



SUBSIDIARY COMPANIES

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CHLORIDE INTERNATIONAL LIMITED

DIRECTORS

T. V. Ramanathan, Chairman

P. K. Katakya

Bhaskar Gupta

CHIEF OPERATING OFFICER

Arun Mittal

REGISTERED OFFICE

EXIDE HOUSE

59E Chowringhee Road

Kolkata 700 020

BANKER

Yes Bank Limited

AUDITORS

Surendra Didwania & Co.

Chartered Accountants

19 Synagogue Street

City Centre, 3rd Floor

Kolkata - 700 001

DIRECTORS' REPORT

To the Members of Chloride International Limited

Your Directors are pleased to present the 63rd Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2010.

	2009-10 Rupees	2008-09 Rupees
Working for the year resulted in a net surplus of	37,39,121	1,06,180
Add: Balance brought forward from last year	8,71,640	7,89,445
Making a total of	46,10,761	8,95,625
Out of this, provision has been made for taxation	13,75,000	23,985
Less: Transfer to General Reserve	5,20,000	—
Less: Proposed Dividend	9,00,000	—
Less: Tax on Dividend	1,52,955	—
Leaving a balance of (Which is carried forward to next year)	16,62,806	8,71,640

Operations

Your Directors are pleased to announce that your Company has achieved a turnover of Rs.1263 lakhs representing a growth of 224% over the previous year. Similarly, Profit before Tax at Rs.37.39 lakhs recorded a substantial increase compared to the previous year. This improved performance was due to better product mix, stringent quality control and restructuring of the distribution network including appointment of distributors in unrepresented areas to increase market reach.

Your Company operates in two sectors, namely renewable energy products and Home UPS products. In the renewable energy sector the Company is marketing and selling solar lighting and heating systems for domestic as well as commercial applications, including telecom and railways. In the home UPS segment, invertors based on advanced technology under 'CHLORIDE' brand has been launched. The Company is also exploring possibilities of introducing high end invertors with new generation storage power solutions.

Dividend

After considering the resource requirements for future expansion, your Directors are pleased to recommend a dividend of 20%, i.e., Rs. 2/- per equity share of the face value of Rs. 10/- each.

Fixed Deposits

Your Company has not accepted any deposits from the public.

Directors

Mr P. K. Katakya retires by rotation and, being eligible, offers himself for re-appointment.

None of the Directors of your Company are disqualified for being appointed as Directors, pursuant to Section 274(1)(g) of the Companies Act, 1956.

Auditors

The Auditors, Messrs Surendra Didwania & Co., Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible under Section 224(1B) of the Companies Act, 1956, offer themselves for re-appointment. Information under Section 217(1)(e) of the Companies Act, 1956

- i) Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to disclosure of information regarding Conservation of Energy, Technology Absorption and Research & Development is not applicable since the Company neither has any separate / individual commercial establishment or manufacturing facility nor is required to carry-out any Research and Development activities presently.
- ii) Activities relating to exports, initiatives taken to increase exports, development of new export markets of products and services and export plans:

The Company would try and develop an export market after catering sufficiently to the domestic market.

- iii) Total Foreign Exchange used and earned:
Used : Rs. Nil
Earned : Rs. Nil

Employees

Your Company has no employee of the category required to be listed under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, during the period under review.

Directors' Responsibility Statement Pursuant to Section 217(2AA) of the Companies Act, 1956

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Board of Directors state:

- i. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of

affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;

- iii. That the Directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. That the Directors have prepared the annual accounts on a going concern basis.

On behalf of the Board of Directors

Place : Kolkata

Date : 21 April, 2010

T V Ramanathan
Chairman

To
The Members
CHLORIDE INTERNATIONAL LIMITED
Exide House
59E Chowringhee Road
Kolkata - 700 020

We have examined the registers, records, books and papers of **CHLORIDE INTERNATIONAL LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2010 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' with the Registrar of Companies.
3. The Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met four times respectively on 17.04.2009, 15.07.2009, 03.11.2009 and 25.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on 31.3.2009 was held on 15.06.2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. (i) There was no allotment/ transfer/ transmission of securities during the financial year.
(ii) The Company has not deposited any amount in a separate account as no dividend was declared during the financial year.
(iii) The Company has not posted warrants to any member as no dividend was declared during the financial year.
(iv) The Company has duly complied with the requirements of section 217 of the Act.
14. The Board of directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has not appointed any Managing Director/WholeTime Director during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government,

- Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any share during the financial year.
 21. There was no redemption of preference shares or debentures during the financial year.
 22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The amount borrowed by the Company from banks and others during the financial year ending 31.3.2010 are within the borrowing limits of the Company as confirmed by the Management.
 25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
 26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company's during the year under scrutiny.
 28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
 30. The Company has not altered its articles of association during the financial year.
 31. There was no prosecution initiated against or show cause notices received by the Company, during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The company has deposited both employees and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.
- For Sushil Tiwari & Associates
Company Secretaries
- Place :Kolkata
Dated: 19.04.2010
- Sushil Tiwari
Proprietor

ANNEXURE A

Registers as maintained by the Company

1. Register of members under Section 150.
2. Register of Transfers.
3. Register of Directors under Section 303.
4. Register of Directors' Shareholding under Section 307.
5. Register under Section 301.
6. Register of Investment / Loans under Section 372A.
7. Books of Accounts under Section 209.
8. Minutes Books of the Board Meetings and General Meetings under Section 193.
9. Register and Returns under Section 163.

Forms / Returns filed with the ROC

1. Audited Accounts (Forms 23AC+23ACA) for the year ended 31.3.2009 u/s 220 was filed on 04.07.2009.
2. Annual Returns u/s 159 (Form 20B) for the AGM held on 15.06.2009 was filed on 14.08.2009.
3. Secretarial Compliance Certificate (Form 66) for the year ended 31.03.2009 u/s 383A(1) was filed on 04.07.2009.

AUDITOR'S REPORT

TO THE MEMBERS OF CHLORIDE INTERNATIONAL LIMITED

We have examined the attached Balance Sheet of **Chloride International Limited** as at 31st March, 2010 and the Profit & Loss Account of the company for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from examination of the books;

- c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion the attached balance sheet and the profit & loss account Comply with the Accounting Standard referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of written representation received from Directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

Subject to the above and read together with the significant Accounting Policies stated in Schedule "16" in our opinion and to the best of our knowledge and belief, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a fair and true view in conformity with the accounting principles generally accepted in India;

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- ii) In the case of the Profit & Loss Account, of the profit of the company for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Surendra Didwania & Co.
Chartered Accountants

S. K. Didwania
Proprietor

Kolkata

Date: 21st day of April, 2010

Membership No. 56954

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in the 3rd paragraph of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. Fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. As informed to us no serious discrepancy was noticed on such verification during the year.
3. None of the major assets has been disposed off during the year.
4. The stock of Finished Goods, spares and components has been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
5. The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
6. The Company has not taken any loan from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
7. The Company has not given unsecured loans to parties listed in the register maintained under section 301 of the Companies Act, 1956.
8. There is an adequate internal control procedure commensurate with the present size of the Company and nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
9. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
10. The Company has not accepted any deposit from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956. Hence the relevant provisions are not applicable to the company.
11. Internal Audit at the year end was conducted by the internal audit department of the holding company, which in our opinion is commensurate with the nature and size of the Company.
12. The Central Government has not prescribed any Cost Audit under Section 209 (1) (d) of the Companies Act.
13. The Company has been regular in depositing undisputed statutory dues including provident fund and employees' state insurance, income tax, sales tax, value added tax,

wealth tax, service tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.

14. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amount payable in respect of income tax, sales tax, custom duty, excise duty and service tax as at 31st March, 2010 which were outstanding for a period of more than six months from the date they became payable.
15. According to the records of the Company, the following amounts in respect of sales tax being disputed have not been deposited;

Nature of Demand	Nature of Dues	Amount of Demand	Amount Deposited	Forum where appeal filed
Andhra Pradesh Sales Tax	Due to disallowance of Forms submitted	Rs. 19,83,325/-	Rs. Nil	Sales Tax Appellate Authority of Hyderabad

16. The Company does not have any accumulated losses and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
17. The Company has not defaulted in repayment of dues to the Banks. The Company has not taken any loan from Financial Institutions. The Company has not issued any Debentures.
18. The Company has not used the funds raised on short term basis for long-term investments.
19. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
20. The Company is not a chit fund or a nidhi / mutual benefit fund / society.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Surendra Didwania & Co.
Chartered Accountants

S. K. Didwania
Proprietor

Kolkata
Date: 21st day of April, 2010

Membership No. 56954

BALANCE SHEET

AS AT 31st MARCH 2010

SOURCES OF FUNDS	SCHEDULE	31.3.2010		31.3.2009	
		Rs.	Rs.	Rs.	Rs.
Shareholders' Funds					
Share Capital	1	45,00,000		45,00,000	
Reserves & Surplus	2	<u>52,162,806</u>		<u>50,851,640</u>	
			56,662,806		55,351,640
Secured Loans	3		<u>—</u>		<u>118,406</u>
			<u>56,662,806</u>		<u>55,470,046</u>
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		26,634,596		26,634,596	
Less: Depreciation		<u>2,697,649</u>		<u>2,263,504</u>	
Net Block			23,936,947		24,371,092
Investments	5		11,000		11,000
Current Assets, Loans & Advances					
Inventories		20,709,736		9,074,091	
Sundry Debtors	6	15,955,439		26,894,649	
Cash and Bank Balances	7	5,816,044		111,625	
Loans & Advances	8	<u>1,466,651</u>		<u>1,189,381</u>	
		<u>43,947,870</u>		<u>37,269,746</u>	
Less:					
Current Liabilities & Provisions					
Liabilities	9	10,180,056		6,181,792	
Provisions	10	<u>1,052,955</u>		<u>—</u>	
		<u>11,233,011</u>		<u>6,181,792</u>	
Net Current Assets			32,714,859		31,087,954
			<u>56,662,806</u>		<u>55,470,046</u>
Notes on Accounts	16				

Schedules 1 to 10 and 16 referred to above form an integral part of the Balance Sheet.

In terms of our attached report of even date.

Surendra Didwania & Co.
Chartered Accountants
S.K. Didwania
Proprietor
Membership No. 56954
Kolkata, 21 April, 2010

T. V. Ramanathan
Bhaskar Gupta
Directors

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2010

	SCHEDULE	2009-2010		2008-2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Gross Sales	11	126,308,131		38,958,860	
Less: Sales Tax, Value Added Tax		<u>6,082,593</u>	120,225,538	<u>2,352,460</u>	36,606,400
Other Income	12		<u>2,220,000</u>		<u>2,100,000</u>
			<u>122,445,538</u>		<u>38,706,400</u>
EXPENDITURE					
Materials	13		113,517,265		31,924,800
Expenses	14		4,755,007		6,241,275
Depreciation			<u>434,145</u>		<u>434,145</u>
			<u>118,706,417</u>		<u>38,600,220</u>
PROFIT BEFORE TAXATION			3,739,121		106,180
Taxation	15		<u>1,375,000</u>		<u>23,985</u>
PROFIT AFTER TAXATION			2,364,121		82,195
Balance brought forward			<u>871,640</u>		<u>789,445</u>
PROFIT AVAILABLE FOR APPROPRIATION			<u>3,235,761</u>		<u>871,640</u>
APPROPRIATIONS					
Transfer to General Reserve			520,000		—
Proposed Dividend			900,000		—
Tax on Proposed Dividend			152,955		—
Balance Carried Forward			<u>1,662,806</u>		<u>871,640</u>
			<u>3,235,761</u>		<u>871,640</u>
Earning per share - Basic & Diluted -			5.25		0.20
Notes on Accounts	16				

Schedules 11 to 16 referred to above form an integral part of the Profit and Loss Account.

In terms of our attached report of even date.

Surendra Didwania & Co.
Chartered Accountants
S.K. Didwania
Proprietor
Membership No. 56954
Kolkata, 21 April, 2010

T. V. Ramanathan
Bhaskar Gupta
Directors

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH, 2010

	12 Months ended 31st March 2010		12 Months ended 31st March 2009	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow from operating activities				
Net Profit / Loss before taxation and extra-ordinary items		3,739,121		106,180
Adjusted for :				
Depreciation	434,145		434,145	
(Profit) / Loss on sale of assets & investment	–		–	
Interest Income	–		–	
Rent Income	(2,220,000)		(2,100,000)	
Interest Expense	175,930	(1,609,925)	1,448,179	(217,676)
Operating profit before working capital change		2,129,196		(111,496)
Adjusted for:				
(Increase) / Decrease in Sundry Debtors	10,911,494		26,693,462	
(Increase) / Decrease in Inventories	(11,635,645)		(3,170,005)	
(Increase) / Decrease in Loans & Advances	–		47,564	
Increase / (Decrease) in Trade Payables	3,998,264	3,274,113	(19,068,628)	4,502,393
Cash generated from operation		5,403,309		4,390,897
Income Tax refund / (Paid)		(1,282,244)		103,123
Net Cash from operating activities		4,121,065		4,494,020
B. Cash Flow from investing activities				
Purchase of Fixed assets	–		–	
Proceeds from short term Advances	–		–	
Rent Received	1,877,690		1,624,140	
Interest & other investment income	–	1,877,690	–	1,624,140
C. Cash Flow from Financing activities				
Proceeds from short term borrowings	(118,406)		(4,144,181)	
Dividend Paid	–		(526,478)	
Interest Paid	(175,930)	(294,336)	(1,448,179)	(6,118,838)
D. Net increase / (decrease) in cash & cash equivalent		5,704,419		(678)
E. Cash & cash equivalent at the beginning		111,625		112,303
F. Cash & cash equivalent at the closing		5,816,044		111,625

In terms of our attached report of even date.

Surendra Didwania & Co.

Chartered Accountants

S.K. Didwania

Proprietor

Membership No. 56954

Kolkata, 21 April, 2010

T. V. Ramanathan

Bhaskar Gupta

Directors

SCHEDULES FORMING PART OF THE ACCOUNTS

AS AT 31st MARCH 2010

	Rs.	31.03.2010 Rs.	Rs.	31.03.2009 Rs.
1. SHARE CAPITAL				
Authorised 1,000,000 (10,00,000) Equity Shares of Rs. 10 each		<u>10,000,000</u>		<u>10,000,000</u>
Issued, Subscribed and Fully Paid up*				
*450,000 (450,000) Equity Shares of Rs. 10 each (All shares are held by Exide Industries Limited, the holding company and its nominees).		<u>4,500,000</u>		<u>4,500,000</u>
2. RESERVES & SURPLUS				
General Reserve				
Balance as per Last Account	49,980,000		49,980,000	
Add: Transfer from Profit and Loss Account	<u>520,000</u>		<u>—</u>	
		50,500,000		49,980,000
Profit and Loss Account Balance		<u>1,662,806</u>		<u>871,640</u>
		<u>52,162,806</u>		<u>50,851,640</u>
3. SECURED LOAN				
Bank Overdraft		<u>—</u>		<u>118,406</u>
		<u>—</u>		<u>118,406</u>

4. FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET VALUE		
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 01.04.2009	Depreciation/ Amortisation	Less: on Sales/ Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Buildings	26,634,596	—	—	26,634,596	2,263,504	434,145	—	2,697,649	23,936,947	24,371,092	
	<u>26,634,596</u>	<u>—</u>	<u>—</u>	<u>26,634,596</u>	<u>2,263,504</u>	<u>434,145</u>	<u>—</u>	<u>2,697,649</u>	<u>23,936,947</u>	<u>24,371,092</u>	
Previous Years Total	26,634,596	—	—	26,634,596	1,829,359	434,145	—	2,263,504	24,371,092		

			Rs.	31.3.2010 Rs.		Rs.	31.3.2009 Rs.
5. INVESTMENTS (At Cost)							
LONG TERM - UNQUOTED							
Fully paid up Debentures	Nos.	Face Value Rs.			Face Value Rs.		
Woodlands Hospital and Medical Research Centre Limited							
1/2% Debentures	25	100		2,500	100		2,500
5% Non-redeemable Registered Debentures	1	6,500		6,500	6,500		6,500
The Bengal Chamber of Commerce & Industry							
6 1/2% Debentures	2	1,000		2,000	1,000		2,000
				<u>11,000</u>			<u>11,000</u>
6. SUNDRY DEBTORS							
(Unsecured, considered good)							
Debts over six months				5,399,083			22,355,654
Other debts				<u>10,556,356</u>			<u>4,538,995</u>
				<u>15,955,439</u>			<u>26,894,649</u>
7. CASH AND BANK BALANCES							
Balances with Scheduled banks:							
On Current Account				5,706,983			1,833
On Deposit Account				75,639			75,639
Cash and Cheques in Hand				<u>33,422</u>			<u>34,153</u>
				<u>5,816,044</u>			<u>111,625</u>
8. LOANS AND ADVANCES							
(Unsecured, Considered good)							
Advances recoverable in cash or kind or for value to be received or pending adjustments				162,595			162,595
Advance payments of Tax (Net of provision)				<u>1,304,056</u>			<u>1,026,786</u>
				<u>1,466,651</u>			<u>1,189,381</u>
9. LIABILITIES							
Sundry creditors				9,702,066			5,933,472
Other Liabilities				<u>477,990</u>			<u>248,320</u>
				<u>10,180,056</u>			<u>6,181,792</u>
10. PROVISIONS							
Proposed Dividend				900,000			—
Tax on Proposed Dividend				<u>152,955</u>			<u>—</u>
				<u>1,052,955</u>			<u>—</u>
11. SALES							
Solar Lanterns, Homelights & Modules				126,308,131			38,958,860
				<u>126,308,131</u>			<u>38,958,860</u>
12. OTHER INCOME							
Rent and Hire Charges from the Holding Company				2,220,000			2,100,000
				<u>2,220,000</u>			<u>2,100,000</u>
13. MATERIAL COSTS							
Opening Stock of Trading Goods				9,074,091			5,904,086
Add: Purchase				125,152,910			35,094,805
Less: Closing Stock of Trading Goods				<u>20,709,736</u>			<u>9,074,091</u>
				<u>113,517,265</u>			<u>31,924,800</u>

	2009-10 Rs.	2008-09 Rs.
14. EXPENSES		
Salaries, Wages and related costs	1,888,709	1,954,364
Stores Consumed	—	474
Motor Vehicle Upkeep	—	94,348
Management Charges to the Holding Company	360,000	360,000
Interest	175,930	1,448,179
Auditors' Remuneration		
Audit Fees	50,000	50,000
Other Capacities	16,180	22,360
Bank Charges	12,516	62,718
After sales service	—	8,578
Rates and Taxes	1,620	—
Freight & Forwarding	229,071	132,340
Testing Charges	109,030	90,372
Insurance	—	12,079
Professional Expenses	846,890	772,010
Travelling Expenses	726,430	570,228
Printing & Stationery	36,912	467
Communication costs	68,247	68,020
Sales Promotion Expenses	229,386	587,889
General Expenses	4,086	6,849
	<u>4,755,007</u>	<u>6,241,275</u>
15. TAXATION		
Provision for Income Tax	1,100,000	(276,015)
Provision for Wealth Tax	275,000	270,000
Provision for Fringe Benefit Tax	—	30,000
	<u>1,375,000</u>	<u>23,985</u>
16. NOTES TO ACCOUNTS		
16.1 CONTINGENCIES		
Contingent liabilities not provided for in respect of:		
	2009-2010 Rs. lacs	2008-2009 Rs. lacs
Income Tax and Sales Tax demands for earlier years not acknowledged as debts	19.83	19.83
16.2 BUSINESS SEGMENT		

As the Company's business activity falls within a single primary business segment, viz. "Solar Lanterns, Homelights and Modules", the disclosure requirements of Accounting Standard – 17 "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

16.3 SIGNIFICANT ACCOUNTING POLICIES

a) **Basis of Accounting**

The Accounts of the Company are prepared under the Historical Cost Convention in accordance with the applicable accounting standards in India. For recognition of Income and expenses, Mercantile System of Accounting is followed, except where stated otherwise.

b) **Revenue Recognition**

Revenue from sale of goods are recognised upon passage of title to the customer which generally coincides with delivery.

c) **Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of duties, taxes, incidental expenses, erection & commissioning expenses and interest etc. upto the date the asset is put to use.

d) **Depreciation**

1) Depreciation is provided on straight line method in terms of Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

2) Depreciation on Fixed assets added / disposed off during the year is provided on pro-rata basis with reference to the month of addition/disposal.

e) **Investments**

Current quoted investments are stated at lower of cost or market rate on individual investment basis. Unquoted and long term investments are considered at cost, unless there is a permanent decline in value thereof, in which case adequate provision is made for the diminution in the value of Investments.

f) **Inventories**

Inventories are valued at lower of cost or net realizable values.

g) **Taxation**

Provision for income-tax comprises of current tax and deferred tax charge or release. Deferred tax is recognized, subject to consideration of prudence, on timing differences, being differences between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognized unless there is 'reasonable certainty' that sufficient future taxable income will be available against which such deferred tax assets will be realized.

h) **Contingent Liabilities**

No provision is made for liabilities which are contingent in nature, but if material, these are disclosed by way of notes.

16.4 Related party disclosures as per Accounting Standard – 18 are given below:

Name and description of relationship with the related parties:

a) Holding Company	Exide Industries Limited
b) Fellow Subsidiaries	Caldyne Automatics Limited Chloride Metals Limited Leadage Alloys India Limited Expex Batteries Limited, UK Associated Battery Manufacturers (Ceylon) Limited, Srilanka Chloride Batteries, S.E. Asia Pte Limited, Singapore
c) Key Management Personnel's & their relatives	Not Applicable
d) Enterprises owned or significantly influenced by Key Management Personnel's & their relatives	Not Applicable

Details of transactions with related parties:

	Holding Company		Fellow Subsidiary		Key management Personnel & their relatives		Enterprises owned or significantly influenced by Key Management Personnel & their relatives	
	Transaction Value	Balance Outstanding As on 31.03.2010	Transaction Value	Balance Outstanding As on 31.03.2010	Transaction Value	Balance Outstanding As on 31.03.2010	Transaction Value	Balance Outstanding As on 31.03.2010
1. Sale of Materials	Nil (5,18,545)	Nil Nil	Nil Nil	- -	- -	- -	- -	- -
2. Purchase of Materials	7,52,30,262 (1,12,85,351)	Nil (11,66,722)	(Nil) (24,354)	- -	- -	- -	- -	- -
3. Purchase of Fixed Assets	- -	- -	- -	- -	- -	- -	- -	- -
4. Service Charges Paid	3,60,000 (3,60,000)	- -	- -	- -	- -	- -	- -	- -
5. Rent and Service Charges Received	22,20,000 (21,00,000)	- -	- -	- -	- -	- -	- -	- -
6. Guarantees & Collaterals	- -	- -	- -	- -	- -	- -	- -	- -

16.5 Additional information pursuant to the provision of Paragraphs 3, 4C and 4D of Part II of Schedule VI of The Companies Act, 1956 has been disclosed to the extent applicable.

16.6 Previous year's figures have been regrouped/rearranged where necessary.

Signature of Schedules 1 to 16

In terms of our attached report of even date

Surendra Didwania & Co.
Chartered Accountants

S.K. Didwania
Proprietor
Membership No. 56954
Kolkata, 21 April, 2010

T. V. Ramanathan
Bhaskar Gupta
Directors

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS

(AS PER SCHEDULE VI PART (IV) OF THE COMPANIES ACT, 1956).

I. REGISTRATION DETAILS

Registration No.	1	4	9	1	8	
State Code			2	1		
Balance Sheet Date	3	1	0	3	1	0

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. lacs)

Public Issue	N	I	L
Rights Issue (Including premium)	N	I	L
Private Placement – Preference Shares	N	I	L
Bonus Issue	N	I	L

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. lacs)

Total Liabilities	6	7	8	.	9	6
Total Assets	6	7	8	.	9	6

SOURCES OF FUNDS

Paid up Capital	4	5	.	0	0	
Reserves & Surplus	5	2	1	.	6	3
Secured Loans	N	I	L			
Unsecured Loans	N	I	L			
Deferred Tax Liability	N	I	L			

APPLICATION OF FUNDS

Net Fixed Assets	2	3	9	.	3	7
Investments	0	.	1	1		
Net Current Assets	3	2	7	.	1	5
Misc. Expenditure					N	I L
Accumulated Losses					N	I L

IV. PERFORMANCE OF THE COMPANY

(Amount in Rs. lacs)

Turnover including other income	1	2	2	4	.	4	6
Total Expenditure	1	1	8	7	.	0	6
Profit Before Tax	3	7	.	3	9		
Profit After Tax	2	3	.	6	4		
Earnings per share (Rs.) (Basic and diluted)	5	.	2	5			
Dividend rate (%)	2	0					

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY
ITEM CODE (ITC CODE)

Solar Lantern	9	4	0	5	.	5	0	.	4	0
Other Lead Acid Accumulators	8	5	0	7	.	2	0			

Kolkata, 21 April, 2010

T. V. Ramanathan
Bhaskar Gupta
Directors