

# CHLORIDE METALS LIMITED

## DIRECTORS

T. V. Ramanathan, Chairman

P. K. Katakya

S. K. Mittal (upto 30th April, 2010)

A. K. Mukherjee

## Manager & CEO

A. B. Oke

## SECRETARY

Arunito Ganguly

## REGISTERED OFFICE

Gat No. 1241-1242, Markal  
Taluka Khed  
Pune-412 105

## BANKERS

Corporation Bank  
HDFC Bank Limited

## AUDITORS

Natvarlal Vepari & Co  
Chartered Accountants  
Oricon House, 4th Floor  
12K Dubhash Marg  
Mumbai - 400 023

## DIRECTORS' REPORT

## To the Members of Chloride Metals Limited

Your Directors are pleased to present the 12th Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2010.

## Financial Results

	Rupees 2009-10	Rupees 2008-09
Working for the year resulted in a net surplus of	15,09,75,791	7,33,10,619
Add: Balance brought forward from last year	8,65,84,389	4,08,45,499
	23,75,60,180	11,41,56,118
Less: Short Provision for Taxation of earlier years	—	16,63,610
Making a total of	23,75,60,180	11,24,92,508
Out of this, provision has been made for taxation	5,15,75,930	2,59,08,119
	18,59,84,250	8,65,84,389
Less: Transfer to General reserve	1,25,00,000	—
Less: Proposed Dividend	1,33,65,250	—
Less: Tax on Dividend	22,71,424	—
Leaving a balance of (Which is carried forward to next year)	15,78,47,576	8,65,84,389

## Operations

Your Directors are pleased to announce that your Company has achieved a turnover of Rs. 263.62 Crores representing a growth of 52.35% over the previous year. Profit before Tax stood at Rs. 15.10 Crores and Profit after tax stood at Rs. 9.94 Crores which is 106% and 110% higher respectively than that recorded in the previous year. This remarkable growth has been made possible due to several steps taken by your Company for increasing production, smelting and refining operations through investment in balancing equipment and technical improvements.

Your Company was able to achieve its plant capacity of 3000 M.T. towards production of Lead and Lead alloys which is the maximum allowed by the Pollution Control Authorities. The Company has enhanced the smelting capacity to 2200 M. T. per month by installing two additional Rotary furnaces during the year under review. An imported pressure automatised furnace oil burner has also been installed for the new Rotary furnaces which will significantly increase output with lower consumption of furnace oil. During the year the vertical furnace was dismantled and the space was utilized for installing additional refinery pots and alloying capabilities. A BALTUR make

burner has also been procured for fitting with the 9 ton rotary furnace and an agreement has also been entered for installation of Oxy-Fuel burner. All the above steps has resulted in substantial reduction of Lead in slag and also reduced consumption of high cost furnace oil.

A new effluent treatment plant has been commissioned and all acidic water generated from the battery breaking plant is being neutralized and re-used in the Battery breaking plant and for washing roads.

In order to meet the higher demands your Company has taken several steps for increasing scrap battery collections. An imported automatic battery breaking plant with a capacity of 10 M.T. per hour has also been installed which will increase productivity, safety and result in reducing pollution.

## Dividend

Your Directors are pleased to recommend a dividend of 25% i.e., Rs. 2.50 per equity share of the face value of Rs. 10/- each amounting to Rs 1,56,36,674/- (including tax of dividend) subject to approval at the ensuing Annual General Meeting.

**Fixed Deposits**

Your Company has not accepted any deposits from the public.

**Directors**

Mr A K Mukherjee 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.

**Corporate Social Responsibilities**

As part of the process of institutionalizing commitment towards the society and environment your Company continues with several of its CSR activities. During the year your company has constructed a tar road adjacent to the plant for the benefit of local people. Your Company has also distributed school benches to the Zilla Parishad Primary School, Markal for the benefit of the students.

**Auditors**

The Auditors, Messrs Natvarlal Vepari & 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**

The particulars as prescribed under clause(e) sub-section (1) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are attached hereto

**Employees**

Employee relations in the plant continued to remain harmonious and your Directors take this

opportunity to record their sincere appreciation of the efforts put in by the workers, staff and officers at all level for their contribution to the success achieved by the Company.

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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit 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: 15th April, 2010

T V Ramanathan  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2010

**A) Conservation of Energy**

- (i) Power factor has improved from 0.94 to 0.99 by

- (a) Equal load distribution on R, Y and B phases
- (b) Installed 40 KVA power capacitor
- (c) Installed automatic power factor controller to maintain power factor
- (d) Power factor incentive increased by Rs.55,000 per month

Total cost saving is Rs. 6.60 lacs per year.

- (ii) In Refinery section, all conventional furnace oil burners have been replaced by better heat efficient high pressure self atomized furnace oil Burners, resulting in fuel saving of 7 lts per ton of refined lead & Power saving of 43 kw per hour. Total cost saving is Rs.53.86 lacs per year.

- (iii) A high pressure self atomized Italian (BALTUR) furnace oil Burner was installed in the new Rotary furnace no.3 instead of Conventional furnace oil burner giving reduction of 20 ltrs per ton of hard block produced. Total saving is Rs. 30 lacs per year.

Following Steps being taken for conservation of energy:

- i) Oxy Flame Burners will be provided on Rotary Furnaces.

- ii) Variable Frequency Drive will be provided on 60 H.P. I.D. Fans.

**B) Technology Absorption, Research & Development**

The Company has neither imported any technology nor has any technical collaboration with any party. Though the Company does not have any separate Research & Development Department but it carries out innovations, up-gradation and improvements in technology through in-house efforts of its engineer and technical personnel.

**C) Foreign Exchange Earnings and Outgo**

- 1) Activities relating to exports, initiatives taken to increase exports, development of new export markets of products and services and export plans :

The Company's export during the year amounted to Rs. 72.37 lacs. Though at present there is no significant export market for your Company's products your Company would try and develop such market after it has acquired additional production capacity after catering to the domestic market.

- 2) Total Foreign Exchange used and earned:

Used : Rs. 16,29,73,775

Earned : Rs. 72,36,697

On behalf of the Board of Directors

Place: Kolkata  
Date: 15th April, 2010

T V Ramanathan  
Chairman

## AUDITORS' REPORT

To  
The members of  
**Chloride Metals Limited**  
**(Formerly Tandon Metals Limited)**

We have audited the attached Balance Sheet of **Chloride Metals Limited (formerly Tandon Metals Limited)** as at 31st March, 2010 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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 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 misstatement. 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 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 (Auditor's 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 in the Annexure 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:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.

- ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books.
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- v) On the basis of the written representation received from the directors 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.
- vi) In our opinion and to the best of our information and according to the explanation given to us, the accounts read with the other notes thereon give the information required by the Companies Act, 1956 in the manner so require and give a true and fair view.
  - (a) in the case of Balance Sheet of the State of Affairs of the Company as at 31st March, 2010 and
  - (b) in the case of Profit and Loss Account of the Profit for the year ended on 31st March 2010 and
  - (c) in the case of the Cash Flow Statement of the net cash flow for the year ended on that date.

For Natvarlal Vepari & Co.  
Chartered Accountants

Kolkata  
Dated: April 15, 2010

N. Jayendran  
(Partner)  
M. No. 40441

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management at reasonable intervals and any material discrepancies noticed on such verification have been properly dealt with in the books of account;
- (c) The Company has not disposed off any substantial part of fixed assets.
- (ii) (a) Stock of finished goods, stores, spare parts and raw materials has been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stock followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The valuation of stock has been done on the basis of physically verified quantity. Therefore Shortage / Excess automatically get adjusted and the same is properly dealt in the books of accounts.
- (iii) (a) The Company has neither taken nor granted loans from parties listed in the register maintained u/s 301 of the Companies Act 1956.
- (iv) In our opinion and according to the information and explanations given to us there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. We have not come across any continuing failure to correct major weaknesses in internal control.
- (v) (a) In our opinion and according to the information and explanations given to us the transactions that need to be entered into a register in pursuance of section 301 of the Act has been properly entered.
- (b) All the transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time and the nature of services rendered by such parties.
- (vi) The Company has not accepted any deposits from the public during the year under review, and consequently the directives issued by the Reserve Bank of India and the provisions of section 58A and 58AA of the Act and the rules framed there under are not applicable.
- (vii) In our opinion the Company has an Internal Audit system commensurate with the size of the company and the nature of its business.
- (viii) According to the information and explanation given to us, the cost records as prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 have been made and maintained by the company but no examination of such records and accounts has been carried out by us.
- (ix) (a) The company is generally regular in depositing Provident Fund, Employees State Insurance, Service Tax, Income tax, wealth tax and sales tax dues with the appropriate authorities. There are no amount outstanding in respect of income tax, sales tax, service tax, customs duty and excise duty dues with the appropriate authorities as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the following Tax / duty etc has not been deposited on account of dispute.



Name of the Statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where Dispute is pending
Sales Tax	Various Disallowances	2,61,285	2001	Deputy Commissioner Sales Taxes (Appeals)
Income Tax	Various Disallowances	3,86,135	2005-06	Appellate Tribunal

- (x) The Company does not have any accumulated losses and has not incurred cash losses in current year and the previous year.
- (xi) In our Opinion and according to the information and explanation given to us by the Management the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (xii) On the basis of the audit procedures followed, the test checks of the transactions during and the representations from the management, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a nidhi/mutual benefit fund/societies and accordingly clause (xiii) of the Companies (Auditors' Report) order is not applicable.
- (xiv) The company has not made any investments and therefore clause (xiv) of the Companies (Auditors' Report) order is not applicable.
- (xv) According to the information and explanations the Company has not given guarantee for loans taken by others. Accordingly clause (xv) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xvi) The Company has taken term loans during the year from Banks/Financial Institutions and the same has been utilized for the purpose for which it was borrowed.
- (xvii) According to the information and explanation given to us, on an over all examination of the Balance sheet and cash flow of the company and the necessary representations from the management, we report that no short term funds have been applied by the company towards any long term purposes.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act. Accordingly clause (xviii) of the Companies (Auditors' Report) Order, 2003 is not applicable.
- (xix) The Company has not raised any debenture and accordingly clause (xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
- (xx) The Company has not raised any money by public issues during the year and accordingly clause (xx) of Companies (Auditors' Report) Order, 2003 is not applicable;
- (xxi) Based on the audit procedures performed and the information and explanation given by the management we report that no fraud on or by the company has been noticed or reported during the year.

For Natvarlal Vepari & Co.  
Chartered Accountants

N. Jayendran  
(Partner)  
M. No. 40441

Place: Kolkata  
Dated: April 15, 2010

## BALANCE SHEET

AS AT 31st MARCH 2010

		AS At 31.3.2010		(Figures in Rupees) As at 31.3.2009	
SCH. REF		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds:					
	1	53,461,000		53,461,000	
	2	<u>232,324,446</u>		<u>154,949,326</u>	
			285,785,446		208,410,326
Loan Funds:					
	3	96,444,300		110,250,675	
	4	<u>27,124,693</u>		<u>27,124,693</u>	
			123,568,993		137,375,368
			7,740,590		9,164,660
			<u>417,095,029</u>		<u>354,950,355</u>
APPLICATION OF FUNDS:					
	5				
		276,483,058		184,777,333	
		<u>32,673,233</u>		<u>27,257,476</u>	
		243,809,826		157,519,857	
		<u>2,774,699</u>		<u>8,224,598</u>	
			246,584,525		165,744,455
Current Assets, Loans & Advances:					
	6	375,700,917		196,618,397	
	7	9,139,556		21,211,200	
	8	36,892,496		633,262	
	9	<u>23,279,829</u>		<u>6,434,612</u>	
		<u>445,012,798</u>		<u>224,897,471</u>	
Less: Current Liabilities & Provisions:					
	10	258,452,800		35,519,331	
	11	<u>16,049,494</u>		<u>172,240</u>	
		<u>274,502,294</u>		<u>35,691,571</u>	
Net Current Assets					
			170,510,504		189,205,900
			<u>417,095,029</u>		<u>354,950,355</u>
	17				
Refer Notes to Accounts					

As per our report of even date attached

For Natvarlal Vepari &amp; Co.

Chartered Accountants

N Jayendran

Partner

Membership No. 40441

Kolkata, Dated: 15 April, 2010

A B Oke  
ManagerArunito Ganguly  
SecretaryT V Ramanathan  
A K Mukherjee  
Directors



## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2010

	Sch. Ref.	2009-2010		(Figures in Rupees)	
				2008-2009	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
Sales (Incl. scrap Sales)		2,636,235,932		1,730,408,640	
Less: Excise Duty		217,407,301		194,770,830	
Sales Tax		91,835,196		59,387,406	
			2,326,993,436		1,476,250,404
Job Work Charges			68,859,385		51,659,441
[TDS Rs. 14,37,317, Previous year Rs. 12,02,115]					
Other Income	12		2,232,747		2,079,410
			2,398,085,568		1,529,989,255
<b>EXPENDITURE</b>					
Materials Cost & Inventory Adjustment	13	2,047,643,924		1,304,179,833	
Manufacturing Expenses	14	109,210,792		98,076,516	
Personnel Expenses	15	15,622,791		12,178,171	
Selling and Administrative Expenses	16	31,272,430		22,351,505	
Financial Expenses	17	7,611,762		11,175,058	
Depreciation		40,918,170		10,310,947	
less withdrawn from revaluation reserve		(5,170,093)		(1,757,827)	
Preliminary Expenditure Written off		—	2,247,109,776	164,433	1,456,678,636
<b>Profit Before Tax</b>			150,975,791		73,310,619
Less: Provision for Taxation					
— Current		53,000,000		25,000,000	
— Deferred		(1,424,070)		658,119	
— Fringe Benefit Tax		—	51,575,930	250,000	25,908,119
<b>Profit After Tax</b>			99,399,861		47,402,500
<b>Less: Short Provision for Taxation of Earlier Years</b>					
Income Tax		—		1,553,355	
Fringe Benefit		—	—	110,255	1,663,610
<b>Profit For the year</b>			99,399,861		45,738,890
Balance Brought Forward			86,584,389		40,845,499
Amount Available For Appropriation			185,984,250		86,584,389
<b>Appropriations:</b>					
Transfer to General Reserve			12,500,000		—
Proposed Dividend			13,365,250		—
Tax on above dividend			2,271,424		—
Balance Carried forward to Balance Sheet			157,847,576		86,584,389
			185,984,250		86,584,389
Refer notes to Accounts	17				
Earning Per Share (Refer Note B-11)					
Basic & Diluted			Rs. 18.59		Rs. 8.56
Face Value			Rs. 10.00		Rs. 10.00
As per our report of even date attached					

For Natvarlal Vepari & Co.  
Chartered Accountants

N Jayendran  
Partner

Membership No. 40441

Kolkata, Dated: 15 April, 2010

A B Oke  
Manager

Arunito Ganguly  
Secretary

T V Ramanathan  
A K Mukherjee  
Directors

## STATEMENT OF CASH FLOWS

for the year ended 31st March 2010

		2009-2010		2008-2009	
		Rs.	Rs.	Rs.	Rs.
A.	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	Net Profit before tax and extra ordinary items		150,975,791		73,310,619
	Adjustments for :				
	Depreciation	35,748,077		8,553,120	
	Loss on sale of assets	14,266		444,668	
	Preliminary Expenses	—		164,433	
	Interest and borrowing cost	7,611,762	43,374,105	11,175,058	20,337,279
	<b>Operating profit before working capital changes</b>		194,349,896		93,647,899
	Adjustments for:				
	Trade and Other receivables	2,147,654		(6,390,245)	
	Trade payables Incl. Working Capital Changes	223,174,049		(98,522,001)	
	Inventories	(179,082,520)		32,654,441	
	<b>Total of Working Capital Changes</b>		46,239,183		(72,257,805)
	Cash generated from operations		240,589,079		21,390,094
	Taxes Paid		(59,921,227)		(31,199,491)
	<b>Net Cash from operating activities</b>		180,667,852		(9,809,397)
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
	Purchase of Fixed assets (Incl. Cap Adv)		(124,998,478)		(47,193,940)
	Sale of fixed asset		2,007,996		447,224
			—		—
	<b>Net cash flow after Investing activities</b>		(122,990,482)		(46,746,716)
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from borrowings Fixed Period	48,178,350		38,580,478	
	Proceeds from borrowings Others	(61,984,725)		—	
	Proceeds from Fresh Issue of Capital	—		—	
	Interest Paid	(7,611,762)		(11,175,058)	
	<b>Net cash flow from financing activities</b>		(21,418,137)		27,405,420
	<b>NET CASH FLOW (A+B+C)</b>		36,259,233		(29,150,693)
	Net increase in cash & cash equivalents				
	Opening Cash & cash equivalents as at 1 April		633,262		29,783,955
	Closing Cash and cash equivalents as at 31st March		36,892,496		633,262
			36,259,234		(29,150,693)
	(figures in Brackets denote outflows)				
	<b>Break up of cash and cash equivalents</b>				
	Cash Balance		111,216		113,955
	Balances with Scheduled Banks:		—		—
	In Current Accounts		36,781,280		5,273
	In Fixed Deposit Account		—		514,034
			36,892,496		633,262

As per our report of even date

For Natvarlal Vepari &amp; Co.

Chartered Accountants

N Jayendran

Partner

Membership No. 40441

Kolkata, Dated: 15 April, 2010

A B Oke  
ManagerArunito Ganguly  
SecretaryT V Ramanathan  
A K Mukherjee  
Directors

## SCHEDULES 1 TO 17 FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH 2010

**SCHEDULE -1****SHARE CAPITAL****Authorised:**

1,00,00,000 Equity Shares of Rs. 10/- each.

**Issued, Subscribed & Paid up:**

53,46,100 Equity Shares of Rs. 10/- each

fully paid up

(Out of the above 53,46,100 shares are held by Exide Industries Limited, the holding company)

**PER BALANCE SHEET****SCHEDULE-2****RESERVES AND SURPLUS:**

Securities premium

**General Reserve**

Balance as per last Balance Sheet

Transferred from Profit and loss appropriation

**Revaluation Reserve**

Balance as per last Balance Sheet

Revaluation done during the year

Add/(Less) Adjustment

Less Depreciation on Revaluation Reserve

(Refer Note 1 in schedule 5 relating to fixed assets)

Profit &amp; Loss Account

**PER BALANCE SHEET****SCHEDULE-3****SECURED LOANS:**

Term Loan from HDFC Bank Ltd

(Secured by hypothecation of the Battery

Breaking Machine Repayable in a bullet

Installment within 3 years from date of loan

i.e. 4 Sep 2009.)

Cash Credit

- Corporation Bank

- HDFC Bank

(Secured by the hypothecation of the stocks and book debts and a first charge on the entire fixed assets of the company and corporate guarantee of the holding company)

**PER BALANCE SHEET****SCHEDULE-4****UNSECURED LOANS**

Sales Tax Deferral Scheme

(Amount due within 12 Months 54.25 Lacs)

**PER BALANCE SHEET**

	2009-10		2008-09	
	Rs.	Rs	Rs.	Rs
<b>SCHEDULE -1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised:</b>				
1,00,00,000 Equity Shares of Rs. 10/- each.		100,000,000		100,000,000
<b>Issued, Subscribed &amp; Paid up:</b>				
53,46,100 Equity Shares of Rs. 10/- each				
fully paid up		53,461,000		53,461,000
(Out of the above 53,46,100 shares are held by Exide Industries Limited, the holding company)				
<b>PER BALANCE SHEET</b>		53,461,000		53,461,000
<b>SCHEDULE-2</b>				
<b>RESERVES AND SURPLUS:</b>				
Securities premium		11,525,000		11,525,000
<b>General Reserve</b>				
Balance as per last Balance Sheet	—		—	
Transferred from Profit and loss appropriation	12,500,000	12,500,000	—	—
<b>Revaluation Reserve</b>				
Balance as per last Balance Sheet	56,839,938		57,859,985	
Revaluation done during the year	—		—	
Add/(Less) Adjustment	(1,217,974)		737,780	
Less Depreciation on Revaluation Reserve	5,170,093	50,451,871	1,757,827	56,839,938
(Refer Note 1 in schedule 5 relating to fixed assets)				
Profit & Loss Account		157,847,576		86,584,389
<b>PER BALANCE SHEET</b>		232,324,446		154,949,326
<b>SCHEDULE-3</b>				
<b>SECURED LOANS:</b>				
Term Loan from HDFC Bank Ltd		48,178,350		—
(Secured by hypothecation of the Battery				
Breaking Machine Repayable in a bullet				
Installment within 3 years from date of loan				
i.e. 4 Sep 2009.)				
Cash Credit				
- Corporation Bank		48,265,950		67,231,013
- HDFC Bank		—		43,019,663
(Secured by the hypothecation of the stocks and book debts and a first charge on the entire fixed assets of the company and corporate guarantee of the holding company)				
<b>PER BALANCE SHEET</b>		96,444,300		110,250,676
<b>SCHEDULE-4</b>				
<b>UNSECURED LOANS</b>				
Sales Tax Deferral Scheme		27,124,693		27,124,693
(Amount due within 12 Months 54.25 Lacs)				
<b>PER BALANCE SHEET</b>		27,124,693		27,124,693

## SCHEDULE -5 – FIXED ASSETS For the Year 2009 - 10

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01.04.2009 Rs.	Additions Rs.	Revaluation of Assets Rs.	Deductions/ adjustment Rs.	As at 31.3.2010 Rs.	As at 01.04.2009 Rs.	For the Year Rs.	Deductions/ adjustment Rs.	As at 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 01.04.2009 Rs.
Free Hold Land	33,640,000	–	–	–	33,640,000	–	–	–	–	33,640,000	33,640,000
Building	39,078,140	24,506,476	–	–	63,584,616	3,299,481	1,437,328	–	4,736,809	58,847,807	35,778,659
Plant & Machinery	108,427,959	105,634,081	–	38,742,648	175,319,392	22,915,207	39,109,983	35,502,406	26,522,785	148,796,608	85,512,751
Motor Vehicles	1,444,400	–	–	–	1,444,400	434,368	137,218	–	571,586	872,814	1,010,032
Computers	854,613	204,000	–	–	1,058,613	476,469	146,735	–	623,204	435,409	378,144
Furniture and Fixtures	1,332,221	103,820	–	–	1,436,041	131,951	86,906	–	218,857	1,217,184	1,200,270
<b>TOTAL</b>	<b>184,777,333</b>	<b>130,448,377</b>	<b>–</b>	<b>38,742,648</b>	<b>276,483,058</b>	<b>27,257,476</b>	<b>40,918,170</b>	<b>35,502,406</b>	<b>32,673,233</b>	<b>243,809,825</b>	<b>157,519,856</b>
<b>Previous Year</b>	<b>145,892,197</b>	<b>39,582,265</b>	<b>737,780</b>	<b>1,435,209</b>	<b>184,777,333</b>	<b>17,489,848</b>	<b>10,310,947</b>	<b>543,319</b>	<b>27,257,476</b>	<b>157,519,856</b>	<b>128,402,350</b>
Add: Capital Work in Progress Including Capital Advances										2,774,699	8,224,598
										<u>246,584,524</u>	<u>165,744,455</u>

### Notes:

1. The company as revalued all its fixed assets excluding motor vehicles, computers and furniture and fixtures as at 31st March 2008 by approved valuer and has accordingly credited an amount of Rs. 5,78,59,985 to the revaluation reserve being the increase in the value of fixed assets as determined by the approved valuer over its carrying cost.
2. The depreciation on the revalued portion aggregating to Rs. 51,70,093/- (P.Y. year Rs. 17,57,827) has been charged to the profit and loss account and an equivalent amount is drawn from the revaluation reserve and credited to the profit and loss account.
3. Estimated amount of contracts remaining to be executed on capital account. (Net of Capital Advances) Rs.30,00,000 (P.Y. Rs. 6,83,95,000).

## SCHEDULE -6

### INVENTORY:

(As taken, valued & certified by the Management)

Raw Materials	268,201,998	178,718,146
Work In Progress	77,149,842	15,736,792
Finished Goods	4,648,103	160,412
Goods in Transit	24,369,502	1,493,014
Fuels & Consumables	1,331,473	510,033
<b>PER BALANCE SHEET</b>	<u>375,700,917</u>	<u>196,618,397</u>

## SCHEDULE-7

### SUNDRY DEBTORS

(Unsecured, considered Good)

Refer Note B5

Outstanding for more than six months	252,516	1,405,296
Others Debts	8,887,040	19,805,904
<b>PER BALANCE SHEET</b>	<u>9,139,556</u>	<u>21,211,200</u>

	31.03.2010		31.03.2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE-8</b>				
<b>CASH AND BANK BALANCES</b>				
Cash Balances		111,216		113,955
Balances with Scheduled Banks:				
In Current Accounts with scheduled banks		36,781,280		5,273
In Fixed Deposit Account		–		514,034
(As Margin Money Against LC/Bank Guarantee)				
<b>PER BALANCE SHEET</b>		<u>36,892,496</u>		<u>633,262</u>
<b>SCHEDULE-9</b>				
<b>LOANS &amp; ADVANCES</b>				
(Unsecured, considered Good)				
Advances Receivable in Cash or in kind or for Value to be received		2,029,774		766,977
Advance to Suppliers		2,985,104		785,163
Balance with Excise Authorities		6,452,674		1,939,422
Deposits		3,628,040		1,680,040
Prepaid Taxes	95,655,182		35,733,955	
Less: Provision for Tax	<u>87,470,945</u>	<u>8,184,237</u>	<u>34,470,945</u>	<u>1,263,010</u>
<b>PER BALANCE SHEET</b>		<u>23,279,829</u>		<u>6,434,612</u>
<b>SCHEDULE-10</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors for Goods And Expenses				
– Micro Small and Medium Enterprises (Refer Note B6)		23,269,126		–
– Others		231,948,815		33,083,073
Advances from Customers		197,938		522,151
Duties & Taxes Payables		<u>3,036,921</u>		<u>1,914,107</u>
<b>PER BALANCE SHEET</b>		<u>258,452,800</u>		<u>35,519,331</u>
<b>SCHEDULE-11</b>				
<b>PROVISIONS</b>				
Proposed Dividend		13,365,250		–
Corporate Tax on Dividend		2,271,424		–
Provision for Staff Benefits				
– Leave Encashment	148,954		–	
– Gratuity	<u>263,866</u>	<u>412,820</u>	<u>172,240</u>	<u>172,240</u>
		<u>16,049,494</u>		<u>172,240</u>
<b>SCHEDULE-12</b>				
<b>OTHER INCOME</b>				
Service Charges Received		–		43,403
Cash Discount Received		–		187,163
Sundry Balance Written Back		–		1,781,238
Interest Income		149,467		67,607
Foreign Exchange Gain/(Loss) Net		1,111,054		–
Profit on sale of Assets Scrapped		<u>972,226</u>		<u>–</u>
<b>PER PROFIT AND LOSS ACCOUNT</b>		<u>2,232,747</u>		<u>2,079,410</u>

**SCHEDULE-13**

**MATERIAL COST AND INVENTORY**

**ADJUSTMENTS**

**Raw Materials Consumed**

Opening Stock	180,211,160		219,084,510	
Add : Purchases (Net of Discount)	2,225,905,005		1,271,852,181	
Less Closing Stock	<u>292,571,500</u>	2,113,544,665	<u>180,211,160</u>	1,310,725,531

**Inventory Adjustments - Work In Progress**

Work in progress at Opening	15,736,792		4,372,040	
Work in progress at Closing	<u>77,149,842</u>	(61,413,050)	<u>15,736,792</u>	(11,364,752)

**Inventory Adjustments - Finished Goods**

Stock at Commencement	160,412		4,979,466	
Less: Stock at Closing	<u>4,648,103</u>	<u>(4,487,691)</u>	<u>160,412</u>	<u>4,819,054</u>

**PER PROFIT AND LOSS ACCOUNT**

31.03.2010

Rs.

Rs.

31.03.2009

Rs.

Rs

**SCHEDULE-14**

**MANUFACTURING EXPENSES**

Consumption of stores and Spares	2,796,211		2,627,144	
Labour Charges	17,706,735		15,663,033	
Power & Fuel	62,298,494		52,408,520	
Repairs & Maintenance	13,934,930		17,147,248	
Hire Charges	5,181,821		3,275,965	
Watch & Ward Expenses	2,491,395		1,662,198	
Water Charges	214,000		235,675	
Factory Misc Charges	35,641		597,584	
Battery Breaking Charges	3,342,474		4,072,461	
Waste Management Expenses	<u>1,209,091</u>		<u>386,687</u>	

**PER PROFIT AND LOSS ACCOUNT**

109,210,792

98,076,516

**SCHEDULE-15**

**PERSONNEL EXPENSES**

Salary, Bonus, Perquisites, etc	12,206,033		9,496,146	
Contribution to Employees welfare funds	745,034		479,784	
Staff Welfare expenses	<u>2,671,724</u>		<u>2,202,241</u>	

**PER PROFIT AND LOSS ACCOUNT**

15,622,791

12,178,171

**SCHEDULE-16**

**SELLING AND ADMINISTRATIVE EXPENSES**

Remuneration To Auditors:

- Audit Fees	200,000		125,000	
- Tax Audit	50,000		25,000	
- Out of Pocket Expenses	<u>25,400</u>	275,400	<u>23,070</u>	173,070
Bad Debts		—		627,449
Communication Expenses		321,864		311,778
CSR Activity Exp		1,384,199		—
Conveyance Expenses		760,085		614,975
Discount Allowed		—		—
Donation		41,002		43,001
Duties & Taxes		<u>570,415</u>		<u>384,765</u>

	31.03.2010		31.03.2009	
	Rs.	Rs.	Rs.	Rs.
Entertainment expenses		—		260,144
Freight Outward		19,438,474		11,231,322
General Expenses		1,163,564		241,828
Guest House Maint		193,006		168,492
Insurance		626,583		445,645
Loss on sale of asset		986,492		444,668
Printing & Stationery		230,818		196,465
Professional & Consultancy Charges		1,447,336		1,395,816
Repair & Maintenance				
- Building		212,439		2,100,899
- Others		365,265		582,564
Rent Rates & Taxes		2,590,489		2,288,909
Testing Charges		243,475		26,669
Transportation Expenses		—		—
Travelling Expenses		242,313		590,770
Vehicle Maintenance		179,212		222,277
<b>PER PROFIT AND LOSS ACCOUNT</b>		<u>31,272,430</u>		<u>22,351,505</u>
<b>SCHEDULE-17</b>				
<b>FINANCIAL EXPENSES</b>				
Bank Charges		821,742		675,513
Interest on Fixed Period Loans		1,979,140		95,025
interest on Other Bank Borrowings		4,633,312		10,395,341
Other Interest		177,567		9,179
<b>PER PROFIT AND LOSS ACCOUNT</b>		<u>7,611,762</u>		<u>11,175,058</u>

**SCHEDULE -17****ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS****A. ACCOUNTING POLICIES****a) Basis of Preparation**

The financial statements have been prepared to comply in all material respects with the notified accounting standards by the Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements are prepared under the historical cost convention, on an accrual basis of accounting, to comply in all material respects with the mandatory accounting standards issued by the Institute of Chartered Accountants of India and Section 211 (3C) of the Companies Act, 1956 ('the Act'). The accounting policies discussed more fully below, are consistent with those used in the previous year excepting relating to depreciation of fixed assets.

**b) Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c) Inflation**

Assets and liabilities are shown at historical cost except revalued assets, which are shown at revalued amounts. No adjustments are made for changes in purchasing power of money.



**d) Fixed Assets**

- i. Fixed assets are recorded at cost of acquisition or construction less CENVAT/Service Tax credit availed.
- ii. Revalued assets are stated at revalued amounts.
- iii. Costs comprise the purchase price and attributable costs of bringing the asset to its working condition for its intended use.
- iv. Cost of borrowing for assets taking substantial time to be ready for use is capitalised for the period up to the time the asset is ready for use.

**e) Depreciation and Amortisation**

Depreciation on all assets of the Company is charged on straight line method over the useful life of assets at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956 for the proportionate period of use during the year.

Depreciation on revalued amounts is withdrawn from the revaluation reserve and credited to the profit and loss account.

**f) Impairment of assets**

On an annual basis the company makes an assessment of any indicator that may lead to impairment of assets. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. The recoverable amount is higher of an asset's net selling price and value in use. Value is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired.

The impairment loss recognized in the prior accounting is reversed if there has been a change in the estimate of recoverable amount.

**g) Inventories**

Items of inventories are valued on the basis given below:

Raw Materials and Packing Materials	At lower of Cost net of VAT and CENVAT computed on Weighted Average method or net realizable value.
Work-in-progress and Finished Goods	At cost including material cost, labour cost and all overheads other than selling and distribution overheads, for work-in-process and the same or realisable value, whichever is lower in case of finished goods. Excise duty is considered as cost for finished goods wherever applicable.

**h) Retirement Benefits**

- i. Retirement benefit in the form of provident fund is a defined contribution scheme and contributions are charged to the Profit and Loss Account for the year/period when the contributions are due.
- ii. Gratuity Liability and Leave Encashment is defined benefit obligations and is provided on the basis of an actuarial valuation made at the end of each year/period. Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

**i) CENVAT Credit/Service Tax Credit**

CENVAT credit utilised during the year is accounted in excise duty and unutilised CENVAT balance at the year end is considered as advance excise duty.

Service tax credit utilised during the year towards excise liability is accounted in excise duty and unutilised service tax credit at the year-end is considered as advance Excise Duty.

**j) Sales**

Sales are inclusive of scrap sales are include excise duty and sales tax.

**k) Foreign Exchange Transactions**

Foreign currency transactions

*Initial recognition*

Foreign currency transactions are 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 of the transaction.

*Conversion*

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; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

l) **Taxation**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Deferred income taxes reflect the impact of current year/period timing differences between taxable income and accounting income for the year/period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

m) **Earnings per share**

Basic and diluted earnings per share are calculated by dividing the net profit for the year/period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year/period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

n) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but disclosed in notes to accounts. Contingent assets are neither recognised nor disclosed in financial statements.

o) **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**B. OTHER NOTES**

Contingent Liabilities	31.03.2010 Rupees	31.03.2009 Rupees
1. Contingent liabilities not provided for in respect of		
a) Other money for which the Company is contingently liable for tax, excise, customs and other matters not accepted by the company.	647,420	13,95,153
Claims not acknowledged as debts	Not Ascertainable	

2. Additional information pursuant to paragraphs 3, 4, 4A, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

(A) Details of Production for Each Class of Goods

Goods Manufactured		Installed Capacity	2009-10		2008-09	
			Co's	Customer	Co's	Customer
Lead & Lead Alloys	MT	36000	22,267	4,351	13,124	3,584

Notes:

- a) Installed capacity, being of a technical nature is not verified by the Auditors.  
b) Figures for changes in installed capacity are given in Brackets.

(B) Stock of Each Class of Finished Goods:

Particulars	UOM	2009-10		2008-09	
		Qty.	Rs.	Qty	Rs.
Lead & Lead Alloys	MT	47.195	46,48,103	1.9	160,412

(C) Sales in respect of Each Class of Finished Goods:

Particulars	UOM	2009-10		2008-09	
		Qty.	Rs.	Qty	Rs.
Lead & Lead Alloys	MT	22,222.157	2,30,03,44,562	13,159.145	1,45,69,87,592
Scrap Sales			2,66,48,874		1,92,48,811
Total			2,32,69,93,436		147,62,50,403

(D) Raw Materials Consumed:

Particulars	Units	2009-10		2008-09	
		Quantity	Rs.	Quantity	Rs.
Unrefined Lead	MT	5,444	44,76,26,511	8,075	74,68,54,807
Scrap batteries	MT	14,310	67,81,02,031	8,441	41,55,54,564
HGP Dust	MT	–	–	407	1,63,40,852
TIN	MT	51	4,07,94,426	26	2,25,77,479
Pure Lead	MT	8,902	83,11,23,331		
Others (None of which individually forms more than 10% of the total consumption.)			11,58,98,366		10,93,97,829
			2,11,35,44,665		131,07,25,531

(E) Raw Materials Consumed:

Particulars	2009-10		2008-09	
	Rs.	Percentage	Rs.	Percentage
Raw materials:				
Imported	13,62,47,097	6.44	14,23,70,461	10.87
Indigenous	1,97,72,97,568	93.56	1,16,83,55,070	89.13
	2,11,35,44,665	100.00	131,07,25,531	100.00

(F) Value of Imports on CIF basis:

Particulars	2009-10	2008-09
	Rs.	Rs.
Raw materials	10,88,34,123	14,23,70,461
Spares & Consumables	448,310	413,789
Machinery	5,36,66,928	NIL

## (G) FOB Value of exports:

Particulars	2009-10	2008-09
	Rs.	Rs.
Lead and Lead alloys	72,36,697	24,76,356

## (H) Expenditure in foreign currency

Particulars	2009-10	2008-09
	Rs.	Rs.
Membership & Subscription	24,414	65,438

## 3. Break-up of Deferred tax assets and liabilities are as under:

Particulars	As at	As at
	31.03.2010	31.03.2009
	Rs.	Rs.
Deferred tax liability on account of Depreciation	78,77,717	92,68,058
Deferred tax asset on account of Gratuity	87,650	103,398
Leave Encashment	49,478	—
Net deferred tax liability	77,40,589	91,64,660

4. Sundry Debtors includes a sum of Rs. 71,62,614 (Previous year Rs. 208,28,405/-) being the net amount due (net of transactions of purchases) from the holding company which represents amounts due only on trade account.

5. Disclosure in accordance with section 22 of Micro Small and Medium Enterprises Development act 2006.

Particulars	Current Year	Previous Years
Principal Amount remaining unpaid	2,32,69,126	—
Interest Due thereon	51,915	—
Interest in terms of section 16	—	—
Interest due and payable for the period of delay in payment	—	—
Interest accrued and remaining unpaid	51,915	—
Interest due and payable even in succeeding years	—	—

The company has compiled the above information based on written confirmations from suppliers and have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

6. The Company has carried out the exercise of assessment of any impairment to its fixed assets as on the Balance Sheet date. Pursuant to such exercise it is determined that there has been no impairment to its fixed assets during the year.
7. The management has during the year reviewed the balance useful life of the Stationery furnace plant and based on technical estimates and has determined that there is no balance useful life for the same. Accordingly the company has depreciated the entire balance amount of its net book value in its books. On account of this change the depreciation for the year is higher by Rs. 26,923,381 and consequently the profit before tax is lower by an equal amount. The asset was later scrapped during the year.

8. The following table summarises the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet.

Particulars	As at March 31, 2010	As at March 31, 2009
Profit and loss account		
Net employee benefit expense (recognised in Personnel costs)		
Current Service Cost	81,377	84,375
Interest Cost	19,021	12,257
Actuarial loss/(Gain)	(8,772)	6,766
Total	91,676	103,398

The provision for gratuity at March 31, 2010 aggregate Rs. 263,866.

The changes in the present value of the defined benefit obligation are as follows

Particulars	As at March 31, 2010	As at March 31, 2009
Gratuity Cost for the year		
Defined benefit obligation, at March 31, 2009	172,240	68,842
Current service Cost	81,377	84,375
interest Cost	19,021	12,257
Actuarial loss (Gain)	(8,772)	6,766
Defined benefit obligation, at March 31, 2010	263,866	172,240

The company's gratuity obligation is fully unfunded. The principal assumptions used in determining the gratuity obligations are as follows:

Assumptions	As at March 31, 2010	As at March 31, 2009
Interest rate	8.25%	8.00%
Expected rate of return on plan assets	Not applicable	Not applicable
Expected rate of salary increase	5%	5%
Attrition rate	2%	2%
Retirement age	58 years	58 years

Note:

- 1) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

- ii) the Company's gratuity and Leave Encashment liability is entirely unfunded.

9. Managerial Remuneration:

- i) Managerial remuneration under Section 198 of the Companies Act, 1956

Salary to Manager (w.e.f. 13th January 2009)	16,04,448	330,836
Salary to Directors	Nil	Nil
Total	16,04,448	330,836

Computation of Net Profit as per Section 349 read

- ii) With Section 309 (5) of the Companies Act, 1956.

Profit after taxation as per Profit and Loss account	9,93,99,861	4,57,38,890
Add: Provision for taxation (incl. short/excess provision for earlier years)		
Depreciation as per accounts	3,57,48,079	85,53,120
Directors' remuneration (including sitting fees)	Nil	Nil
Managers' remuneration	—	330,836
Commission to Directors	Nil	Nil
Less: depreciation under Section 350	3,57,48,079	85,53,120
Net Profit	9,93,99,861	7,36,41,255
Overall ceiling on Managerial remuneration under Section 198 of the Companies Act, 1956.	99,39,986	73,64,125
Total Managerial remuneration paid/payable during the year	16,04,448	330,836

10. Earning per share

The Company has not issued any potential diluted equity share and therefore the Basic and Diluted earning per Share will be the same. The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding.

Sr. no	Particulars	2009-10	2008-09
a.	Profit after tax (Rs. in lacs)	9,93,99,861	4,74,02,501
	Equity Shares Outstanding (Nos.)	53,46,100	53,46,100
	Weighted Average no. of shares outstanding (Nos.)	53,46,100	53,46,100
	Nominal value of equity share (Rs.)	10	10
	<b>Earning per share (Rs.)</b>	<b>18.59</b>	<b>8.56</b>

11. Disclosure under Accounting Standard - 19 "Leases", Issued by the Institute of Chartered Accountants of India.

The Company has taken various residential/godowns/office premises (including Furniture and Fittings if any) under leave and licence agreements. These generally range between 11 months to 3 years under leave and licence basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Profit and Loss Accounts under Rent, Rates and Taxes.

The company has taken a plant on an operating lease and the future minimum committed lease rentals are given as follows:

Period	2009-10	2008-09
Payable not later than one year	10,78,000	—
Payable between one to five years	47,04,000	—
Payable after five years	—	—

12. The entire operations of the Company relate to only one segment viz. Lead Smeltors and Refiners. As such, there is no separate reportable segment under Accounting Standard-AS 17 on Segment Reporting.

13. Related Party Disclosure as required by Accounting Standard - AS 18 issued by the Institute of Chartered Accountants of India.

**Relationships:**

A. Entities where Control exist

**Holding Companies**

Exide Industries Limited

**Fellow Subsidiaries**

Associated Battery Manufacturer (Ceylon) Ltd.

B. **Key management Personnel**

Mr. A B Oke - Manager (w.e.f 13th Jan 2009)

## Transactions with Related Parties (Rupees)

Description	2009-10	2008-09
Purchase of goods and service Exide Industries Limited	80,36,91,519	61,53,62,285
Sales of goods Exide Industries Limited	2,59,11,10,274	1,70,78,50,769
Sale of Asset Exide Industries Limited	266,038	—
Export Sales Associated battery Manufacturer (Ceylon) Ltd	74,38,760	25,58,722
Job Work Charges Received Exide Industries Limited	6,88,71,184	5,15,47,934
Service Charges Received Exide Industries Limited	Nil	59,06,761
Purchase of fixed assets Exide Industries Limited	5,000	720,068
Remuneration to Key Managerial Personnel A. B. Oke	16,04,448	330,836
Balances as on 31st March 2010 Receivables	71,62,614	2,08,28,405
Exide Industries Limited (Trade Transactions Payables) Exide Industries Limited	Nil	Nil

14. There are no transactions of loans and advances in the nature of loan to subsidiaries, associates etc. as required under listing agreement and the investments by the loanee in the share of the company.
15. (a) Foreign currency exposure un-hedged as at 31st march, 2010 is Rs. 20,36,275 (Previous Year Rs. Nil) receivable and Rs.382,92,057 (Previous Year Rs. Nil) payables.  
(b) In respect of currency swap derivative contracts entered into by the company, the company has fully covered its outstanding borrowings in respect of its long term loan. Hence no effect of exchange fluctuations has been given for the same.
16. Loss on exchange difference on translation of foreign exchange transaction debited to material consumed account is Rs. 418,806/- (Previous year Rs. 48,387/-).
17. The company has continued the accounting of the transactions in foreign currency as per AS-11. Effects for changes in foreign Exchange and not to exercise the option relating to the deferment of exchange differences on long term liabilities.
18. In the opinion of the Board of Directors, all the current assets, loans & advances have value on realisation atleast of an amount equal to the amount at which they are stated in the Balance Sheet.
19. Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

As per our report of even date attached

For Natvarlal Vepari & Co.  
*Chartered Accountants*

N Jayendran  
*Partner*

Membership No. 40441

Kolkata, Dated: 15 April, 2010

A B Oke  
Manager

Arunito Ganguly  
Secretary

T V Ramanathan  
A K Mukherjee  
*Directors*



