	41.76
After 5 years	1,10.96	(12.00)	98.96
Total	3,44.31	(1,12.67)	2,31.64

47. Revenue related disclosures (in accordance with AS 115)

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Group's revenue from contract with customers is set out below:

(Rs. in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers		
(i) Sale of products:		
(a) Coextruded sheets, cast films and liners	3,32,97.20	2,79,33.94
(b) Biaxially oriented films	1,25,51.75	88,57.81
(ii) Other operating income	13,23.04	5,43.61
Total revenue covered under Ind AS 115	4,71,71.99	3,73,35.36

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

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(Rs. in lacs)

	Year ended March 31, 2022	Year ended March 31, 2021
Contract liabilities		
Advance received from customers	1,13.94	10.75
Total contract liabilities	1,13.94	10.75
Receivables		
Trade receivables	66,34.46	66,38.12
Total receivables	66,34.46	66,38.12

C. Significant changes in the contract liabilities balances during the year:

(Rs. in lacs)

	As at March 31, 2022	As at March 31, 2021
Contract liabilities - Advance received from customers		
Opening balance	10.75	13.80
Addition during the year	1,13.94	10.75
Revenue recognized during the year	(10.75)	(13.80)
Closing balance	1,13.94	10.75

48. Additional Information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(Rs. In lakhs)

Name of the Company	Net Assets (Total Assets minus total liabilities)		Share in Profit or Loss		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit/(Loss)	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
2021 - 22								
Parent Company								
Xpro India Ltd.	99.99	172,00.52	100.00	44,93.07	100.00	(28.53)	100.00	44,64.54
Indian Subsidiary								
Xpro Global Ltd.	0.01	2.12	0.00	0.11	-	-	0.00	0.11

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2022

Name of the Company	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit/(Loss)	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
2020 - 21								
Parent Company								
Xpro India Ltd.	99.98	89,86.94	100.13	8,36.49	100.00	(39.55)	100.14	7,96.94
Indian Subsidiary								
Xpro Global Ltd.	0.02	2.01	0.03	0.29	-	-	0.03	0.29
Foreign Subsidiary								
Xpro Global Pte Ltd	-	-	(0.16)	(1.42)	-	-	(0.17)	(1.42)

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2021

49. Pursuant to the special resolution passed at the Extraordinary General Meeting held on December 29, 2021, and relevant regulatory provisions, the Holding Company issued and allotted on January 11, 2022 by way of preferential allotment 19,68,000 warrants at a price of Rs.762 each, each warrant carrying a right upon being fully paid-up within a period of 18 months from date of allotment to subscribe to one equity share of face value Rs.10 of the Holding Company (including premium of Rs.752 each). The Holding Company has received allotment money of Rs.3749.04 lacs, being 25% of the total warrant price by the end of this financial year. As per the offer letter, the issue proceeds may be utilized for growth capital and expansion/diversification requirements (whether organic or inorganic), to meet capital expenditure, to reduce borrowings, to enhance long-term resources and strengthen the financial structure, for meeting working capital requirements and for other general corporate purposes and purposes permitted by applicable laws. The proceeds of the said issue are being fully utilized for the purposes stated.

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50. **Estimation of uncertainties relating to global pandemic - Covid-19**

The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, deferred tax assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as current contract terms, market and financial strength of customers, future volume estimates etc. Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of these assets will be recovered and there will be no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group continues to closely monitor material changes to the economic conditions and impact on business to address and mitigate the overall impact, if any, in this unprecedented situation.

51. Ratios

	Ratio	Ratio Formula	Year 2021-22	Year 2020-21	Variance (%)	Explanation for variance
a)	Current ratio	*Current assets / Current liabilities*	1.53	1.07	42.99	Growth in revenue along with improved operating efficiencies in business resulting in higher current assets and lower current liabilities, and infusion of capital (convertible warrants application and allotment money)
b)	Debt-equity ratio	*Total debt / Shareholder's equity*	0.51	1.48	(65.54)	Repayment (including in advance) of term loans availed in previous financial years; lower working capital borrowing and infusion of capital (convertible warrants application and allotment money)
c)	Debt service coverage ratio	*Earnings available for Debt Servicei.e. net profit after taxes + interest and lease payment + depreciation and amortization expenses + loss on sale of PPE) / Debt Service (i.e. Interest and lease payments + principal repayments)*	1.18	0.88	34.09	Significant increase in profitability, and reduction in debt, including through pre-payment
d)	Return on equity (%)	*Profit for the year / Avg. shareholder's equity*	34.31	9.70	253.71	Significant increase in profitability
e)	Inventory turnover ratio	*Cost of goods sold / Average Inventory*	7.51	6.40	17.34	-
f)	Trade receivables turnover ratio	*Revenue from operations / Average trade receivables*	7.11	6.27	13.39	-
g)	Trade payables turnover ratio	*Purchase of raw materials/ Average trade payables*	5.06	4.09	23.72	-
h)	Net capital turnover ratio	*Revenue from operations / Working capital (i.e. Current assets – current liabilities)*	9.37	49.93	(81.23)	Increase in revenue along with increase in working capital following lower current liabilities
i)	Net profit ratio (%)	*Profit for the year / Revenue from operations*	9.53	2.24	325.44	Significant increase in profitability, together with higher value added products, and optimisation of product & customer mix
j)	Return on capital employed (%)	*Earning before interest & taxes / Capital employed (i.e. total equity + borrowings including accrued interest)*	20.63	13.46	53.27	Significant increase in profitability
k)	Return on investment (%)	*Profit after tax / Total assets*	13.42	2.71	394.77	Significant increase in profitability

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52. **Significant events after the reporting period**

The Board of Directors of the Holding Company has recommended a dividend of Rs 2.00 per share for the year 2021-22 (March 31, 2021 - Rs. Nil per share), subject to approval by the shareholders at the ensuing Annual General Meeting of the Company; No liability has been recognised as at March 31, 2022.

Further, the Board of Directors has recommended for approval by shareholders the issue and allotment of Bonus shares by capitalization of appropriate reserves and surplus, in the ratio of 1 equity share for every 2 equity shares.

There were no other significant adjusting events that occurred subsequent to the reporting period other than events disclosed in the relevant notes.

53. **Additional Regulatory Information:**

a. There are no immovable properties where the title deeds are not held in the name of the Group (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group);

b. There are no loans or advances in the nature of loans granted to promoters, directors, KMPs and related parties, either severally or jointly with another person, that are (i) repayable on demand or (ii) without specifying any terms or period of repayment;

c. The Group does not have any Benami property, and no proceedings have been initiated or is pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988;

d. The Group has been regular in filling quarterly returns or statements of current assets with banks and those are in agreement with the books of accounts;

e. The Group has not been declared a wilful defaulter by any bank or financial institution;

f. The Group has no transactions with companies struck off under Sec.248 of the Companies Act, 2013 or Sec. 560 of the Companies Act, 1956;

g. The Group does not have any charges or satisfaction yet to be registered with ROC beyond the statutory period;

h. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year;

i. The Group has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;

j. The Group has not received any funds from any person(s) or entity(ies), including foreign entities with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group or (ii) provide any guarantee, security or the like to or on behalf of the Group;

k. The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

54. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

55. Previous period's figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification/disclosure.

56. The audited consolidated financial results along with the report thereon are also available on the Holding Company's website www.xproindia.com and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).

57. The consolidated financial statements were approved for issue by the Board of Directors at their meeting, deemed to have been held at New Delhi, through video conferencing on May 25, 2022.

In terms of our report of even date attached For Walker Chandiok & Co LLP Chartered Accountants Firm's Registration No. 001076N/N500013			For and on behalf of the Board
			Sidharth Birla *Chairman*
Nitin Toshniwal Partner Membership No. 507568 Faridabad May 25, 2022	Amit Dhanuka *Company Secretary*	V. K. Agarwal *President (Finance) & Chief Financial Officer*	C. Bhaskar *Managing Director & Chief Executive Officer*

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Independent Auditor's Report

To the Members of Xpro India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Xpro India Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Assets held for sale of unit situated in Biax - Unit 1	
Refer note 4(e) for the accounting policy and note 19 for the financial disclosures. The Group has a manufacturing unit situated in Barjora (referred to as 'Biax-Unit 1'). The management has determined Biax-Unit 1 unit as a single cash generating unit ('CGU') in accordance with Ind AS 36, Impairment of Assets. The Group had entered a 'Term Sheet' for sale of its assets situated at Biax-Unit 1, basis the approval of the Board of Directors during the year ended 31 March 2019, for a consideration which was greater than the carrying value of the CGU as on the reporting date which was also approved by the shareholders. The sale was subject to obtaining necessary approvals from regulatory authorities and satisfactory trial runs of the plant. Subsequently the parties have also entered into an addendum agreement on 4 February 2021 providing, inter alia, for interim operations on a job-work basis pending formal approval of transfer. (Interim operations commenced in March 2021.) The renewal lease deed having been executed during the year, the management as required has applied to the Government of West Bengal for transfer of land to the buyer which is pending as at year end. Meanwhile, the management has conducted the trial run and purchaser has confirmed the plant as acceptable on an "as is where is basis". The term sheet continues to be binding on the parties involved and hence the Group has presented these assets as "assets held for sale" in the consolidated financial statements and valued it at lower of carrying value and fair value less cost to sell in accordance with Ind AS 105. The fair value has been determined based on the value ascribed in the Term Sheet. This was considered to be one of the areas which required significant auditor attention and a matter which was of most significance in the consolidated financial statements due to the nature of transaction and materiality of the balances.	Our audit procedures included, but were not limited to the following: • Assessed the term sheet and the addendum agreement entered into with the buyer and discussed its validity with the management. • Assessed the carrying value of the assets for any adjustments during the year. • Assessed that the disposal cost which has been carried forward meets the definition of asset. • Reviewed the correspondences between the Group and the regulatory authority for transfer of lease deed. • Assessed the events and circumstances for the classification of asset held for sale under Ind AS 105 along with the conditions mentioned in the Term Sheet. • Assessed reasonableness of management's judgement with respect to the likelihood and expected timing of the implementation of the term sheet. • Analysed the term sheet entered into with the buyer and noted the consideration agreed is higher than the carrying value of the land, building and plant and machinery situated at Biax - Unit I. • Assessed the appropriateness and completeness of the disclosures in note 19 in accordance with the applicable Ind AS.

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Independent Auditor's Report to the Members of Xpro India Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2021 (cont'd)

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

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

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

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

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

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

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by him. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Chartered Accountants

Independent Auditor's Report to the Members of Xpro India Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2021 (cont'd)

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 10.41 lacs and net assets of ₹ 2.01 lacs as at 31 March 2021, total revenues of ₹ 1.36 lacs and net cash outflows amounting to ₹ 4.16 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, are based solely on the report of the other auditor. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the report of the other auditor.

16. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ Nil lacs and net assets of ₹ Nil lacs as at 31 March 2021, total revenues of ` Nil lacs and net cash outflows amounting to ₹ 26.31 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that one subsidiary company covered under the Act has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.

18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Chartered Accountants

a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;

c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure 2'; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

   i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 39 to the consolidated financial statements;

   ii. the Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

   iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021. Further, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company covered under the Act, during the year ended 31 March 2021; and

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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Independent Auditor's Report to the Members of Xpro India Limited on the Audit of the Consolidated Financial Statements for the year ended 31 March 2021 (cont'd)

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAACF6670

Place: Faridabad
Date: 25 May 2021

Annexure 1 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2021

Annexure 1

List of entities included in the consolidated financial statements

1. Xpro Global Limited; and
2. Xpro Global Pte. Ltd. (till 8 February 2021)

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure 2 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2021

Annexure 2

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

1. In conjunction with our audit of the consolidated financial statements of Xpro India Limited (the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as the 'Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which is the company covered under the Act, as at that date.

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

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

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

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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Annexure 2 to the Independent Auditor's Report of even date to the members of Xpro India Limited on the consolidated financial statements for the year ended 31 March 2021 (cont'd)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company, the Holding Company and its subsidiary company, which is company covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 10.41 lacs and net assets of ₹ 2.01 lacs as at 31 March 2021, total revenues of ₹ 1.36 lacs and net cash outflows amounting to ₹ 4.16 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Nitin Toshniwal
Partner
Membership No.: 507568
UDIN: 21507568AAAACF6670
Place: Faridabad
Date: 25 May 2021

Chartered Accountants

CONSOLIDATED BALANCE SHEET as at March 31, 2021

(Rs. in lacs)

	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current assets			
a. Property, plant and equipment	5	1,70,23.27	1,78,86.32
b. Capital work-in-progress	5	31.24	31.36
c. Right-of-use asset	45	8,85.32	9,22.21
d. Other intangible assets	6	-	-
e. Financial assets			
Loans	7	1,86.79	1,86.07
Other financial assets	8	2,13.41	2,13.41
f. Deferred tax assets (net)	24	-	5,33.58
g. Non-current tax assets (net)	9	2,01.82	54.05
h. Other non-current assets	10	54.63	69.67
		1,85,96.48	1,98,96.67
Current assets			
a. Inventories	11	41,03.80	41,73.44
b. Financial assets			
Trade receivables	12	66,38.12	52,73.67
Cash and cash equivalents	13	1,70.69	6,23.57
Bank balances (other than cash and cash equivalents)	14	4,23.21	4,50.61
Loans	15	1,09.33	1,09.06
Other financial assets	16	70.80	70.80
c. Current tax assets	17	2.39	77.80
d. Other current assets	18	1,65.75	4,50.68
		1,16,84.09	1,12,29.63
Assets held for sale	19	5,21.46	5,09.08
Total Assets		3,08,02.03	3,16,35.38
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	11,81.35	11,81.35
b. Other equity	20	78,07.60	70,11.79
Total equity		89,88.95	81,93.14
Liabilities			
Non-Current liabilities			
a. Financial liabilities			
Borrowings	21	97,00.68	1,06,71.59
Lease liabilities	45	2,18.57	2,31.64
Other financial liabilities	22	6.57	6.57
b. Provisions	23	4,29.65	5,38.77
		1,03,55.47	1,14,48.57
Current liabilities			
a. Financial liabilities			
Borrowings	25	11,71.97	39,78.98
Lease liabilities	45	13.07	12.36
Trade payables - dues to micro & small enterprises	26	1,37.67	20.94
- dues to creditors other than micro & small enterprises	26	70,97.17	56,40.80
Other financial liabilities	27	26,19.31	21,10.08
b. Other current liabilities	28	4,18.42	2,30.51
		1,14,57.61	1,19,93.67
Total liabilities		2,18,13.08	2,34,42.24
Total Equity and liabilities		3,08,02.03	3,16,35.38

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

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

For and on behalf of the Board

Nitin Toshniwal
Partner
Membership No. 507568
Faridabad, May 25, 2021

Amit Dhanuka
Company Secretary

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

Sidharth Birla
Chairman

C. Bhaskar
Managing Director & Chief Executive Officer

STATEMENT OF CONSOLIDATED PROFIT AND LOSS

For the Year ended March 31, 2021

(Rs. in lacs)

	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Income			
- Revenue from operations	29	3,73,35.36	3,54,83.93
- Other income	30	2,10.99	1,53.75
Total income		3,75,46.35	3,56,37.68
Expenses			
- Cost of materials consumed	31	2,62,00.75	2,62,46.44
- Changes in inventories of finished goods, stock-in-trade & work-in-progress	32	3,05.55	(6,39.88)
- Employee benefits expense	33	26,83.11	25,19.92
- Finance costs	34	17,31.53	18,58.58
- Depreciation and amortisation expense	35	12,39.69	12,21.34
- Other expenses	36	40,37.71	43,90.61
Total expenses		3,61,98.34	3,55,97.01
Profit before exceptional items and tax		13,48.01	40.67
Exceptional items		-	-
Profit before tax		13,48.01	40.67
Tax expense			
- Current tax		-	26.00
- Deferred tax		5,33.58	(26.00)
- Tax adjusted for earlier years		(20.93)	0.84
Total tax expense		5,12.65	0.84
Profit for the year		8,35.36	39.83
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		(39.55)	(20.32)
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		(39.55)	(20.32)
Total comprehensive income for the year (comprising profit after tax, and other comprehensive income for the year)		7,95.81	19.51
Profit for the year attributable to			
- Owners of the Company		8,35.36	39.83
- Non-controlling interest		-	-
Other comprehensive income for the year attributable to			
- Owners of the Company		(39.55)	(20.32)
- Non-controlling interest		-	-
Total comprehensive income for the year attributable to			
- Owners of the Company		7,95.81	19.51
- Non-controlling interest		-	-
Earnings per equity share (of Rs.10/- each)	37		
- Basic (Rs.)		7.07	0.34
- Diluted (Rs.)		7.07	0.34

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

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

For and on behalf of the Board

Sidharth Birla
Chairman

Nitin Toshniwal
Partner
Membership No. 507568
Faridabad
May 25, 2021

Amit Dhanuka
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer

STATEMENT OF CONSOLIDATED CASH FLOWS
For the Year ended March 31, 2021

(Rs. in lacs)

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**Cash flow from Operating Activities**		
	Net profit before tax	13,48.01	40.67
	Adjustments for:		
	Depreciation and amortisation (net)	12,39.69	12,21.34
	Exceptional items	-	-
	Excess provision written back	(87.30)	(79.89)
	Foreign currency translations (net)	-	1.63
	Interest income	(46.92)	(44.80)
	Finance costs	16,56.21	17,83.27
	Loss on sale of property, plant and equipment	0.08	26.50
	Bad debts	-	78.34
	Dividend income	(0.05)	(0.08)
	Operating profit before working capital changes	41,09.72	30,26.98
	Movement in financial assets	(0.99)	19.70
	Movement in trade receivables	(13,64.44)	3,38.66
	Movement in other assets	2,99.77	5,50.02
	Movement in inventory	69.64	(5,78.70)
	Movement in financial liabilities	16,93.22	4,66.50
	Movement in other liabilities	1,87.90	0.22
	Movement in provisions	(1,48.68)	89.98
	Cash Flow generated from operations (gross)	48,46.14	39,13.36
	Less: taxes paid (net)	(62.64)	(66.31)
	Net Cash Flow generated from operating activities (A)	47,83.50	38,47.05
B.	**Cash flow from Investing Activities**		
	Purchase of property, plant and equipment and intangible assets (including adjustment on account of capital work-in-progress, capital advances and capital creditors)	(2,39.67)	(6,23.46)
	Proceeds from sale of property, plant and equipment	20.53	14.15
	Dividend Received	0.05	0.08
	Interest Received	46.92	36.64
	Proceeds from maturity of/(Investment in) fixed deposits	22.42	(49.88)
	Net Cash Flow (used in) from investing activities (B)	(1,49.75)	(6,22.47)
C.	**Cash flow from Financing Activities**		
	Payment of lease liabilities	(39.18)	(39.18)
	Proceeds from long-term borrowings	19,30.00	1,28.71
	(Repayment) of long-term borrowings	(25,25.02)	(17,33.19)
	(Repayment)/proceeds of short-term borrowings (net)	(28,07.01)	7,10.86
	Interest paid	(16,45.42)	(17,51.24)
	Net Cash Flow (used in) financing activities (C)	(50,86.63)	(26,84.04)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(4,52.88)	5,40.54
	Cash and Cash Equivalents at the beginning of the year	6,23.57	83.03
	Cash and Cash Equivalents at the end of the year (refer Note 13)	1,70.69	6,23.57

	As at March 31, 2021	As at March 31, 2020
Components of cash and cash equivalents (refer Note 13)		
Balances with scheduled banks:		
- In current accounts	1,66.55	6,20.47
Cash on hand	4.14	3.10
	1,70.69	6,23.57

Notes:

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

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

(Rs. in lacs)

	Lease liabilities	Long-term borrowings	Short-term Borrowings
Balance as on April 1, 2019 #*	2,55.05	1,39,26.50	32,68.12
Cash flows:			
Proceeds	-	1,28.71	7,10.86
Repayments	(39.18)	(17,33.19)	-
Non-cash changes on account of:			
foreign exchange fluctuation	-	2,65.64	
interest cost on lease liabilities	28.13	-	-
Balance as on April 1, 2020 *	2,44.00	1,25,87.66	39,78.98
Cash flows:			
Proceeds	-	19,30.00	-
Repayments	(39.18)	(25,25.02)	(28,07.01)
Non-cash changes on account of:			
foreign exchange fluctuation	-	1,24.45	
interest cost on lease liabilities	26.82	-	-
Balance as on March 31, 2021 *	2,31.64	1,21,17.09	11,71.97

Lease liabilities in 2019-20 have been created on account of transition to Ind AS 116 (refer note 45 for details)

* includes current maturity of long-term borrowings Rs 24,16.41 lacs (March 31, 2020: Rs.19,16.07 lacs, March 31, 2019: Rs.21,09.74 lacs)

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

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

Nitin Toshniwal
Partner
Membership No. 507568
Faridabad
May 25, 2021

For and on behalf of the Board

Siddharth Birla
Chairman

Amit Dhanuka
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended March 31, 2021

(Rs. in lacs)

A. Equity Share Capital

Particulars	Number of shares	Amount
Balance as at April 1, 2019	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	1,18,13,500	11,81.35
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	1,18,13,500	11,81.35

B. Other equity

Particulars	Reserves and surplus					Total
	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2019	60.50	4,06.58	67,50.00	(2,27.08)	0.59	69,90.59
Profit for the year	-	-	-	39.83	-	39.83
Remeasurement of defined benefit plans (net of tax)	-	-	-	(20.32)	-	(20.32)
Currency fluctuation on translation	-	-	-	-	1.69	1.69
Balance as at March 31, 2020	60.50	4,06.58	67,50.00	(2,07.57)	2.28	70,11.79
Profit for the year	-	-	-	8,35.36	-	8,35.36
Remeasurement of defined benefit plans (net of tax)	-	-	-	(39.55)	-	(39.55)
Currency fluctuation on translation	-	-	-	2.28	(2.28)	-
Balance as at March 31, 2021	60.50	4,06.58	67,50.00	5,90.52	-	78,07.60

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

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

Nitin Toshniwal
Partner
Membership No. 507568
Faridabad
May 25, 2021

For and on behalf of the Board

Sidharth Birla
Chairman

Amit Dhanuka
Company Secretary

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

C. Bhaskar
Managing Director & Chief Executive Officer

Notes to the Consolidated Financial Statements

1. Company Information:

These Consolidated financial statements comprise the financial statements of Xpro India Limited ("the Holding Company") and its subsidiaries (collectively referred to as 'the Group') for the year ended March 31, 2021

	Name of Subsidiary	% Shareholding	Principal Activity	Country of Incorporation
a.	Xpro Global Limited	100 *	General Trade	India
b.	Xpro Global Pte. Ltd.	100 ^	General Wholesale Trade Business & management consultancy services	Singapore

The Group is engaged mainly in the business of Polymers Processing; the transactions of the subsidiaries are insignificant.
(* 100% shareholding in each of the years ended March 31, 2021 and March 31, 2020);
(^100% shareholding in the year ended March 31, 2020; Xpro Global Pte. Ltd., Singapore, had applied voluntarily and was accordingly struck off the Register of Companies by the regulatory agency in Singapore, with effect from February 8, 2021)

2. Application of new and revised Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ('MCA') notifies new standards or amendment to the existing standards. However, there are no such notifications which have been issued but are not yet effective or applicable from April 1, 2021.

3. Basis for Preparation:

a. Principles of Consolidation

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

i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like terms of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses in accordance with Ind AS 110 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's Separate Financial Statements.

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

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

These financial statements of the Group for the year ended March 31, 2021 were approved and authorized for issue by Board of Directors on May 25, 2021.

c. Basis of measurement

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

d. Functional and presentation currency

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

e. Current and non-current classification

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

f. Fair Value Measurements

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

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

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

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

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

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

Overall Considerations

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

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

4. Significant accounting policies:

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

a. Property, plant and equipment

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

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

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

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

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

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

Depreciation on property, plant and equipment is provided over the useful lives of assets as specified in Schedule II to the Act.

Leasehold improvements are amortised over the lease period.

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

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

b. Other Intangible assets

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

Subsequent expenditure is recognised as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

An intangible asset is derecognised when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognised in the statement of profit and loss.

Intangible assets with finite useful life are assessed for impairment whenever there is an indication that the intangible assets may be impaired. Amortisation of intangible assets such as software is computed on a straight-line basis, at rates representing estimated useful life of 5 years. Technical know-how fees are amortised over the life of the plant from the date of commencement of commercial production using such know-how. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

c. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized, if any. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised as an expense in the year in which they are incurred.

d. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of the other assets or CGUs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). To determine impairment of the Group's corporate assets which do not generate independent cash inflows, recoverable amount is determined for the CGUs to which the corporate assets belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to CGU, and then to reduce the carrying amounts of any other assets of the CGUs or group of CGUs on a pro-rata basis.

e. Assets held for sale

The Group classifies asset as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale, if the Management expects to complete the sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell.

f. Inventories

Inventories are valued at the lower of cost and net realisable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and is determined on a weighted average basis. Work-in-progress includes raw material cost, plus conversion cost depending upon stage of completion. The cost of purchase consists of the purchase price including duties & taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition. Stock in Transit is valued at lower of cost and net realisable value. Scrap is valued at estimated net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

g. Provisions, Contingent Liabilities, Contingent assets and Commitments

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are neither recognised nor disclosed in the financial statements.

h. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and ultimate collection of the grant/subsidy is reasonably certain. Grants that compensate the Group for expenses incurred are recognised in profit or loss as other operating revenues on a systematic basis in the periods in which such expenses are recognised.

i. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

j. **Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date the transaction first qualifies for recognition. Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of short-term monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Exchange differences pertaining to long-term foreign currency monetary items used for acquisition of depreciable fixed assets are added to the cost of fixed assets and depreciated over the remaining life of the respective fixed asset.

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks in respect of its imports and exports. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken to statement of profit and loss.

k. **Revenue recognition**

Sale of Goods: Revenue from sale of products are recognised when control of products is transferred i.e. on dispatch of goods and are accounted for net of returns, trade discounts and volume rebates.

Sales value is net of discounts, rebates and freight outward (on external sales) and are exclusive of value added tax and goods and service tax.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). No element of financing is deemed present as the sales are largely made with credit term of not more one year.

The transaction price is allocated by the Group to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised when the goods are delivered as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Sale of Services: Revenue from job work services and management consultancy services are recognized based on the services rendered in accordance with the terms of contracts.

Dividend Income: Dividend Income is recognized when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

Interest Income: Interest income from a financial asset is recognized when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other Income: Interest income is recognised, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR). Income from export incentives is recognised on accrual basis.

l. **Employee Benefits**

Employee benefits include provident fund, Superannuation Fund, employee state insurance scheme, gratuity fund and compensated absences.

Defined contribution plans: The Group's contribution to Provident Fund, Superannuation Fund and employees state insurance scheme are considered as defined contribution plans and are charged as an expense based on the pre-determined amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans: For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss: (i) Service costs comprising current service costs, gains and losses on curtailments and settlements; and (ii)Net interest expense or income.

The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Compensated absences: Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in the actuarial assumption are recognised in the statement of profit and loss.

Short-term employee benefits: The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service.

m. Leases

The Group as a lessee: Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments: (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable; (b) variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date; (c) amounts expected to be payable under residual value guarantees, if any; (d) the exercise price of a purchase option if any, if the Group is reasonably certain to exercise that option; (e) payment for penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depends on sales are recognised in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising (a) the amount of the initial measurement of lease liability; (b) any lease payments made at or before the commencement date less any lease incentives received; (c) any initial direct costs; and (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying assets useful life.

Payments associated with short-term leases are recognised on a straight-line basis as an expense in the statement of profit and loss. Short term leases are the leases with a lease term of 12 months or less.

n. Income tax

Income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

o. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Group and the weighted average number of equity shares outstanding the year is adjusted for the effects of all dilutive potential equity shares.

p. Operating segment

In accordance with Ind AS 108, operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Group predominantly fall within a single reportable operating segment, i.e., Polymer Processing. The Board of Directors is the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

q. Equity investment

Equity investments in joint ventures and subsidiaries are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of financial assets is followed.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement:

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset.

On derecognition of financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the profit or loss on disposal of that financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

(b) Trade receivables under Ind AS 115.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves and there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost

After initial measurement, such financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

3. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

s. Use of estimates and management judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are considered to be reasonable and prudent under the circumstances.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group and uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Such changes are reflected in the assumptions when they occur.

The following areas have been identified where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

In order to enhance understanding of the financial statements, information about areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements have been identified as under:

Significant management judgements:

1. Recoverable amount of property, plant and equipment

In assessing impairment, Group estimates the recoverable amount of each asset or cash-generating units based on expected market outlook and future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

2. Provisions and contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group. The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

3. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised.

Significant management estimates:

1. Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. The Group reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

2. Employee benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

3. Liability for de-commissioning of asset

The liability for de-commissioning is measured on the basis of present estimated cost to decommission the asset, current inflation rate and discount rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Property, plant and equipment

(Rs. in lacs)

Particulars	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Computers	Equipment & fittings	Total	Capital work-in-progress
Gross Block									
Balance as on April 1, 2019	7,93.43	41,84.02	2,40,98.79	3,34.79	3,29.73	1,47.97	1,10.63	2,99,99.36	3,97.14
Additions *(refer Note 'e' below)*	-	23.66	9,73.46	0.69	24.63	2.77	6.51	10,31.72	1,51.23
Less: Disposals	-	-	37.58	-	53.37	-	-	90.95	5,17.01
Less: Transition on account of IndAS 116	7,93.43	-	-	-	-	-	-	7,93.43	-
Balance as on March 31, 2020	-	42,07.68	2,50,34.67	3,35.48	3,00.99	1,50.74	1,17.14	3,01,46.70	31.36
Additions *(refer Note 'e' below)*	-	22.00	2,66.96	-	64.29	6.17	0.93	3,60.35	-
Less: Disposals	-	-	-	-	49.60	1.19	0.84	51.63	0.12
Balance as on March 31, 2021	-	42,29.68	2,53,01.63	3,35.48	3,15.68	1,55.72	1,17.23	3,04,55.42	31.24
Accumulated Depreciation									
Balance as on April 1, 2019	89.35	7,60.47	98,13.86	2,02.60	1,31.36	1,30.01	87.94	1,12,15.59	-
Add: depreciation for the year	-	1,28.40	9,86.22	21.77	34.00	5.92	8.12	11,84.43	-
Less: Disposals	-	-	11.27	-	39.02	-	-	50.29	-
Less: Transition on account of IndAS 116	89.35	-	-	-	-	-	-	89.35	-
Balance as on March 31, 2020	-	8,88.87	1,07,88.81	2,24.37	1,26.34	1,35.93	96.06	1,22,60.38	-
Add: depreciation for the year	-	1,29.01	10,04.66	20.95	35.96	4.46	7.76	12,02.80	-
Less: Disposals	-	-	-	-	29.25	0.98	0.80	31.03	-
Balance as on March 31, 2021	-	10,17.88	1,17,93.47	2,45.32	1,33.05	1,39.41	1,03.02	1,34,32.15	-
Balance as on March 31, 2021	-	32,11.80	1,35,08.16	90.16	1,82.63	16.31	14.21	1,70,23.27	31.24
Balance as on March 31, 2020	-	33,18.81	1,42,45.86	1,11.11	1,74.65	14.81	21.08	1,78,86.32	31.36

Notes:

a) Refer Note 21 for information on property, plant and equipment pledged as security by the Group;

b) Refer note 11 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) Capital work-in-progress includes leasehold land in possession of the Group and of which the Group is the beneficial owner is pending for transfer in the name of the Group and for which necessary steps were being taken; (transferred in the name of the Holding Company after March 31, 2021).

d) The Group assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business; there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts;

e) Exchange differences on all long-term monetary items resulted in an addition of Rs.1,24.45 lacs (March 31, 2020: addition of Rs. 2,65.64 lacs) to Gross Block of plant & machinery, being the exchange difference on long term monetary items related to the acquisition of a depreciable capital asset.

6. Other intangible assets

(Rs. in lacs)

	Computer software	Technical knowhow	Total
Gross Block			
Balance as at April 1, 2019	28.32	3,48.38	3,76.70
Additions	-	-	-
Balance as at March 31, 2020	28.32	3,48.38	3,76.70
Additions	-	-	-
Balance as at March 31, 2021	28.32	3,48.38	3,76.70
Accumulated amortisation			
Balance as at April 1, 2019	28.32	3,48.38	3,76.70
Add: Amortisation during the year	-	-	-
Balance as at March 31, 2020	28.32	3,48.38	3,76.70
Add: Amortisation during the year	-	-	-
Balance as at March 31, 2021	28.32	3,48.38	3,76.70
Balance as at March 31, 2020	-	-	-
Balance as at March 31, 2021	-	-	-

7. **Loans (Non-current)**
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Security deposits	1,77.91	1,77.91
Loans to employees	8.88	8.16
Total	1,86.79	1,86.07

Note: There are no loans due by directors or other officers of the Group either severally or jointly with any other persons or amounts due by firms or private companies in which any director is a partner or a director or a member

8. **Other financial assets (non-current)**
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
VAT Subsidy	2,13.41	2,13.41
Total	**2,13.41**	**2,13.41**

9. **Non-current tax assets (net)**

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Pre-paid taxes *(net of provision for tax Rs. Nil; previous year Rs.71.92 lacs)*	2,01.82	54.05
Total	**2,01.82**	**54.05**

10. **Other assets (non-current)**
(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Capital advances [*refer note below*]	-	11.42
Advances other than capital advances		
- Pre-paid expenses	10.78	13.62
- Balances with statutory authorities	43.85	44.63
Total	**54.63**	**69.67**

Note:
Capital commitment:
Estimated amount of contracts remaining to be executed on capital account and not provided for in the amount (net of capital advances): Rs. Nil (March 31, 2020: Rs.52.18 lacs)

11. Inventories

(valued at lower of cost and net realisable value)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Raw material	23,62.53	21,62.30
Work-in-progress	2,29.06	3,31.26
Finished products	11,45.98	13,49.29
Stores and spares	3,66.17	3,30.48
Stock-in-trade	0.06	0.11
Total	**41,03.80**	**41,73.44**

Note: Raw materials includes goods in transit: Rs. Nil (March 31, 2020: Rs.Nil lacs)

12. Trade Receivables

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Trade receivables: Considered good, unsecured	66,38.12	52,73.67
Total	**66,38.12**	**52,73.67**

(a) There are no amounts due by directors or other officers of the Group either severally or jointly with any other persons or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

(b) All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

13. Cash and cash equivalents

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance with banks in current accounts	1,66.55	6,20.47
Cash on hand	4.14	3.10
Total	**1,70.69**	**6,23.57**

14. Other bank balances

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Deposit accounts with original maturity of more than 3 months and remaining maturity of less than 12 months	70.32	67.02
Unclaimed dividend accounts *	-	4.98
Earmarked balances with bank (held as margin money)	3,52.89	3,78.61
Total	**4,23.21**	**4,50.61**

* not due for deposit in Investor Education and Protection Fund

15. Loans (Current)

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Security deposits	1,00.62	1,00.62
Loans to employees	8.71	8.44
Total	**1,09.33**	**1,09.06**

16. Other financial assets (Current)

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Recoverable from others *(refer note 19)*	70.80	70.80
Total	**70.80**	**70.80**

17. **Other tax assets**

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Income-tax	2.39	77.80
Total	2.39	77.80

18. **Other current assets**

(Considered good, unsecured)

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Advance to suppliers	12.72	79.69
Prepaid expenses	74.94	83.58
Balance with government authorities	35.38	2,32.46
Other receivable		
Loans - considered good, unsecured	42.71	54.95
Loans - credit impaired	-	-
Less: Provision for expected credit loss	-	-
Total	1,65.75	4,50.68

(a) The management assesses the fair value of these financial assets not to be materially different from the amounts recognised in the financial statements;

(b) Balance with government authorities represents goods and service tax (earlier service tax) paid on inputs (earlier input and services) consumed by the group and eligible for utilisation towards discharge of goods and service tax (earlier service tax liability) in respect of services rendered by the group. The group expects the utilisation of outstanding balances as at each date of statement of financial position within twelve months thereof.

19. **Assets held for sale**

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	5,21.46	5,09.08
Total	5,21.46	5,09.08

The management decided, during the year ended March 31, 2019, to sell or otherwise dispose non-core asset being Biax Division Unit 1, located at Barjora, Dist. Bankura, West Bengal, and subsequently obtained necessary shareholder approval. Accordingly, in terms of Ind AS 105 Non-current assets held for sale and discontinuing operations, the property, plant and equipment situated at Biax Division Unit 1 are presented as 'Assets held for sale' separately from other assets in the balance sheet. Sale has been delayed as all required approvals could not be obtained due, inter alia, to the pandemic and reasons beyond the control of the Company and is now expected to be sold during 2021-22.

The carrying value of asset held for sale as on the date of agreement does not exceed the fair value less cost to sell and hence there is no impairment loss to be recognised in the statement of profit and loss account.

During the previous year trial run cost of Rs.70.80 lacs had been incurred which is recoverable as a part of sale consideration.

20. **a) Equity Share Capital**

For disclosures please refer Notes to standalone financial statements

b) Other Equity

(Rs.in lacs)

Particulars	Reserves and surplus					Total
	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2019	60.50	4,06.58	67,50.00	(2,27.08)	0.59	69,90.59
Profit for the year	-	-	-	39.83	-	39.83
Remeasurement of defined benefit plans (net of tax)	-	-	-	(20.32)	-	(20.32)
Currency fluctuation on translation	-	-	-		1.69	1.69
Balance as at March 31, 2020	60.50	4,06.58	67,50.00	(2,07.57)	2.28	70,11.79

(Rs.in lacs)

Particulars	Reserves and surplus					Total
	Capital subsidy reserve	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at March 31, 2020	60.50	4,06.58	67,50.00	(2,07.57)	2.28	70,11.79
Profit for the year	-	-	-	8,35.36	-	8,35.36
Remeasurement of defined benefit plans (net of tax)	-	-	-	(39.55)	-	(39.55)
Currency fluctuation on translation	-	-	-	2.28	(2.28)	-
Balance as at March 31, 2021	60.50	4,06.58	67,50.00	5,90.52	-	78,07.60

Nature and purpose of reserves

a) **Capital subsidy reserve**

This represents the profit earned by the group through a special transaction in the nature of a government subsidy that is not available for distributing dividend.

b) **Securities premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with provisions of the Companies Act, 2013.

c) **General reserve**

General reserve is a distributable reserve created by way of transfer from time to time from annual profits.

d) **Retained earnings**

Represents the profit/(loss) accumulated over the years.

e) **Foreign currency translation reserve**

Foreign currency translation reserve is on account of translation of balances of foreign subsidiary.

21. Non-current financial liabilities - Borrowings

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Loans from banks - Secured		
Term loans *(refer note a to s)*	76,97.38	77,93.83
Foreign currency borrowings *(refer note t)*	19,83.82	28,77.76
Vehicle loans *(refer note u)*	19.48	-
Total	97,00.68	1,06,71.59

a. Term loan from State Bank of India, outstanding Rs.2,72.00 lacs (previous year: Rs.2,96.10 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.3.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.10.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.12.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.12.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to Oldenburgische Landesbank AG ('OLB')) of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

b. Term Loan from Punjab National Bank, outstanding Rs.5,74.78 lacs (previous year: Rs.5,93.21 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.7.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.24.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.28.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.30.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

c. Term Loan from State Bank of India, outstanding Rs.14,08.00 lacs (previous year: Rs.15,94.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.15.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.51.75 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.62.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.64.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

d. Term Loan from State Bank of India, outstanding Rs.10,88.00 lacs (previous year: Rs.12,32.00 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.40.00 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.48.00 lacs each starting from April 2019; & (iv) 16 quarterly instalments of Rs.50.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

e. Term Loan from State Bank of India, outstanding Rs.11,25.50 lacs (previous year: Rs.12,74.75 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.12.50 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.41.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.49.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.51.75 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

f. Term Loan from Indian Bank, outstanding Rs.10,20.00 lacs (previous year: Rs.11,12.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 2 quarterly instalments of Rs.7.50 lacs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (iii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018 (iv) 12 quarterly instalments of Rs.44.50 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.47.25 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

g. Corporate Loan from State Bank of India outstanding Rs.1,67.79 lacs (previous year: Rs.1,67.79 lacs) carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.4.00 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.13.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.15.75 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.16.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

h. Corporate Loan from State Bank of India, outstanding Rs.10,20.00 lacs (previous year: Rs.11,41.99 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.11.25 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.37.50 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.45.00 lacs each starting from April 2019 & (iv) 16 quarterly instalments of Rs.47.00 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

i. Corporate Loan from State Bank of India, outstanding Rs.2,47.00 lacs (previous year: Rs.2,80.00 lacs), carrying interest linked to the bank's MCLR is repayable in (i) 4 quarterly instalments of Rs.2.75 lacs each starting from April 2017; (ii) 4 quarterly instalments of Rs.9.25 lacs each starting from April 2018; (iii) 12 quarterly instalments of Rs.11.00 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.11.50 lacs each starting from April 2022 and is secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company & second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders.

j. Corporate Loan from Indian Bank, outstanding Rs. Nil (previous year: Rs.3,45.65 lacs), carrying interest linked to the bank's MCLR was repayable in (i) 2 quarterly instalments of Rs.4.45 lacs each starting from October, 2016; (ii) 4 quarterly instalments of Rs.6.65 lacs each starting from April 2017; (iii) 4 quarterly instalments of Rs.22.15 lacs each starting from April 2018 (iv) 12 quarterly instalments of Rs.26.30 lacs each starting from April 2019 & (v) 16 quarterly instalments of Rs.27.90 lacs each starting from April 2022 and was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

k. Term Loan from Punjab National Bank, outstanding Rs.3,39.77 lacs (previous year: Rs.4,18.72 lacs), carrying interest linked to the bank's MCLR, is repayable in (i) 24 quarterly instalments of Rs.25.00 lacs each starting from June, 2020; and is secured by exclusive 1st charge on the assets to be acquired out of above loan and ranking pari passu 2nd charge on all the current assets of the Holding Company with other term lenders.

l. Working Capital Term Loan from State Bank of India, outstanding Rs. Nil (previous year: Rs. 94.75 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3.75 lacs each starting from April 2017; (ii) 8 quarterly instalments of Rs.5.75 lacs each starting from April 2018; (iii) 4 quarterly instalments of Rs.6.75 lacs each starting from April 2020; & (iii) 8 quarterly instalments of Rs.7.75 lacs each starting from April 2021, was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

m. Working Capital Term Loan from State Bank of India, outstanding Rs. Nil (previous year: Rs. 86.36 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 4 quarterly instalments of Rs.3.53 lacs each starting from April 2017 (ii) 8 quarterly instalments of Rs.5.29 lacs each starting from April 2018; (iii) 4 quarterly instalments of Rs.6.17 lacs each starting from April 2020 & (iv) 8 quarterly instalments of Rs.7.05 lacs each starting from April 2021 was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

n. Working Capital Term Loan from State Bank of India, outstanding Rs. Nil (previous year: Rs.67.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i)2 quarterly instalments of Rs.1.50 lacs each starting from October, 2016 (ii) 4 quarterly instalments of Rs.2.50 lacs each starting from April 2017; (iii) 8 quarterly instalments of Rs.4.00 lacs each starting from April 2018 (iv) 4 quarterly instalments of Rs.4.75 lacs starting from April, 2020 & (v) 8 quarterly instalments of Rs.5.50 lacs each starting from April 2021 was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future(excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

o. Working Capital Term Loan from Indian Bank, outstanding Rs. Nil (previous year: Rs.95.00 lacs), carrying interest linked to the bank's MCLR, repayable in (i) 2 quarterly instalments of Rs.2.00 lacs each starting from October, 2016 (ii) 4 quarterly instalments of Rs.4.00 lacs each starting from April 2017; (iii) 8 quarterly instalments of Rs.6.00 lacs each starting from April 2018 (iv) 4 quarterly instalments of Rs.7.25 lacs each starting from April 2020 & iv) 8 quarterly instalments of Rs.8.25 lacs each starting from April 2021 was secured by pari-passu charge by way of hypothecation/mortgage of all the movable and immovable assets, present and future (excluding specified Dielectric Film Line and slitter which are exclusively charged to 'OLB') of the Holding Company and second charge on all the current assets of the Holding Company ranking pari-passu with other term lenders. The loan has been fully repaid during the year.

p. The Holding Company has been granted a moratorium of 6 months w.e.f. March 2020 for payment of instalment(s) on above mentioned terms loans as per RBI guidelines following the Covid-19 pandemic; payment schedule would extend accordingly.

q. Working Capital Term Loan from State Bank of India, under Guaranteed Emergency Credit Line 2.0 (GECL2.0) scheme, outstanding Rs.16,00.00 lacs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i) 47 monthly instalments of Rs.33.33 lacs each starting from January 2022 & (ii) last instalment of Rs.33.49 lacs in December 2025 is secured by extension of second charge over the existing primary and collateral securities of the Holding Company including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from National Credit Guarantee Credit Guarantee Trustee Company Ltd (NCGTC).

r. Working Capital Term Loan from Punjab National Bank, under GECL2.0 scheme, outstanding Rs.2,30.00 lacs (previous year: Rs. Nil), carrying interest linked to the bank's MCLR, repayable in (i) 35 monthly instalments of Rs.6.38 lacs each starting from February 2022 & (ii) last instalment of Rs.6.70 lacs in January 2025 is secured by extension of second charge over the existing primary and collateral securities of the Holding Company including mortgages created in favour of the Consortium banks on pari-passu basis and covered under guarantee coverage from NCGTC.

s. The above-mentioned term loans carry interest rate between 7.9 to 12 % per annum.

t. ECB from Oldenburgische Landesbank AG ('OLB'), in the nature of term loan, outstanding €3,402,008; equivalent to Rs.29,75.74 lacs (previous year: €4,536,011; equivalent to Rs.38,37.01 lacs), carrying annual interest at Euribor + 1.75% is repayable in 14 semi-annual instalments of €567,001.34 each, along with interest, commencing from April 2017, is secured by hypothecation of specified Dielectric Film Line and slitter at Barjora and is insured under Hermes export credit guarantee.

u. Vehicle Loan(s) of Rs.30.61 lacs (previous year: Rs.7.99 lacs) carrying interest at between 9 to 9.5 % per annum, repayable in 36 monthly instalment(s) commencing from date of disbursement, are secured by hypothecation of specified vehicles.

v. Lenders retain the right to recompense for NPV loss amount of Rs.3,65.00 lacs arising on rescheduling of term loans effective April 1, 2016.

w. There has been no default in servicing of loans and interest due thereon during and as at the end of the year.

x. Rs.80.46 lacs (March 31, 2020: Rs.1,43.27 lacs) has been adjusted against long term borrowings being adjustments on account of adoption of Ind AS.

y. Interest accrued and due on above borrowings is Rs.80.72 lacs (March 31, 2020: Rs.86.61 lacs).

22. Non-current financial liabilities - Others

	As at March 31, 2021	As at March 31, 2020
		(Rs. in lacs)
Security deposits	6.57	6.57
Total	**6.57**	**6.57**

23. Provisions

	As at March 31, 2021	As at March 31, 2020
		(Rs. in lacs)
Non-current		
Gratuity *(refer note 38 A)*	4,06.09	5,23.77
Compensated absences	23.56	15.00
	4,29.65	**5,38.77**
Current tax liability		
Provision for taxation	-	-
	-	-

24. **Deferred tax**

As per Ind AS 12 - Income Taxes, deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The Group has taken strategic steps to rationalize and improve operations including through discontinuing un-economic activities and impact of these steps have started bearing positive results. However, as a matter of abundant caution, deferred tax assets have been recognized only to the extent of deferred tax liability.

Unrecognised deferred tax assets/liabilities (net):

	As at March 31, 2021	As at March 31, 2020
		(Rs. in lacs)
Deferred tax liability		
Fixed assets:	3,84.00	12,70.00
Impact of difference between book and tax depreciation		
Gross deferred tax liability	3,84.00	12,70.00
Deferred tax assets		
Carried forward of losses	31,44.00	39,78.00
Expenses deductible on payment basis	53.00	48.00
Gross deferred tax assets	31,97.00	40,26.00
Deferred tax assets to the extent of deferred tax liabilities recognized	3,84.00	12,70.00
Net deferred tax liability	-	-

The carry forward tax losses as at March 31, 2021 expire as follows:-

	Losses with expiry		Losses with no expiry
Loss for the tax Assessment year ended	Tax loss Rs.Lacs	Expires on	Unabsorbed depreciation Rs.Lacs
2013-14	-	-	1,79.79
2014-15	-	-	7,87.77
2015-16	22,58.28	March 31, 2024	18,67.05
2016-17	6,43.72	March 31, 2025	27,15.43
2017-18	-	-	17,67.16
2018-19	-	-	10,66.29
2020-21	-	-	4,90.51

Reconciliation of tax and book profit

	Year ended March 31, 2021	Year ended March 31, 2020
		(Rs. in lacs)
Profit before tax	13,03.65	1,21.75
Tax rate (%)	25.17	34.94
Tax expense at above rate	3,28.13	42.54
Tax impact of utilisation of brought forward losses	(3,28.13)	(42.54)
Current Tax	-	-

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Current Tax	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Deferred tax (MAT payable)	-	26.00
Less: MAT credit utilised		(26.00)
Income tax expense	-	-
Deferred Tax	5,33.58	-
Add: Tax adjusted for earlier years	(20.93)	0.84
Total tax expense	5,12.65	0.84

1) The Holding Company has opted for the alternate tax regime under Section 115BAA of the Income Tax Act, 1961, with effect from the Financial Year 2019-20, which allows the Holding Company a lower tax rate of 25.17% (against 34.94%) but restricts availability of exemptions/incentives under different provisions of income tax, and is accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit.
2) The Deferred Tax Assets/Liabilities as at March 31, 2021 and March 31, 2020 and the estimate of Tax Expense for the year ended March 31, 2021 have been accordingly re-measured and Deferred Tax Asset amounting to Rs.5,33.58 lacs, in the nature of MAT credit carried forward has been written off in current financial year as no longer available to the Holding Company.
3) Taxable income for financial year 2020-21 has been adjusted against assessed Business Losses brought forward and revised return for A.Y. 2020-21 has been filed by the Holding Company since the end of the year.
4) Consequent to adoption of alternate tax regime, the provisions of Section 115JB relating to MAT shall not be applicable to the Holding Company; accordingly there is no MAT liability.

25. Current financial liabilities - Borrowings

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Secured		
Loans repayable on demand		
- Working capital loan from banks	11,71.97	35,78.98
Unsecured		
Loans from others repayable on demand	-	4,00.00
Total	**11,71.97**	**39,78.98**

a) Working Capital loans, repayable on demand, and bearing interest at the rate of between 10 to 12 % per annum are secured by first charge, ranking pari-passu, in favour of members of the Consortium of Banks, on all current assets of the Holding Company, present and future, and second charge, ranking pari-passu with term lender banks, on the entire fixed assets of the Holding Company, present and future, wherever situated;
b) Loans from others represents inter-corporate deposits repayable on demand and bearing interest at 10% per annum;
c) There has been no default in servicing of loans and interest due thereon during and as at the end of the year.

26. Current financial liabilities – Trade payables

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Trade payables		
Dues to micro and small enterprises	1,37.67	20.94
Dues to creditors other than micro and small enterprises	51,01.83	42,96.52
Acceptances	19,95.34	13,44.28
Total	72,34.84	56,61.74

a) Trade payables are non-interest bearing and are normally settled within 90 days except for payments to MSME which are settled within 45 days. Refer note 44 for information on the Group's credit risk management processes;

b) Acceptances include arrangements where operational supplies of goods and services are initially paid by banks while the Group continues to recognise the liability till settlement with the banks which are normally effected within 90 days;

c) Disclosures with respect to related party transactions is given in note 40;

d) Micro & small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Group on the basis of information available with the Group and the auditors have relied on the same. The disclosure pursuant to MSMED Act on the amount due to micro and small enterprises is given below:

	As at March 31, 2021	As at March 31, 2020
		(Rs. in lacs)
Principal amount due and remaining unpaid	1,37.64	20.94
Interest due on above and remaining unpaid	-	-
Interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
Payment made to suppliers (other than interest) beyond appointed day	-	-
Interest paid in terms of Sec.16 of MSMED Act	-	-
Further interest remaining due and payable in the succeeding years for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments made	-	-
Interest accrued and remaining unpaid	-	-

27. Current financial liabilities – Others

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (refer note 21)	24,16.41	19,16.07
Creditors for capital expenditure	0.20	3.13
Interest accrued but not due	15.72	31.74
Unclaimed dividend *	-	4.98
Employees payables	1,82.18	1,49.56
Security deposit received	4.80	4.60
Total	**26,19.31**	**21,10.08**

* does not include any sum due to be transferred to Investor Education & Protection Fund

28. Other current liabilities

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Advance from customer	10.75	13.80
Statutory dues payable	1,82.67	1,16.71
Advance against sale of 'assets held for sale'	2,25.00	1,00.00
Total	**4,18.42**	**2,30.51**

29. Revenue from operations

(Rs.in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products *(refer note 47)*		
- Finished goods	3,67,91.75	3,51,47.90
- Traded goods	-	-
Other operating income		
- Scrap sale	5,33.89	2,93.67
- Export incentives and margins	9.72	42.36
Total	**3,73,35.36**	**3,54,83.93**

30. Other income

(Rs.in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on		
- Fixed deposits	19.87	20.49
- Others	21.07	16.15
- Income-tax refund	5.99	8.16
Dividend Income	0.05	0.08
Other non-operating income		
- Foreign currency transactions (net)	41.01	0.07
- Excess provision written back	87.30	79.89
- Miscellaneous income	35.70	28.91
Total	**2,10.99**	**1,53.75**

31. Cost of materials consumed

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
Inventories at the beginning of the year	21,62.30	22,60.18
Add: Purchases during the year	2,70,94.36	2,62,99.61
Less: Rebates received/returns	6,93.38	1,51.05
Less: Inventories at the end of the year	23,62.53	21,62.30
Cost of materials consumed	2,62,00.75	2,62,46.44

32. Changes in inventories of finished, stock-in-trade & work-in-progress

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
Inventories at the beginning of the year		
Finished goods	13,49.29	6,59.94
Work-in-progress	3,31.26	3,77.97
Stock-in-trade	0.11	2.87
	16,80.66	10,40.78
Inventories at the end of the year		
Finished goods	11,45.98	13,49.29
Work-in-progress	2,29.06	3,31.26
Stock-in-trade	0.07	0.11
	13,75.11	16,80.66
Net increase / (decrease)	3,05.55	(6,39.88)

33. Employees benefits expense

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
Salaries, Wages & Bonus	22,79.86	21,36.92
Contribution to provident and other funds	2,77.70	2,55.25
Staff welfare expenses	1,25.55	1,27.75
Total	26,83.11	25,19.92

Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 38

34. Finance costs

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
Interest expense on borrowings measured at amortised cost	11,59.33	12,39.78
Interest expense on lease liability	26.83	28.13
Interest expense on defined benefit obligation	78.26	75.31
Other borrowing costs	4,67.11	5,15.36
Total	17,31.53	18,58.58

35. Depreciation and amortisation expenses

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
Depreciation on tangible assets	12,02.80	11,84.43
Depreciation on right-to-use assets	36.89	36.91
Total	12,39.69	12,21.34

36. Other expenses

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
Consumption of Stores, Spares and Packing Material	8,60.76	9,08.81
Processing charges	34.52	46.46
Power & Fuel	19,99.65	22,97.45
Rent	45.24	14.99
Repairs to:		
- Buildings	15.81	19.35
- Plant & Machinery	1,08.74	1,27.41
- Others	22.32	16.61
Communication	16.76	18.44
Director's Fees	35.80	20.79
Insurance	78.07	63.04
Legal & Professional	1,05.75	81.79
Rates & Taxes	42.76	30.54
Security expenses	64.15	59.19
Travelling and conveyance	75.62	1,72.94
Rebate and commission	2,90.07	1,34.19
Payment to Auditors *(refer note 'a' below)*	19.53	29.05
Other selling expenses	8.69	8.68
Loss on disposal/discard of property, plant and equipment	0.07	26.50
Bad debts	-	78.34
Miscellaneous expenses	2,13.40	2,36.04
Total	40,37.71	43,90.61

a) Payment to auditors

To Statutory Auditors		
- As Auditors	18.00	19.00
- Reimbursement of expenses	1.53	10.05
	19.53	29.05

37. Earnings per share (EPS)

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
a) Profit for the year attributable to equity shareholders (A)	8,35.36	39.83
b) Weighted average number of equity shares outstanding during the year for computation of Basis EPS	1,18,13,500	1,18,13,500
Weighted average number of equity shares outstanding during the year for computation of Diluted EPS	1,18,13,500	1,18,13,500
Nominal value per share (Rs.)	10	10
c) Basic earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	7.07	0.34
Dilutive earnings per equity share (face value Rs.10 each) (A/B) (Rs.)	7.07	0.34

Note: there are no dilutive shares as on March 31, 2021 and March 31, 2020

38. Employee benefits

Defined Contribution Plan

The Group makes contribution towards provident fund and ESI for qualifying employees to government administered /approved funds wherein the Group is required to contribute a specified percentage of payroll cost to the schemes to fund the benefits. The Group has no further obligations beyond the periodic contributions.

The Group recognized Rs.2,77.70 lacs (March 31, 2020: Rs 2,55.25 lacs) towards provident fund contributions and ESI contribution in the Statement of Profit and Loss included in "Employee benefits expense" (note 33).

Defined Benefit Plan

A. Gratuity:

The Group provides for gratuity as per the Payment of Gratuity Act, 1972 or as per applicable company rules, whichever is higher. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The Group accounts for the liability for gratuity benefits payable in future based on actuarial valuation.

The following table sets out the status of the gratuity plan, based on the actuarial valuation obtained in this respect and the amounts recognised in the Group's financial statements as at balance sheet date:

(Rs.in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Asset/(Liability) recognised in Balance Sheet		
Present value of the obligation at end of the year	9,99.00	9,26.85
Fair value of plan assets	5,92.90	4,03.08
Net assets/(liability) recognised in balance sheet as provision	**4,06.10**	**5,23.77**
(ii) Amount recognised in the statement of profit and loss is as under:		
Current service cost	49.45	46.10
Net interest cost	28.81	30.31
Expense recognised in the income statement	**78.26**	**76.41**
(iii) Amount recognised in other comprehensive income is as under:		
Actuarial gain/(loss) for the year on defined benefit obligation	(36.82)	(23.79)
Actuarial gain/(loss) for the year on plan assets	(2.73)	3.47
Total actuarial gain/(loss) for the year	**(39.55)**	**(20.32)**
(iv) Movement in the liability recognised in the balance sheet is as under:		
Present value of defined obligation as at start of the year	9,26.85	8,36.14
Current service cost	49.45	46.10
Interest cost	60.25	56.85
Actuarial loss/(gain) recognised during the year	36.82	23.79
Benefits paid	(74.37)	(36.03)
Present value of defined benefit obligation as at the end of the year	**9,99.00**	**9,26.85**
(v) Movement in the plan assets recognised in the balance sheet is as under:		
Fair value of plan assets at beginning the year	4,03.08	4,07.66
Expected return on plan assets	31.43	26.55
Employer's contribution	2,00.00	-
Benefits paid	(38.87)	(34.60)
Actuarial gain/(loss) on plan assets	(2.74)	3.47
Fair value of plan assets at the end of the year	**5,92.90**	**4,03.08**
Actual return on plan assets	28.70	30.02
(vi) Breakup of actuarial (gain)/loss on defined benefit obligation:		
Actuarial (gain)/loss on arising from change in financial assumption	7.86	21.01
Actuarial (gain)/loss on arising from experience adjustment	28.95	2.78
Total actuarial (gain)/loss for the year	**36.81**	**23.79**
(vii) Actuarial assumptions:		
Discount rate (%)	6.50	6.80
Future salary increase (%)	6.00	6.00
Expected average remaining working lives of employees (years)	14.31	13.69

Gratuity is payable to the employees on death or resignation or on retirement at the attainment of superannuation age. To provide for these eventualities, the Actuary has used Indian Assured Lives Mortality (2006-08) Ultimate table.

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

	Year ended March 31, 2021	(Rs.in lacs) Year ended March 31, 2020
(viii) Sensitivity analysis for gratuity liability		
Impact of the change in discount rate		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	(25.02)	(23.20)
- Impact due to decrease of 1 %	28.75	26.41
Impact of the change in salary increase		
Effect on present value of gratuity obligation		
- Impact due to increase of 1 %	25.35	26.36
- Impact due to decrease of 1 %	(28.60)	(23.58)
(ix) Expected (undiscounted) benefit payments in future years		
Projections are for current members and their currently accumulated benefits		
Year- 1	6,43.13	5,83.66
Year- 2	69.67	47.23
Year- 3	28.44	59.65
Year- 4	27.36	25.90
Year- 5	46.68	24.57
Year- 6 to Year- 10	1,43.98	1,40.01
(x) Category of plan assets		
LIC managed fund	100 %	100 %

B. Compensated absence:

The leave obligations cover the Group's liability for earned leave and sick leave. The liability towards compensated absences in the nature of earned leave for the year ended March 31, 2021 based on the actuarial valuation carried out by using projected accrued benefit method as reduced by the contribution in the plan assets has resulted in a net asset of Rs.13.22 lacs (as on March 31, 2021) and Rs.54.19 lacs (as on March 31, 2020) which has been shown under Financial Assets in the Financial Statements. Liability towards sick leave, Rs.23.56 lacs as on March 31, 2021 (Rs.15.00 lacs as on March 31, 2020), has been shown under Provisions in the Financial Statements.

39. Contingent Liabilities

	As at March 31, 2021	(Rs. in lacs) As at March 31, 2020
Claims against the Group, not acknowledged as debt	2.50	2.50
Sales tax, Excise & Customs matters under appeal	3,66.06	3,68.64
Others	36.68	36.68

Note: The Hon'ble Supreme Court had in its judgement in February 2019 opined on the applicability of allowances that should be considered as forming part of basic wages for computing provident fund contribution. Management believes that there are interpretative challenges in the application of the judgement retrospectively and therefore has not considered any probable obligations for past periods while awaiting further directions/clarifications in the matter to assess any potential impact on the Group as no reliable estimate can yet be made.

40. Related party disclosures: According to Ind AS 24 'Related Party Disclosures'

Non-executive Directors are disclosed as Key Managerial Personnel as per the requirement of Ind AS24. However, they are not KMPs as per Companies Act, 2013

A. List of Related Parties:

1. Entities exercising significant influence over the Group
   - a) iPro Capital Limited;
   - b) Intellipro Finance Pvt. Ltd.;

2. Entities over which Key Managerial Personnel have control
   - a) Alpha Capital Resources Pte. Ltd., Singapore;
   - b) Tanjore Partners LLP;

3. Post employment benefit funds
   a) Xpro India Limited Employees Provident Fund Trust
   b) Xpro India Limited Senior Officers Superannuation Fund
   c) Xpro India Limited Employees Gratuity Fund

4. Key managerial personnel
   a) Executive Directors:
      (i) Sri Sidharth Birla, *Chairman;*
      (ii) Sri C Bhaskar, *Managing Director & CEO*

   b) Non-executive Independent Directors:
      (i) Sri Amitabha Guha;
      (ii) Sri Ashok Kumar Jha;
      (iv) Sri Utsav Parekh;
      (v) Sri S Ragothaman;
      (vi) Smt. Vijaya Sampath *(upto 17/6/2020)*

   c) Non-executive Non-Independent Directors:
      (i) Smt Madhushree Birla

   d) Others:
      (i) Sri H Bakshi, *Sr. President & COO*
      (ii) Sri V K Agarwal, *President (Finance) & CFO*
      (iii) Sri S C Jain, *Company Secretary (upto 30/6/2020)*
      (iv) Sri Amit Dhanuka, *Company Secretary (w.e.f. 1/7/2020)*

B. Transactions with Related Parties:

(Rs.in lacs)

Related Party	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
iPro Capital Limited	Aggregate of short-term inter-corporate deposits received from time to time	-	1,00.00
	Aggregate ICD repayments	1,00.00	-
	Outstanding amount at year end	-	1,00.00
	Interest paid on inter-corporate deposits	9.97	9.31
Xpro India Limited Employees Provident Fund Trust	Employer's contribution to post employment benefit fund	49.70	51.13
Xpro India Limited Senior Officers Superannuation Fund	Contribution to post employment benefit fund (with LIC)	38.77	37.90
Xpro India Limited Employees Gratuity Fund	Contribution to post employment benefit fund (with LIC)	2,00.00	-
Sri Sidharth Birla	Remuneration (including leave encashment)	91.08	1,15.81
Sri C Bhaskar	Remuneration (including leave encashment)	1,47.46	1,20.70
	Sitting Fees	0.20	0.20
Smt Madhushree Birla	Sitting Fees	5.80	2.70
Sri Amitabha Guha	Sitting Fees	8.45	4.18
Sri Ashok Kumar Jha	Sitting Fees	6.40	2.00
Ms Nandini Khaitan *(upto 7/8/19)*	Sitting Fees	-	1.50
Sri Utsav Parekh	Sitting Fees	6.95	2.45
Sri S Ragothaman	Sitting Fees	7.75	4.35
Smt Vijaya Sampath *(6/11/19 - 17/6/20)*	Sitting Fees	0.10	1.50
Sri H Bakshi	Remuneration	1,01.88	85.77
Sri V K Agarwal	Remuneration	75.57	62.35
Sri S C Jain	Remuneration	18.08	41.34
Sri Amit Dhanuka	Remuneration	14.64	-

C. No Balances were outstanding at the end of the current or previous year from/to any of the Related parties, other than as stated above.

D. Related party relationships have been identified by the management and relied upon by the auditors.

41. Segment Information

The Group operates predominantly within a single reportable business segment i.e. Polymers Processing business and mainly in a single geographic segment i.e. India; the transactions of the subsidiaries being insignificant. Accordingly, there are no separate reportable business or geographic segments. The aforesaid is in line with review of performance and allocation of resources by the chief operating decision maker.

Revenue of Rs. 1,73,37.31 lacs (previous year; Rs. 1,73,40.13 lacs) was derived from external customers each accounting for over ten percent of the revenue.

42. CSR Expenditure

Gross amount required to be spent by the Group (i.e. 2% of Average Net Profits u/s 198 of Companies Act. 2013 of last three years): Rs. Nil (Previous year: Rs. Nil)

43. Fair Value Measurement

Financial instrument by category

All financial assets and liabilities viz. trade receivables, security deposits, cash and cash equivalents, other bank balances, interest receivable, trade payables, employee related liabilities and short-term loans from banks, are measured at amortised cost.

Fair Value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are categorised into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical financial instruments;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: if there are unobservable inputs for the asset or liability, then the instrument is included in level 3.

There are no financial instruments held by the Group which require classification within the above three levels.

Financial instrument by category measured at amortised cost

(Rs. in lacs)

Particulars	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
- Loans	1,86.79	1,86.79	1,86.07	1,86.07
Total	1,86.79	1,86.79	1,86.07	1,86.07
Financial liabilities				
- Borrowings	97,00.68	97,00.68	1,06,71.59	1,06,71.59
- Other financial liabilities	6.57	6.57	6.57	6.57
- Lease liabilities	2,18.57	2,18.57	2,31.64	2,31.64
Total	99,25.82	99,25.82	1,09,09.80	1,09,09.80

The management assessed that for current assets including security deposits, loans, cash and cash equivalents, trade receivables, other recoverable, borrowings, trade payables and other current financial liabilities, the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the counterparty and other market risk factors.

(ii) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2021 was assessed to be insignificant.

(iii) All the long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. The management believes that the carrying rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

44. Financial risk management

i) Financial instrument by category

(Rs. in lacs)

Particulars	March 31, 2021 FVTPL	FVOCI	Amortised cost	March 31, 2020 FVTPL	FVOCI	Amortised cost
Financial assets						
- Trade receivable			66,38.12			52,73.67
- Cash and cash equivalent			1,70.69			6,23.57
- Other Bank balances			4,23.21			4,50.61
- Loans			2,96.12			2,95.13
- Other financial assets			2,84.21			2,84.21
Total			78,12.35			69,27.19
Financial liabilities						
- Lease liabilities			2,31.64			2,44.00
- Borrowings			1,08,72.65			1,46,50.57
- Trade payables			72,34.84			56,61.74
- Other financial liabilities			26,25.88			21,16.65
Total			2,09,65.01			2,26,72.96

The carrying amount of trade receivables, trade payables, capital creditors and cash and cash equivalent are considered to be the same as their fair values, due to short-term in nature.

The carrying value of the amortised financial assets and liabilities approximate to the fair value on the respective reporting dates.

ii) Risk management

The entity's activities expose it to market risk, liquidity risk and credit risk. The entity board of directors has overall responsibility for the establishment and oversight of the entity's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the entity. The entity's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The entity continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

Credit risk arises from cash and cash equivalents, trade receivables, investment carried at amortised cost and deposits with banks and financial institutions.

Credit risk management

Credit risk rating

The entity assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets:

i) Low credit risk; ii) Moderate credit risk and iii) High credit risk on financial reporting date

The Group provides for expected credit loss on the following:

Asset group	Basis of categorisation	Provision for expected credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	12 month expected credit loss

Based on business environment in which the entity operates, there have been no defaults on financial assets of the entity by the counterparty.

Assets are written off when there is no reasonable expectation of recovery, such a debtor declaring bankruptcy or a litigation decided against the entity. The entity continues to engage with parties whose balances are written off and attempts to enforce repayment. The entity does not have any of the debts which are recoverable.

Assets under credit risk -

Credit rating	Particulars	As at March 31, 2021	As at March 31, 2020
Low credit risk	Cash and cash equivalents, other bank balances, loans, trade receivables and other financial assets	78,12.35	69,27.19

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems for corporate customers, thereby, limiting the credit risk. The Group assesses increase in credit risk on an ongoing basis for amounts receivable hat become past due and default is considered to have occurred when amounts receivables become one year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposit and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are written defined limits.

Expected credit risk losses for financial assets

Group provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

Particulars	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
March 31, 2021				
Loans	2,96.12	0 %	-	2,96.12
Trade receivables	66,38.12	0 %	-	66,38.12
Cash and cash equivalents	1,70.69	0 %	-	1,70.69
Bank balances other than above	4,23.21	0 %	-	4,23.21
Other financial assets	2,84.21	0 %	-	2,84.21
March 31, 2020				
Loans	2,95.13	0 %	-	2,95.13
Trade receivables	52,73.67	0 %	-	52,73.67
Cash and cash equivalents	6,23.57	0 %	-	6,23.57
Bank balances other than above	4,50.61	0 %	-	4,50.61
Other financial assets	2,84.21	0 %	-	2,84.21

Expected credit loss for trade receivables under simplified approach

The Group recognizes life-time expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analyzing historical trends of default. There have been no significant past due trade receivables as Group receives its significant revenue from selling to major customers directly, wherein there are very low or no chances of non-recoverability. For the rest of operations there were no significant past due receivables.

(Rs. In lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross amount of trade receivables where no default has occurred	66,38.12	52,73.67
Expected loss rate	-	-
Expected credit loss (loss allowance provision)	-	-

B. **Liquidity Risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyses the Group's financial liabilities into relevant groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Rs.in lacs)

Particulars	< 1 year	1 – 5 years*	>5 years *	Total
As at March 31, 2021				
Borrowings	11,71.97	96,94.45	6.23	1,08,72.65
Trade payables	72,34.84	-	-	72,34.84
Lease liabilities	13.07	1,06.39	1,12.18	2,31.64
Financial liabilities	26,19.31	6.57	-	26,25.88
Total	**1,10,39.19**	**98,07.41**	**1,18.41**	**2,09,65.01**
As at March 31, 2020				
Borrowings	39,78.98	91,42.09	15,29.50	1,46,50.57
Trade payables	56,61.74	-	-	56,61.74
Lease liabilities	12.36	90.93	1,40.71	2,44.00
Financial liabilities	21,10.08	6.57	-	21,16.65
Total	**1,17,63.16**	**92,39.59**	**16,70.21**	**2,26,72.96**

*interest outflow of the said liabilities has not been considered

C. **Market risk**

Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Group. Considering that part of the borrowings are in foreign currency and also purchases are made in foreign currency, the Group's exposure to foreign currency at each reporting date is disclosed herein.

Foreign currency risk exposure

The exposure to foreign currency risk at the end of the reporting period, which have not been hedged by a derivative instrument, is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Payable on imports		
- USD	2,512,515	1,044,400
Borrowings		
- Euro	3,419,980	4,568,384
Financial assets		
Receivables on export		
- USD	383,774	182,096
- Euro	61,571	-

Sensitivity

The sensitivity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments, assuming no change in other variables.

(Rs. in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
USD sensitivity		
INR/USD – increase by 2 %	(31.62)	(13.14)
INR/USD – decrease by 2 %	31.62	13.14
Euro sensitivity		
INR/Euro – increase by 2 %	(58.79)	(77.29)
INR/Euro – decrease by 2 %	58.79	77.29

Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2021, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in Fixed Deposits all pay fixed interest rates.

Interest rate risk exposure

The Group's overall exposure to interest rate risk is as under:

(Rs. in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	1,32,08.34	1,60,80.03
Fixed rate borrowings	-	4,00.00
Total borrowings	1,32,08.34	1,64,80.03

Sensitivity

The sensitivity of profit or loss before tax to interest rate is:

(Rs. In lacs)

Particulars	Year ending March 31, 2021	Year ending March 31, 2020
Interest sensitivity		
Interest rates - increase by 1 %	1,73.85	1,60.80
Interest rates - decrease by 1 %	(1,73.85)	(1,60.80)

Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rate.

Capital management policies and procedures

For the purpose of the Group's capital management, capital includes issued equity share capital, and all other equity reserves attributable to the equity holders.

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(Rs. in lacs)

Particulars	As at March 31, 2021	As at March 31, 2020
Long-term borrowings	97,00.68	1,06,71.59
Current maturities of long-term borrowings	24,16.41	19,16.07
Short-term borrowings	11,71.97	39,78.98
Interest accrued but not due on borrowings	15.72	31.74
Total borrowings	**1,33,04.78**	**1,65,98.38**
Less: Cash and cash equivalents	1,70.69	6,23.57
Bank balance other than above	4,23.21	4,50.61
Net debts	**1,27,10.88**	**1,55,24.20**
Total equity *	**89,88.95**	**81,93.14**
Net debts to equity ratio	**141.41 %**	**189.48 %**

* *Equity includes equity share capital and other equity of the Group that are managed as capital*

45. **Leases**

a. The Group has adopted Ind AS 116 'Lease' from April 1, 2019, which resulted in changes in accounting policies in the standalone financial statements.

b. **Practical expedients applied**

In applying Ind AS 116 for the first time, the Group has used the practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

c. The weighted average lessee's incremental borrowing rate applied for the lease liabilities on April 1, 2019 was 11.25% with maturity between 2020 - 2106.

d. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office building the Group must keep the property in a good state of repair and return the property in the original condition at the end of the lease.

e. The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use assets	No. of right-of-use assets leased	Range of remaining term (Years)	Average remaining lease term (years)
Building	1	7	7
Land	3	69 - 85	75.38

There are no leases entered by the Group which have any extension, termination or purchase options and the payment of lease rentals is not based on variable payments which are linked to an index.

f. **Amounts recognized in balance sheet and statement of profit and loss account:**

The balance sheet shows the following amounts relating to leases:

(Rs. in lacs)

	Category of right-of-use assets		
	Land	Building	Total
Balance as at April 1, 2019 (on account of initial application of Ind AS 116)	7,04.08	-	7,04.08
Add: Additions	-	2,55.04	2,55.04
Less: Depreciation charged on the right-of-use	8.58	28.33	36.91
Balance as at March 31, 2020	6,95.50	2,26.71	9,22.21
Add: Additions	-	-	-
Less: Depreciation charged on the right-of-use	8.57	28.32	36.89
Balance as at March 31, 2021	6,86.93	1,98.39	8,85.32

g. **Amount recognised in Statement of Profit or Loss:**

(Rs. In lacs)

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
i) Depreciation of right-of-use assets (classified under Depreciation and amortisation expense)	36.89	36.91
ii) Interest on lease liabilities (classified under Finance costs)	26.82	28.13
iii) Expenses related to short term leases (classified under Other expenses)	45.24	14.99

h. The total cash outflow for leases for the year ended March 31, 2021 was Rs.39.18 lacs (March 31, 2020: Rs.39.18 lacs).

i. Future minimum lease payments are as follows:

(Rs. in lacs)

As on March 31, 2021			
Minimum lease payments due:	Lease Payments	Finance charges	Net present value
Within 1 year	39.18	(25.36)	13.82
1 - 2 years	46.23	(23.35)	22.88
2 - 3 years	46.23	(20.64)	25.59
3 - 4 years	46.23	(17.60)	28.63
4 - 5 years	55.48	(13.72)	41.76
After 5 years	1,10.96	(12.00)	98.96
Total	3,44.31	(1,12.67)	2,31.64

As on March 31, 2020

Minimum lease payments due:	Lease Payments	Finance charges	Net present value
Within 1 year	39.18	(26.82)	12.36
1 - 2 years	39.18	(25.36)	13.82
2 - 3 years	46.23	(23.35)	22.88
3 - 4 years	46.23	(20.64)	25.59
4 - 5 years	46.23	(17.60)	28.63
After 5 years	1,66.45	(25.73)	1,40.72
Total	3,83.50	(1,39.50)	2,44.00

46. **Additional Information as required by paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

(Rs. In lakhs)

Name of the Company	Net Assets (Total Assets minus total liabilities)		Share in Profit or Loss		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit/(Loss)	Profit / (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
2020 - 21								
Parent Company								
Xpro India Ltd.	99.98	89,86.94	100.13	8,36.49	100.00	(39.55)	100.14	7,96.94
Indian Subsidiary								
Xpro Global Ltd.	0.02	2.01	0.03	0.29	-	-	0.03	0.29
Foreign Subsidiary								
Xpro Global Pte Ltd	-	-	(0.16)	(1.42)	-	-	(0.17)	(1.42)

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2021

Name of the Company	As % of Consolidated Net Assets	Net Assets	As % of Consolidated Profit/(Loss)	Profit / (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
2019 - 20								
Parent Company								
Xpro India Ltd.	99.67	81,66.10	100.00	1,20.91	100.00	(20.32)	100.00	1,00.59
Indian Subsidiary								
Xpro Global Ltd.	0.02	1.77	-	(77.75)	-	-	-	(77.75)
Foreign Subsidiary								
Xpro Global Pte Ltd	0.31	25.27	-	(3.33)	-	-	-	(3.33)

Note: The above figures are after eliminating intra group transactions and intra group balances as at March 31, 2020

47. **Revenue related disclosures (in accordance with Ind AS 115)**

A. Disaggregation of revenue

Revenue recognized mainly comprises of sale of (i) Coextruded sheets, cast films and liners and (ii) Biaxially oriented films. The disaggregation of the Group's revenue from contract with customers is set out below:

(Rs. in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
(i) Sale of products:		
(a) Coextruded sheets, cast films and liners	2,79,33.94	2,72,74.20
(b) Biaxially oriented films	88,57.81	78,73.70
(c) Traded goods	-	-
(d) Other services	-	-
(ii) Other operating income	5,43.61	3,36.03
Total revenue covered under Ind AS 115	3,73,35.36	3,54,83.93

B. Contract balances

Information about contract liabilities and receivables from contract with customers:

(Rs. in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Contract liabilities		
Advance received from customers	10.75	13.80
Total contract liabilities	10.75	13.80
Receivables		
Trade receivables	66,38.12	52,73.67
Total receivables	66,38.12	52,73.67

C. Significant changes in the contract liabilities balances during the year:

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
Contract liabilities - Advance received from customers		
Opening balance	13.80	10.48
Addition during the year	10.75	13.80
Revenue recognized during the year	(13.80)	(10.48)
Closing balance	10.75	13.80

48. **Estimation of uncertainties relating to global pandemic - Covid-19**

The Covid-19 pandemic has evolved into a continuing human tragedy with adverse impact on society, economy and business. Markets have faced severe disruption due to the pandemic and consequent interruption in production, economic uncertainty, supply chain disruption besides challenges in logistics and non-availability of personnel. During the year, the Group had temporarily suspended operations in all units of the Group following imposition of 'lock-down', and subsequently resumed operations in phases as permitted. The medium term impact of the corona virus on the businesses of the Group could vary depending on the repeat waves, virus mutations and control, future health and social developments or Government dictates that cannot be reliably predicted including steps to contain the spread of the disease, revive market demand and mitigate the crippling impact on the business economy. As a leading OE and industrial supplier to consumer durables and capacitor industry, the Group remains subject to uncertainty of demand and the behavior of ultimate consumers.

In these circumstances, the Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financials assets, deferred tax assets, inventory, receivables, advances, property, plant and equipment, intangibles etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information such as current contract terms, market and financial strength of customers, future volume estimates etc. Having reviewed the underlying data and based on current estimates the Group expects the carrying amount of these assets will be recovered and there will be no significant impact on liabilities accrued. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group continues to closely monitor material changes to the economic conditions and impact on business to address and mitigate the overall impact, if any, in this unprecedented situation.

49. **Significant events after the reporting period**

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

50. The consolidated financial statements were approved for issue by the Board of Directors at their meeting, deemed to have been held at New Delhi, through video conferencing on May 25, 2021.

In terms of our report of even date attached
For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Nitin Toshniwal
Partner
Membership No. 507568
Faridabad
May 25, 2021

For and on behalf of the Board

Sidharth Birla
Chairman

Amit Dhanuka
Company Secretary

V. K. Agarwal
President (Finance) & Chief Financial Officer

C. Bhaskar
Managing Director & Chief Executive Officer

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

____

Name: Chandrasekharan Bhaskar
Designation: Managing Director and Chief Executive Officer

Date: February 26, 2024
Place: New Delhi

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

____
Name: Chandrasekharan Bhaskar
Designation: Managing Director and Chief Executive Officer

Date: February 26, 2024
Place: New Delhi

I am authorized by the Board of Directors, *vide* resolution dated February 26, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____
Name: Chandrasekharan Bhaskar
Designation: Managing Director and Chief Executive Officer

Date: February 26, 2024
Place: New Delhi

XPRO INDIA LIMITED

Registered Office	**Corporate Office**
Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India	1218, DLF Tower B, Jasola District Centre, New Delhi – 110 025, India
E-mail: cosec@xproindia.com **Website**: www.xproindia.com **CIN:** L25209WB1997PLC085972	

Company Secretary and Compliance Officer:

Kamal Kishor Sewoda
Barjora - Mejia Road, P.O. Ghutgoria,
Tehsil: Barjora, Distt: Bankura,
West Bengal – 722 202, India
Telephone: +91 97753 01701
E-mail: cosec@xproindia.com

BOOK RUNNING LEAD MANAGER

Nuvama Wealth Management Limited
(Formerly known as Edelweiss Securities Limited)
801- 804, Wing A, Building No. 3,
Inspire BKC, G Block, Bandra Kurla
Complex, Bandra East, Mumbai 400051,
Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

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Gurugram – 122 002, India

LEGAL COUNSEL AS TO INDIAN LAW TO THE COMPANY

Khaitan & Co
One World Centre
10th and 13th Floors, Tower 1C
841 Senapati Bapat Marg
Mumbai 400 013

LEGAL COUNSEL AS TO INDIAN LAW TO THE BOOK RUNNING LEAD MANAGER

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013

INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

XPRO INDIA LIMITED	**APPLICATION FORM** Name of Bidder: ___________________________________ Form No: ____ Date: ____
(*Incorporated in the Republic of India under the provisions of the Companies Act, 1956*) **Registered Office**: Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India; **Corporate Office:** 1218, DLF Tower B Jasola District Centre, New Delhi – 110 025, India; **Contact Person**: Kamal Kishor Sewoda, Company Secretary and Compliance Officer; **Tel**: +91-33-40823700/22200600; **E-mail**: cosec@xproindia.com; **Website**: www.xproindia.com; **CIN**: L25209WB1997PLC085972 **LEI**: 33580013F5J8J5NOBN27 | **ISIN**: INE445C01015	

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] MILLION UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY XPRO INDIA LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,158.32 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined hereinbelow) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in the preliminary placement document as a "U.S. QIB") pursuant to an applicable exemption under the U.S. Securities Act, and (b) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in the PPD (as defined below) as "QIBs". You should note and observe the solicitation and distribution restrictions contained in the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 201 and 208, respectively, in the accompanying preliminary placement document dated February 26, 2024 (the "PPD").

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,

The Board of Directors
XPRO INDIA LIMITED
Registered Office: Barjora - Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, Distt: Bankura, West Bengal – 722 202, India
Corporate Office: 1218, DLF Tower B Jasola District Centre, New Delhi – 110 025, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters. Further, we confirm that we do not have any right under a shareholders'

STATUS (Please ü)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others __________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
* *Sponsor and Manager should be Indian owned and controlled.*
** *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Nuvama Wealth Management Limited *(Formerly known as Edelweiss Securities Limited)* (the "**BRLM**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLM; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, West Bengal at Kolkata (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Purchaser Representations and Transfer Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLM, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLM or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLM, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLM; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLM; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) a U.S. QIB purchasing the Equity Shares in transactions exempt from the registration requirements of the U.S. Securities Act, or (ii) located outside the United States and purchasing Equity Shares in an "offshore transaction", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. We confirm that we have read the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" in the PPD

<table>
<tr><th colspan="4">BIDDER DETAILS (in Block Letters)</th></tr>
<tr><td>NAME OF BIDDER*</td><td colspan="3"></td></tr>
<tr><td>NATIONALITY</td><td colspan="3"></td></tr>
<tr><td>REGISTERED ADDRESS</td><td colspan="3"></td></tr>
<tr><td>CITY AND CODE</td><td colspan="3"></td></tr>
<tr><td>COUNTRY</td><td colspan="3"></td></tr>
<tr><td>TELEPHONE NO.</td><td></td><td>FAX. NO.</td><td></td></tr>
<tr><td>EMAIL ID</td><td colspan="3"></td></tr>
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LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLM.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLM will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER	
BY 3.00 P.M. (IST), [●], 2024,	
Name of the Account	XPRO INDIA LIMITED QIP ESCROW ACCOUNT
Name of the Bank	HDFC Bank Limited
Address of the Branch of the Bank	HDFC Bank Ltd, Stephen House, 4, BBD Bagh East, Kolkata - 700001
Account Type	Escrow Account
Account Number	57500001438332
LEI Number	33580013F5J8J5NOBN27
IFSC	HDFC0000008
Tel No.	+91 22 30752927/28/2914
E-mail	eric.bacha@hdfcbank.com, cosec@xproindia.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "XPRO INDIA LIMITED QIP ESCROW ACCOUNT". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.

DEPOSITORY ACCOUNT DETAILS									
Depository Name(Please ü)	National Security Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**									

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLM shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
☐ Copy of PAN Card or PAN allotment letter
☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF

Signature of Authorised Signatory (may be signed either physically or digitally)**		☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIR ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*
***A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLM.
(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.
(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.