



**XPRO INDIA LIMITED**

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**ANNUAL REPORT 2009/10**

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## XPRO INDIA LIMITED : ANNUAL REPORT 2009/10

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### Board of Directors

Sri Sidharth Birla

*Chairman*

Smt. Madhushree Birla

Sri Amitabha Ghosh

Sri Haigreve Khaitan

Sri P. Murari

Sri Utsav Parekh

Sri S. Ragothaman

Sri C. Bhaskar

*Managing Director & Chief Executive Officer*

### Company Secretary

Sri S.C. Jain

### Senior Executives

Sri H. Bakshi

*President & Chief Operating Officer*

Sri V K Agarwal

*Executive Vice President & Chief Financial Officer*

Sri Anil Jain

*Executive Vice President, Thermosets Division*

Sri Manmohan Krishan

*Executive Vice President, Coex Division (FBD)*

Sri N Ravindran

*Executive Vice President (Marketing)*

Sri U. K. Saraf

*Executive Vice President, Coex Division (GRN & RNJ)*

### Registered Office & Biax Division

Barjora-Mejia Road,

P.O. Ghutgoria, Tehsil : Barjora,

Distt : Bankura 722 202, West Bengal

### Coex Division

3, Industrial Area, NIT,

Faridabad 121 001, Haryana

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

Plot E-89, MIDC Industrial Area,  
Ranjangaon, Distt. Pune 412 220, Maharashtra

### Corporate Office

1, Industrial Area, NIT,

Faridabad 121 001, Haryana

### Thermosets Division

Plot E-89, MIDC Industrial Area,  
Ranjangaon, Distt. Pune 412 220, Maharashtra

### Registrars & Share Transfer Agents

MCS Limited,

F-65, Okhla Industrial Area, Phase I, New Delhi 110 020

### Auditors

M/s Deloitte Haskins & Sells

Ahmedabad

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### **NOTICE**

#### **TO THE SHAREHOLDERS**

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Xpro India Limited will be held on Thursday, July 22, 2010 at 10.30 a.m. at the Registered Office of the Company at Barjora-Mejia Road, P.O. Ghutgoria, Teh.: Barjora, Distt: Bankura, West Bengal 722 202 to transact the following business:

1. To consider and adopt the Directors' Report and audited Balance Sheet and Profit & Loss Account as at and for the year ended March 31, 2010.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Smt. Madhushree Birla who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Sri S. Ragothaman who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors of the Company and to fix their remuneration.

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

By Order of the Board

S.C. JAIN  
Company Secretary

April 24, 2010

### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy Form duly completed must reach the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting.
3. The Register of Members of the Company will remain closed from July 1, 2010 to July 9, 2010 (both days inclusive).
4. Dividend on Equity Shares declared at the Annual General Meeting will be paid to those Shareholders, whose names appear on the Register of Members of the Company or whose names appear as the beneficial owner(s) of the Equity Shares of the Company at the close of working hours on June 30, 2010 and the Dividend Warrants will be posted on or before August 14, 2010.
5. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrars & Share Transfer Agents, MCS Ltd., F-65, Okhla Industrial Area, Phase - I, New Delhi - 110 020 quoting their folio numbers. **Further, please note that in the case of dematerialized shares any change(s) required in Address, Bank details, Bank Mandate, ECS Mandate, Power of Attorney and also requests for registration of Nomination, Transmission, etc., are to be intimated to your DP and not to the Company or our Registrars.**
6. Members holding shares in the same name(s) but under different Ledger Folios, are requested to apply for consolidation of such folios and send the relevant Share Certificates to the Company's Registrar and Share Transfer Agents at New Delhi as stated in Note No.5 above for endorsement of the consolidated folio number.
7. Members are hereby informed that the Company would transfer unpaid/unclaimed dividends, which remains unclaimed over a period of 7 years, to the Investor Education and Protection Fund (IEP Fund) constituted by the Central Government under section 205C of the Companies Act, 1956. Details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to such IEP Fund of the Central Government are as under :

Financial Year	Date of Declaration	Due date for transfer to IEP Fund
2002-03	July 23, 2003	August 23, 2010
2003-04	July 23, 2004	August 23, 2011
2004-05	June 24, 2005	July 30, 2012
2005-06	July 27, 2006	September 2, 2013
2006-07	July 26, 2007	September 1, 2014
2007-08	July 29, 2008	September 4, 2015
2008-09	July 23, 2009	August 29, 2016

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It may be noted that no claim shall lie against the Company or the Fund in respect of individual amounts which were unclaimed and unpaid for a period of 7 years and transferred to the Fund on respective due dates indicated hereinabove. Members are advised to claim/encash dividend warrants before due dates for transfer of unclaimed dividend to the IEP Fund.

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

**Item No.3**

Smt. Madhushree Birla, aged about 55 years, graduate from University of Ahmedabad, has served as Director and Advisor of various Corporate Bodies at different times. She is presently Executive Director of iPro Capital Limited, renders professional advisory services and is also engaged in social work.

Smt. Birla is presently Director on the Boards of Alpha Capital Management (Singapore) Pte. Ltd., IntelliPro Finance Pvt. Limited and MBA Infosoft Pvt. Ltd. She does not hold any membership of Committees of any Board.

Smt. Madhushree Birla does not hold any shares of the Company.

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

**Item No.4**

Sri S. Ragothaman, aged about 64 years, is a Commerce Graduate and Chartered Accountant. He is presently a self-employed professional and was formerly a senior official of ICICI Ltd. He has to his credit vast experience of over 37 years in the field of Finance.

Sri Ragothaman is presently Director on the Boards of Biax Speciality Films Private Limited, Hinduja Foundries Limited, Sakthi Finance Limited, Shreyas Shipping & Logistics Limited, The Bombay Dyeing & Manufacturing Company Limited. & Xpro Global Limited.

Sri Ragothaman is Chairman of Remuneration Committee, Member of Audit Committee and Share Transfer & Shareholders/Investors Grievance Committee of Hinduja Foundries Limited, Member of Audit Committee & Remuneration Committee of Shreyas Shipping & Logistics Limited, Chairman of Audit Committee & Member of Remuneration, Finance and Executive Committees of The Bombay Dyeing & Manufacturing Company Limited besides being Chairman of the Audit Committee of the Company.

Sri Ragothaman holds 3493 (0.03%) Equity Shares of the Company.

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

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

By Order of the Board

S.C. JAIN  
Company Secretary

April 24, 2010

## **XPRO INDIA LIMITED : ANNUAL REPORT 2009/10**

### **REPORT OF THE DIRECTORS TO THE SHAREHOLDERS**

We present herewith our Annual Report together with the Audited Accounts of your Company for the year ended March 31, 2010.

### **FINANCIAL RESULTS**

	<u>2010</u>	(Rs. Lacs) <u>2009</u>
Operations yielded a		
Profit before Depreciation and Tax of	1,479.97	1,016.40
less : Depreciation	868.59	838.83
	-----	-----
	611.38	177.57
add: Exceptional items (net)	90.40	-
	-----	-----
Profit Before Tax	701.78	177.57
less : Provisions for		
• Income & Wealth Tax	236.00	164.00
• Deferred Tax	26.00	( 109.00 )
• Fringe Benefit Tax	-	19.00
	-----	-----
Profit after Tax	439.78	103.57
add : Surplus brought forward	3,080.81	3,115.93
	-----	-----
Balance available for appropriation	3,520.59	3,219.50
Which is appropriated as :		
• General Reserve	55.00	10.00
• Proposed Dividend	194.80	110.00
• Dividend Tax	32.35	18.69
• Surplus carried forward	3,238.44	3,080.81
	=====	=====

Earnings from operations improved by about 45% to Rs.1479.97 lacs before depreciation and taxes (against Rs.1016.40 lacs in previous year) and, together with exceptional income, translated into an improved Profit after tax of Rs.439.78 lacs (Rs.103.57 lacs previous year). We recommend for your approval a Dividend of Rs.1.75 per share.

### **REVIEW OF KEY BUSINESS MATTERS**

The uncertainties facing the country at the beginning of the year following the global economic crisis, coupled with sub-normal monsoons, gave way to an economy showing signs of revival by the second quarter followed quickly by robust recovery in the second half with an estimated and broad-based GDP growth of 7.2%. To a considerable extent aided by the stimulus measures taken by the Government, an easing in credit & release of the pay commission arrears, a major recession was averted and India climbed out of the slowdown faster than expected, despite a sluggish export recovery. In particular, improving consumer confidence and strong demand in the automobiles and consumer durable segments drove the momentum in manufacturing.

The operations of the Company were generally satisfactory as also reflected in the financial results. Aggressive marketing, development efforts, productivity improvements and disciplined cost control helped the company take advantage of the revival in our consumer industries. Volatility in petro-product prices (our raw materials), liquidity constraints with industrial customers and competitive conditions were under-lying characteristics. Overall volumes at 24,207 MT were higher by about 25% and Gross Sales higher by about 34% over the previous year at Rs.220.39 Crores. We remain optimistic on the future but mindful of uncertainties arising from volatile input prices, slow global recovery, threat of a repeat global recession, widening of inflationary trends from supply-based food segments to demand driven non-food areas, and impending interest rate hikes coupled with expected liquidity restraints.

The Consumer Durables industry in the country, particularly Refrigerators, a significant client base for the Company witnessed a high growth of nearly 37% (following several years at around 16%) and is expected to continue to exhibit good fundamentals. To meet growing demand from specific customers, capacity at Ranjangaon was further enhanced through addition of Coextruded Sheet and Thermoforming capacity. Sheet Capacity at Greater Noida is also being enhanced through addition of another line. The Thermosets Division also continues to exhibit strong growth and capacity for synthetic resins and phenolic moulding powders was enhanced during the year. Proactive steps continue to be taken by the management to preserve market standing and competitive edge through development, productivity improvement and cost/financial discipline.

Our strategic intent for BOPP and Cast films is towards specialization in certain types of films (including thin, capacitor, hygiene and metalized films). As a result the Company was able to operate its plants at high utilization levels particularly for BOPP Films. BOPP Films have seen consistent growth in keeping with the rapid growth in the flexible packaging materials industry. The present low per capita consumption level in

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India, and the growth being seen inter-alia in the retail sector and the packaged foods industry, both point to sustainable opportunities for films. However, difficult market conditions prevailed due to creation of significant additional capacities.

Circumstances in which the company acquired the entire shareholding in the erstwhile joint venture, now called Biax Speciality Films Private Limited, were discussed in depth in our Report last year. Since the beginning of the year, (a) a one-time settlement earlier negotiated with erstwhile lenders was implemented, (b) capacity utilization was quickly built up and the plant is running at near full capacity and (c) the products marketed by us under our 'Biax' brand have been well accepted. The rapid turnaround in utilization resulted in substantially higher sales during the year at Rs.1,882.44 lacs against Rs.733.56 lacs during the previous 15 month period and in a gross profit from operations of Rs.48.70 lacs (against a loss of Rs.443.38 lacs during the previous period). The early stages of the turnaround contemplated have been realized.

Employees Stock Option Schemes have been implemented by the Company in accordance with relevant SEBI Guidelines. Details of options granted and outstanding along with other particulars as required under the SEBI Guidelines are annexed hereto.

### **STATUTORY AND OTHER MATTERS**

Information as per the requirements of the Companies Act, 1956, our report on Corporate Governance and the Management Discussion & Analysis Report form a part of this Report and are annexed hereto. Annual Report and Accounts for the financial year ended on March 31, 2010 of the subsidiaries (Xpro Global Limited and Biax Speciality Films Private Limited) are annexed hereto. Relations with employees were generally cordial and we record our appreciation of contributions made by committed employees during the year.

Smt. Madhushree Birla and Sri S Ragothaman, Directors, retire by rotation and, being eligible, offer themselves for reappointment.

The observations of the Auditors are in the nature of general disclosures which read together with the accounting policies and the relevant notes to the accounts are self-explanatory.

The Government of India (Ministry of Corporate Affairs) has recently introduced voluntary guidelines for Corporate Social Responsibility, to enable businesses to focus and contribute towards interests of stakeholders and society. The Company, having regard to its size and scope, is generally compliant with these guidelines. Small steps have been always taken by our units for social and inclusive development in their locales; however, given the relatively small size of units and their geographical spread, it is not practically viable to undertake any significant projects outside these. The Company has now decided as a policy to support external bodies like relevant NGOs or Government Relief Funds, including through financial contribution and has, in the first instance, made a budgetary provision of Rs.20 lacs for such support.

As per our governance practices the management's statement on the integrity and fair presentation of financial statements is provided to the Board as an integral part of the accounts approval process. However, pursuant to Section 217(2AA) of the Companies Act the Directors indicate that they have taken reasonable and bonafide care (a) that in the preparation of the annual accounts the applicable accounting standards had been followed and proper explanations relating to material departures, if any, have been furnished; (b) that such accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year; (c) that proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities; and (d) that these accounts have been prepared on a Going Concern basis.

### **AUDITORS**

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

### **ACKNOWLEDGEMENTS**

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

**For and on behalf of the Board**

New Delhi  
April 24, 2010

**Sidharth Birla**  
Chairman

## XPPO INDIA LIMITED : ANNUAL REPORT 2009/10

### REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

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

#### The Board of Directors

##### Composition

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

Independent Directors play an important role in deliberations at the Board level, bring with them their extensive experience in various fields including banking, finance, law, administration and policy, and contribute significantly to Board committees. Their independent role vis-à-vis the Company implies that they have a distinct contribution to make by adding a broader perspective, by ensuring that the interests of all stakeholders are kept in acceptable balance and also in providing an objective view in any potential conflict of interest between stakeholders. The Chairman and non-executive directors review the functioning and effectiveness of the Board and the attendance record of directors every year.

As a policy the identities, positions, duties and responsibilities of the Chairman and Chief Executive are kept separate and suitably defined. Accordingly the Chairman's position, even where whole-time, is non-executive and his role is specified by the Board and does not cover routine managerial responsibilities. The management of the Company is vested in executive director(s) appointed for the purpose, subject to the general supervision, control and direction of the Board. Sri C Bhaskar is the Managing Director & Chief Executive Officer accountable to the Board for actions and results and is the only executive director. Sri Sidharth Birla and Smt. Madhushree Birla represent promoters and are related to each other; none of the other Directors are related to each other or to promoters. Details of Directors are given below by category, attendance, relevant directorships (at "B"), membership and chairmanship (at "C" & "Ch") of SEBI specified committees, sitting fees (including committees) and commission (if any) paid during the year, and shareholding in the Company.

Director / Category	Attendance	B / C / Ch	Fees/Commission (Rs.)	Shareholding
<b><u>Independent</u></b>				
Sri Amitabha Ghosh	5 / 5	14 / 5 / 5	1,10,000	-
Sri P. Murari	5 / 5	11 / 5 / -	1,70,000	-
Sri Utsav Parekh	3 / 5	7 / 5 / 1	1,00,000	-
Sri S. Ragothaman	5 / 5	6 / 3 / 2	1,60,000	3493 (0.03%)
<b><u>Non-Executive</u></b>				
Sri Haigreve Khaitan	1 / 5	15 / 9 / -	20,000	-
<b><u>Representing Promoters</u></b>				
Smt. Madhushree Birla	4 / 5	2 / - / -	80,000	-
Sri Sidharth Birla	5 / 5	5 / - / -	Nil	251875 (2.29%)
<b><u>Executive (Managing Director)</u></b>				
Sri C Bhaskar	5 / 5	2 / 1 / -	Nil	932 (0.01%)

Sri Sidharth Birla & Sri C Bhaskar are both employed by the Company and Sri Haigreve Khaitan is Partner of Khaitan & Co., to which legal and other fees etc., of Rs.86,750 was paid during the year.

As required by law, the appointment(s) and remuneration(s) of any executive directors and of the Chairman (if whole-time) requires the approval of shareholders; such approvals are for a period of not more than 5 years and, when eligible, they can be re-appointed at the end of the term. 1/3<sup>rd</sup> of the other Directors retire every year and, when eligible, qualify for re-appointment. Nominees of Financial Institutions (if any) do not

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

#### ***Responsibilities***

The Board's fundamental concentration is on strategic issues and approval, policy and control, and delegation of powers. The Board has specified a schedule of major matters (covering those required under law or regulations) that are reserved for its consideration and decision, besides review of corporate performance and reporting to shareholders. Respective roles of the Board and management are clearly demarcated. The management is required to (a) provide necessary inputs and basis to support the Board in its decision making and evaluation process in respect of the Company's strategy, policies, targets and code of conduct; (b) manage day-to-day affairs of the company to best achieve targets and goals approved by the Board; (c) implement all policies and the code of conduct, as approved by the Board; (d) provide timely, accurate, substantive and material information, including on all financial matters and exceptions, if any, to the Board and/or its committees; (e) be responsible for ensuring strict and faithful compliance of all applicable laws and regulations; and (f) implement sound, effective internal control systems and the Risk Management Procedure framed by the Board.

The Board has laid down a general Code of Conduct for employees and adopted a Code of Conduct for Directors and Senior Executives. The Board requires the organization to endeavor to conduct business and develop relationships in a responsible, dignified and honest way and these codes aim to establish the policy framework. The Board has also laid down a Code of Conduct for Prevention of Insider Trading, administered by the Compliance Officer. Management of the organization and conduct of affairs of the Company lie with the Managing Director & Chief Executive Officer, who heads the management team. The President & Chief Operating Officer holds operational responsibility for day-to-day activities of the divisions under his charge. Executive Vice President & Chief Financial Officer, heads the finance function discharging the responsibilities entrusted to him under regulations and by the Board. They are collectively entrusted with ensuring that all management functions are carried out effectively and professionally.

#### ***Board Meetings and Committees***

Board meetings are normally held at Company offices, including at plants, and are typically scheduled well in advance. The Board meets at least once after the end of each quarter to, inter-alia, review all relevant matters and consider and approve quarterly financial results. The Board sometimes meets on an ad-hoc basis to receive presentations about and deliberate upon the strategic and operational plans of the management. Agenda for all meetings are prepared by the Secretary in consultation with the Chairman and papers are circulated to all directors in advance. Directors have access to the Secretary's support and all information of the Company and are free to suggest inclusion of any relevant matter in the Agenda. Senior officers are called to provide clarifications or presentations whenever required. To enable fuller and detailed attention to relevant matters, the Board delegates specified matters to committees which report to it. However no matter which under law or the Articles may not be delegated by the Board, or requires its explicit approval, is left to the final decision of any committee. During the year the Board met 5 times on April 29, July 22, October 21, December 10, 2009 & January 25, 2010.

#### ***Audit Committee***

The terms of reference of the Audit committee, as specified by the Board in writing, includes the whole as specified in the Companies Act and in regulations, including review of audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with relevant regulatory guidelines. The committee members are all independent directors collectively having requisite knowledge of finance, accounts and company law. The committee recommends the appointment of CFO, as and when required, external auditors and their fees and payments and also takes an overview of the financial reporting process to ensure that the financial statements are correct, sufficient and credible. Any financial reports of the Company can be placed in the public domain only after review by the Audit committee. The reports of the statutory as well as internal auditors are regularly reviewed, along with comments and action-taken reports of management. The committee has explicit authority to investigate any matter within its terms of reference and has full access to the information, resources and external professional advice which it may require. The committee comprises Sri S. Ragothaman (as its Chairman), Sri Utsav Parekh and Sri P. Murari, and is mandated to meet at least four times in a year; to assess the final audited accounts and to review each quarter the limited review reports before they are put up to the Board. The committee met 4 times during the year. The meetings on April 29 and July 22, 2009 were attended by all members while the meetings of October 21, 2009 and January 25, 2010 were attended by Sri S. Ragothaman and Sri P. Murari.

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

The Remuneration & Nomination Committee comprises of all non-executive and a majority of independent directors. It makes recommendations to the Board on filling up Board vacancies that may arise from time to time or on induction of further directors to strengthen the Board. The Committee is entrusted with discharging the functions of a Compensation Committee as envisaged in SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The committee is fully enabled to ensure that non-executive directors make decisions on remuneration and progression of executive directors and is able to assess the same for senior officers; remuneration of the Chairman is recommended by the Committee to the Board of the Company and compensation to other non-executive Directors is a subject only for the whole Board. The committee comprises of Sri P. Murari, (as Chairman), Sri Sidharth Birla, Sri Amitabha Ghosh and Sri Utsav Parekh. During the year the Committee met on April 29, 2009 (attended by all members).

All directors other than the Chairman and any executive directors(s) are paid sitting fees for meetings of the Board or its committees attended: Rs.20,000 each per meeting of the Board, Rs.15,000 each per meeting of the Audit Committee, Rs.5,000 each per meeting of the Share Transfer & Shareholders/Investor Grievance Committee and Rs.10,000 each per meeting for other committees. Shareholders have approved the payments of (i) a commission for non-executive directors with effect from April 1, 2007 not exceeding 1% of the net profits of the Company



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determined in accordance with relevant provisions of the Companies Act: (ii) a remuneration to Sri Sidharth Birla, Chairman, appointed with effect from March 1, 2008 for 3 years, by way of a Salary (Rs.4.00 lacs per month), commission (not exceeding 2% of net profits), housing facility or allowance in lieu thereof (upto 60% of salary) and other perquisites (in aggregate subject to minimum remuneration of Rs.4 lacs per month as per the Companies Act); (iii) a remuneration to the Managing Director & Chief Executive Officer, Sri C. Bhaskar, appointed with effect from January 1, 2009 for 3 years, comprising of salary, commission (not exceeding 2% of net profits), perquisites and other benefits/allowances as may be decided by the Board from time to time, subject in aggregate to a maximum of 5% of the net profits of the company as per relevant calculation (in aggregate subject to minimum remuneration of Rs.4 lacs per month). Accordingly he is now paid a salary of Rs.2.40 lacs and house rent allowance of Rs.0.45 lacs per month and perquisites. 50,000 Stock Options were granted to him on April 1, 2010. There are no severance fees (routine notice period not considered as severance fees) or other benefits.

### Share Transfer & Shareholders/Investors Grievance Committee

This committee reviews, records and helps expedite transfer of shares and resolves and attends to any grievances of Investors. The Company has over 48,000 shareholders and the committee meets frequently throughout the year to minimize any delays in the transfer process. Any investor grievance is referred to this committee in the first instance for early resolution. Sri S.C. Jain, Secretary, is the Compliance Officer under relevant regulations. This committee is chaired by Sri Utsav Parekh and includes Sri Haigreva Khaitan and Sri C Bhaskar. During the year 60 complaints/queries were received; all were resolved and none are pending.

### Committee of Directors

A Committee of Directors comprising of Sri Sidharth Birla, Sri Utsav Parekh and Sri C. Bhaskar attends to matters specified and/or delegated appropriately by the Board from time to time. During the year the Committee met on September 10 and September 21, 2009 (both meetings attended by Sri Sidharth Birla and Sri C Bhaskar).

### Shareholder Information and Relations

The principal source of detailed information for shareholders is the Annual Report which includes, inter-alia, the Reports of the Directors and the Auditors, Audited Accounts, besides this report and Management's Discussion & Analysis Report. The Management's statement on integrity and fair presentation of financial statements is provided to the Board as part of the accounts approval process. Shareholders are intimated through the print media about quarterly financial results, besides significant matters, within time periods stipulated from time to time by Stock Exchanges. Annual General Meetings of the Company are held at its Registered Office at Barjora-Mejia Road, P.O. Ghutgoria, Tehsil: Barjora, District: Bankura 722202, West Bengal. The last 3 AGMs were held at the Registered Office on July 26, 2007, July 29, 2008 & July 23, 2009. The next AGM shall be held at the Registered Office as per notice in this Annual Report and the Record Date will also be as per the notice. The last AGM was attended by Sri S. Ragothaman and Sri C Bhaskar. Dividend was paid last year and warrants were mailed by July 31, 2009 (8 days after AGM).

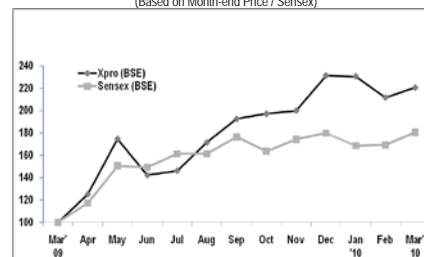
The Company keeps shareholders informed via advertisements in appropriate newspapers of all relevant dates and items requiring notice. M/s MCS Limited, New Delhi are the Registrars and Share Transfer Agents. The general address for correspondence by shareholders is the Company Secretary (Tel. No.(033) 2213 1680 extn. 1267) at Birla Building (2<sup>nd</sup> Floor), 9/1, R.N. Mukherjee Road, Kolkata 700 001; designated e-mail I.D. for grievance redressal is [scjain@xproindia.com](mailto:scjain@xproindia.com) (of Compliance Officer) & [admin@mcsdel.com](mailto:admin@mcsdel.com) or [mcscomplaintsdel@mcsdel.com](mailto:mcscomplaintsdel@mcsdel.com) (of Registrar and Share Transfer Agents). Shareholders may also write to the Registrars directly in matters relating to transfers etc. The Company publishes its quarterly results in English (usually Business Standard - all editions) and relevant vernacular print media (usually Aaj Kal) and shall continue to do so, and hold its Annual General Meetings and pay dividends (if any) within time limits prescribed by law or regulations.

The Company's web-site where relevant information is displayed is at [www.xproindia.com](http://www.xproindia.com). No presentation has been made to institutional investors etc. The present financial year of the Company is April 1 to March 31.

The Company's Equity Shares are listed at Calcutta Stock Exchange (Stock Code 10034003), the National Stock Exchange (Symbol: XPPOINDIA, Series EQ) and are also admitted for trading on the Bombay Stock Exchange under the category of "Permitted Securities" (Stock Code 590013). The shares are to be compulsorily traded in dematerialized form (ISIN number INE 445C01015). Shareholding distribution, pattern and high/low market price data are given below. The shares were not traded on the Calcutta Stock Exchange during the year.

Share Price by Month	NSE		BSE	
	High	Low	High	Low
April 2009	20.85	14.55	20.77	14.50
May	28.50	16.25	28.00	16.95
June	25.80	19.15	25.90	19.25
July	21.55	16.05	21.80	17.10
August	26.60	17.00	26.65	18.60
September	30.25	23.00	29.95	23.05
October	37.00	25.00	36.80	25.00
November	33.90	25.50	32.25	26.50
December	35.30	25.15	35.65	27.60
January 2010	36.90	31.35	36.70	31.15
February	34.00	28.05	34.90	28.80
March	35.65	29.50	35.80	29.50
<b>During the Financial Year</b>	<b>37.00</b>	<b>14.55</b>	<b>36.80</b>	<b>14.50</b>

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



## XPRO INDIA LIMITED : ANNUAL REPORT 2009/10

	Number	In % by amount	Nominal Value of Shareholding	Number	In % by amount
Banks, FI's, Insurance Companies	20	2.39			
Domestic Companies	496	47.45	Upto Rs.5,000	46,485	19.15
Mutual Funds (including UTI)	6	0.09	Rs.5,001 to Rs.20,000	1,225	11.57
Non-residents/OCBs	141	1.01	Rs.20,001 to Rs.1,00,000	277	10.37
Resident individuals/others	47,376	49.06	Rs.1,00,001 and above	52	58.91
	<b>48,039</b>	<b>100.00</b>		<b>48,039</b>	<b>100.00</b>

Note: aggregate of Public shareholding: 55.14%

### **Mandatory and Non-Mandatory Provisions**

There have been no material transactions of the Company with its promoters, Directors or the management, their subsidiaries or relatives etc., except for any transactions of routine nature as disclosed in the notes on accounts. Accordingly there have been no potential conflict(s) with the interests of the Company. Pursuant to Regulation 3(1)(e)(i) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting "Group" include Intellipro Finance Private Limited, Sri Sidharth Kumar Birla, Smt. Madhushree Birla, Sri S.K. Birla, Smt. Sumangala Birla, Birla Eastern Limited, Birla Holdings Limited, Central India General Agents Limited, iPro Capital Limited, Janardhan Trading Company Limited, Mineral Oriental Limited and Nathdwara Investments Company Limited.

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

For and on behalf of the Board

New Delhi  
April 24, 2010

Sidharth Birla  
Chairman