

AUDITORS' REPORT

TO THE MEMBERS OF EXIDE INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Exide Industries Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement 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 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 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 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 (Auditor's Report) Order, 2003 (as amended) 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 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:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and 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 representations received from the 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.
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - b) in the case of Profit and Loss Account, of the profit for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & CO.

Firm Registration Number: 301003E

Chartered Accountants

per R K AGRAWAL

Partner

Place : Mumbai

Date : 28 April, 2010

Membership No. 16667

ANNEXURE TO THE AUDITORS' REPORT

TO THE MEMBERS OF EXIDE INDUSTRIES LIMITED (REFERRED TO IN OUR REPORT OF EVEN DATE)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All 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 the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted unsecured loan to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2.65 crores and the year-end balance of such loans is Rs. 0.07 crores.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are prima facie not prejudicial to the interest of the Company. However, loan of Rs. 2.58 crores to one of the above companies, which was provided for as doubtful of recovery in the previous year, has now been written off in the accounts during the year.
- (c) In respect of above loans, the recovery of principal amount has not fallen due but the recovery of interest has been regular except for the loan written off, as stated in (b) above, where no interest income has been recognized for the year.
- (d) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, the directives issued by Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, to the extent applicable, have been complied

with. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- (vii) In our opinion, the Company has an internal audit system, which in our opinion, is commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Based on the test check carried out by us and as per the information furnished to us, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax,

sales-tax, wealth-tax, service tax, customs duty, excise duty and cess and other material statutory dues have been regularly deposited with the appropriate authorities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income- tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs in crores)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses	0.80	Assessment Years 2001-02	Income Tax Appellate Tribunal
	– Do –	15.50	Assessment Years 2005-2006 and 2006-07	CIT, Appeals
The Central Excise and Customs Act, 1944	Determination of Assessable Value/Denial of exemption notification/Wrong Availment of Cenvat Credit	3.52	1993-94 to 2007-08	Various appellate authorities
The Bombay Provincial Municipal Corporation Act, 1949	Demand for Octroi duty	0.12	2000-2001	Civil Court, Pune
The Central Sales Tax Act, 1956	Demand relating to non submission of C forms and other documents	0.09	2000-01 to 2003-04	Various appellate authorities
Various States Sales Tax Act	Demands relating to non submission of Local forms /dispute related to classification of goods	0.62	1996-97 to 2005-06	Various appellate authorities

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. There were no outstanding debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in mutual fund units, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The units have been held by the Company, in its own name. The company is not dealing/trading in shares, debentures, securities or any other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the 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 S.R. BATLIBOI & CO.

Firm Registration Number: 301003E

Chartered Accountants

per R K AGRAWAL

Partner

Place : Mumbai

Date : 28 April, 2010

Membership No. 16667

BALANCE SHEET

AS AT 31st MARCH 2010

SOURCES OF FUNDS	SCHEDULE	31.3.2010		31.3.2009	
		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Shareholders' Funds					
Share Capital	1	85.00		80.00	
Reserves & Surplus	2	<u>2,134.77</u>		<u>1,170.35</u>	
			2,219.77		1,250.35
Loan Funds	3				
Secured		0.17		179.62	
Unsecured		<u>89.82</u>		<u>137.56</u>	
			89.99		317.18
Deferred Tax Liability (net)	4		<u>59.00</u>		<u>41.20</u>
			<u>2,368.76</u>		<u>1,608.73</u>
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		1,336.46		1,256.70	
Less: Accumulated Depreciation/ Amortisation		<u>659.78</u>		<u>588.70</u>	
Net Block		676.68		668.00	
Add: Capital Work-in-Progress including Capital Advances		<u>37.76</u>		<u>17.31</u>	
			714.44		685.31
Investments	6		1,335.37		668.48
Current Assets, Loans & Advances					
Inventories	7	606.77		438.47	
Sundry Debtors	8	254.58		231.02	
Cash and Bank Balances	9	2.88		33.71	
Loans & Advances	10	<u>47.59</u>		<u>38.38</u>	
		<u>911.82</u>		<u>741.58</u>	
Less:					
Current Liabilities & Provisions					
Current Liabilities	11	494.33		380.73	
Provisions	12	<u>98.54</u>		<u>105.91</u>	
		<u>592.87</u>		<u>486.64</u>	
Net Current Assets			318.95		254.94
			<u>2,368.76</u>		<u>1,608.73</u>
Notes to Accounts	24				

Schedules 1 to 12 and 24 referred to above form an integral part of the Balance Sheet.

As per our report of even date.

S. R. Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants
per R.K. Agrawal
Partner
Membership Number: 16667
Mumbai, 28 April, 2010

S. Coomer
Secretary

R. G. Kapadia
R. B. Raheja
T. V. Ramanathan
A. K. Mukherjee
Directors

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2010

	SCHEDULE	2009-2010		2008-2009	
		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
INCOME					
Gross Sales	13	4,541.74		4,233.35	
Less:Excise Duty (refer note no III 'b' on schedule 24)		328.27		464.41	
: Sales Tax, Value Added Tax & Octroi		419.47		375.92	
Net Sales			3,794.00		3,393.02
Other Income	14		12.11		6.47
			3,806.11		3,399.49
EXPENDITURE					
(Increase)/Decrease in Stocks	15		(49.27)		25.95
Materials Consumed	16		2,223.96		2,210.20
Purchase of Trading Goods			6.04		12.21
Personnel Costs	17		225.21		170.90
Expenses	18		498.64		429.01
Interest and Finance Costs	19		10.29		47.89
Depreciation/Amortisation	20		80.65		67.94
			2,995.52		2,964.10
PROFIT BEFORE TAX			810.59		435.39
Taxation (net)	21		273.50		151.00
PROFIT AFTER TAX			537.09		284.39
Balance brought forward			324.59		281.30
PROFIT AVAILABLE FOR APPROPRIATION			861.68		565.69
APPROPRIATIONS					
General Reserve			250.00		185.00
Interim Dividend			48.00		32.00
Tax on Interim Dividend			8.16		5.44
Proposed Dividend			34.00		16.00
Tax on above Dividend			5.08		2.66
Surplus carried to Balance Sheet			516.44		324.59
			861.68		565.69
Earning per share - Basic & Diluted -(Nominal Value Per Share Re 1)			Rs. 6.69		Rs. 3.55
(refer note no III 'm' on schedule 24)					
Notes to Accounts					

Schedules 13 to 24 referred to above form an integral part of the Profit & Loss Account. As per our report of even date.

S. R. Batliboi & Co.
Firm Registration Number: 301003E
Chartered Accountants

per R. K. Agrawal
Partner
Membership No. 16667
Mumbai, 28 April, 2010

S. Coomer
Secretary

R. G. Kapadia
R. B. Raheja
T. V. Ramanathan
A. K. Mukherjee
Directors

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH 2010

	2009-2010		2008-2009	
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
(A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax		810.59		435.39
Adjustment for :				
Depreciation	80.65		67.94	
Profit on Fixed Assets sold	(0.05)		(2.51)	
Loss on Fixed Assets sold / discarded	0.40		0.75	
Provision/(Recovery) for Diminution in Value in Investments	(0.01)		1.02	
Provision /(Recovery) for Doubtful Loans and Advances	(0.03)		2.58	
Dividend Income	(8.76)		(2.06)	
Interest Expense	10.61		35.35	
Interest Income	(0.32)		(0.30)	
Unrealised (Gain) / Loss on Foreign Exchange	—		12.84	
		82.49		115.61
Operating profit before working capital changes		893.08		551.00
(Increase)/Decrease in Sundry Debtors (net of provision)	(23.74)		28.19	
(Increase)/Decrease in Inventories	(168.30)		132.27	
(Increase)/Decrease in Loans & Advances	8.31		4.32	
Increase/(Decrease) in Current Liabilities	107.73	(76.00)	(72.61)	92.17
Cash generation from operations		817.08		643.17
Direct Taxes Paid (net of refund)		(293.24)		(138.44)
Net Cash from operating activities		523.84		504.73
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(107.56)		(173.88)	
Sale of Fixed Assets	0.27		4.33	
Acquisition of Shares	(119.96)		(95.91)	
Sale of Shares	0.70		—	
Purchase of Mutual Fund units	(989.00)		(125.00)	
Sale of Mutual Fund units	444.00		70.00	
Interest Received	0.39		0.31	
Dividend received	2.01		1.27	
Net Cash used in investing activities		(769.15)		(318.88)
(C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Long Term Borrowings	—		60.15	
Repayment of Long Term Borrowings	(147.74)		(100.00)	
Net increase/(decrease) in other borrowings	(79.45)		(5.62)	
Net Proceeds from Issue of Shares (including Share Premium)	529.91		—	
Dividends Paid (including tax)	(74.82)		(74.88)	
Interest Paid	(13.42)		(33.47)	
Net Cash used in financing activities		214.48		(153.82)
Net Increase/(decrease) in cash and cash equivalents		(30.83)		32.03
Cash and cash equivalents as at 1 April 2009#		33.71		1.68
Cash and cash equivalents as at 31 March 2010#		2.88*		33.71

as disclosed in Schedule 9

* Includes Rs. 2.06 crs (Rs. 1.69 crs) lying in Unclaimed Dividend Account, being the amount available for restricted use.

As per our report of even date.

S. R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants
per R. K. Agrawal
Partner
Membership No. 16667
Mumbai, 28 April, 2010

S. Coomer
Secretary

R. G. Kapadia
R. B. Raheja
T. V. Ramanathan
A. K. Mukherjee
Directors

SCHEDULES FORMING PART OF THE ACCOUNTS

AS AT 31st MARCH 2010

	Par Value Rs.	31.3.2010 Rs. in Crores	31.3.2009 Rs. in Crores
1. SHARE CAPITAL			
Authorised			
1,000,000,000 Equity Shares	1	100.00	100.00
		<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and paid up			
* 850,000,000 (800,000,000) Equity Shares fully paid up	1	85.00	80.00
		<u>85.00</u>	<u>80.00</u>
* Includes 1,350,000 shares issued for consideration other than cash and 541,469,580 shares issued as fully paid up bonus shares by capitalisation of Securities Premium and Capital & Revenue Reserves.			

2. RESERVES & SURPLUS

	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Revaluation Reserve –				
Balance as per Last Account	32.60		36.90	
Less: Adjustment towards assets sold/discarded	0.68		1.20	
Less: Transfer to Depreciation Account	<u>1.66</u>		<u>3.10</u>	
		30.26		32.60
Securities Premium Account				
Balance as per Last Account	213.16		213.16	
Add: Amount received on issue of shares	534.50		–	
Less: Share Issue Expenses adjusted (Refer Note no III 'I' on Schedule 24)	<u>9.59</u>		<u>–</u>	
		738.07		213.16
General Reserve				
Balance as per Last Account	600.00		415.00	
Add: Transfer from Profit & Loss Account	<u>250.00</u>		<u>185.00</u>	
		850.00		600.00
Profit & Loss Account Balance		516.44		324.59
		<u>2,134.77</u>		<u>1,170.35</u>

3. LOAN FUNDS
SECURED

Term Loans –

Citibank N.A. (a)

Overdraft from Scheduled banks (b)

UNSECURED

Sales Tax Loan from Small Industries

Promotion Council of Tamil Nadu

Term Loan from Bank of America NA

Term Loan from Standard Chartered Bank

* Includes repayable within one year

Rs. 23.44 crs (Rs. 47.72 crs)

Securities

(a) Secured by hypothecation of Plant and Machinery, Moulds and other movable assets of the company located at its Hosur factory.

(b) Secured by hypothecation of stocks & book debts, both present and future.

4. DEFERRED TAX LIABILITY (NET)

Balance as per Last account

Add / (Less): Deferred Tax Liability / (Asset) for the year

(Refer note no III 'j' on Schedule 24)

5. FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET VALUE	
	Cost/Valuation as at 1.4.2009	Additions	Deductions	Cost/Valuation as at 31.3.2010	As at 1.4.2009	Depreciation/Amortisation	Less: On Sales/Adjustments	As at 31.3.2010	As at 31.3.2010	As at 31.3.2009
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Goodwill	1.00 (a)	–	–	1.00	1.00	–	–	1.00	–	–
Land										
Freehold	34.58	1.91	–	36.49	–	–	–	–	36.49	34.58
Leasehold	17.87	–	–	17.87	2.34	0.23	–	2.57	15.30	15.53
Buildings	199.08	6.59	1.76	203.91 (c)	46.38	9.46 (d)	1.05	54.79	149.12	152.70
Plant & Machinery	869.52	67.67	6.06	931.13	454.22	61.55	5.71	510.06	421.07	415.30
Moulds	99.72	14.68	3.73	110.67	61.77	7.45	3.56	65.66	45.01	37.95
Furniture & Fittings	12.26	0.67	0.45	12.48	7.99	0.83	0.40	8.42	4.06	4.27
Motor Vehicles	2.78	0.14	0.13	2.79	1.50	0.34	0.12	1.72	1.07	1.28
Computers	19.89	0.63	0.40	20.12	13.50	2.45	0.39	15.56	4.56	6.39
Total	1,256.70	92.29	12.53	1,336.46	588.70	82.31	11.23	659.78	676.68	668.00
Previous year's Total	1,097.47	188.89	29.66	1,256.70	542.36	71.04	24.70	588.70		
Capital Work-in-progress (g)									37.76	17.31
									714.44	685.31

a. Includes Trade Marks, Patents and other intangibles.

b. Conveyance deeds for certain immovable properties valued at Rs 3.77 crs (Rs 3.77 crs) are pending execution.

c. Includes Rs 0.10 crs (Rs 0.10 crs) being the cost of shares in Co-operative Housing Societies.

d. Includes Rs 3.34 crores (Rs Nil) being accelerated depreciation on certain buildings not in use.

- e. Estimated outstanding commitments for Capital Expenditure Rs 57.45 crs (Rs. 15.41 crs).
f. Land, Buildings and Plant & Machinery of the Company as on 31 March 1991 and 1999 were revalued by the approved valuers and the surplus arising thereon, has been transferred to Revaluation Reserve.
As in the previous years, additional depreciation for the year on the revalued assets has been appropriated from the Revaluation Reserve.
g. Includes assets in transit.

6. INVESTMENTS

	No.	Face Value per Share/Debenture	31.3.2010 Rs. in Crores	31.3.2009 Rs. in Crores
Long Term				
Unquoted				
Government Securities			0.01 *	0.01
(Lodged as Security Deposit with various authorities)				
Fully paid up Equity Shares				
Subsidiary Companies –				
Chloride International Limited	450,000	Rs. 10	0.20	0.20
Caldyne Automatics Limited	19,80,000	Rs. 10	2.93	2.93
Chloride Metals Limited	53,46,100	Rs. 10	25.00	25.00
Leadage Alloys India Limited	23,86,800	Rs. 10	33.41	33.41
Chloride Batteries S.E. Asia Pte Limited	70,00,000	Singapore \$1	10.35	10.35
Espex Batteries Limited	102,000	GBP 1	0.78	0.78
Associated Battery Manufacturers (Ceylon) Ltd	38,96,640	Sri Lankan Rp 10	7.31	7.31
Others –				
CEIL Motive Power Pty Limited, Australia	- (26)	Australian \$1	–	– #
ING VYSYA Life Insurance Company Limited	61,37,41,500** (52,00,00,000)	Rs. 10	625.73	531.99
Arkay Energy (Rameswaram) Limited	- (700000)	Rs. 10	–	0.70
Haldia Integrated Development Agency Ltd.	500,000	Rs. 10	0.50	0.50
Fully paid up Debentures				
Woodlands Medical Centre Ltd				
1/2% Debentures	20	100	–*^	–
5% Non-redeemable Registered Debentures	1	6,000	–*^	–
Quoted				
Fully Paid up Equity Shares				
Hathway Cable and Datacom Limited	10,92,566 (–)	Rs. 10	26.22	–
(Aggregate Market Value Rs 22.67 Crores)				
Current - Quoted				
Units in Mutual Funds			602.93*	55.30
(Refer Note no III 't' on Schedule 24)				
			<u>1,335.37</u>	<u>668.48</u>

Aggregate Value of Investments

	Cost	Market Value	Cost	Market Value
Quoted	629.15	625.60	55.30	55.30
Unquoted	706.22		613.18	

Note: All the above investments, except those marked with an asterisk, are trade investments
** Includes 10,41,66,500 Shares Pending allotment as at Balance Sheet date-Since allotted.
Net of Provision for diminution in value of investments Rs. 1.02 crs.
^ Figures being less than Rs. 50,000 in each case, has not been disclosed

7. INVENTORIES

(At Lower of Cost or Net Realisable Value)
Stores, Spare parts, Loose Tools etc.
Raw Materials and Components @
Work-in-Progress
Finished Goods @
Add: Excise Duty

Trading Goods

	31.3.2010 Rs. in Crores	31.3.2010 Rs. in Crores	31.3.2009 Rs. in Crores	31.3.2009 Rs. in Crores
		13.52		12.23
		262.16		144.42
		152.02		117.45
	153.93		141.26	
	<u>22.52</u>		<u>20.34</u>	
		176.45		161.60
		2.62		2.77
		<u>606.77</u>		<u>438.47</u>

@ Includes materials in transit/Bonded warehouse or lying with third parties

	31.3.2010		31.3.2009	
	Rs. in Crores	Rs.in Crores	Rs.in Crores	Rs.in Crores
8. SUNDRY DEBTORS				
(Unsecured, considered good)				
Debts over six months		4.37 *		9.13
Other Debts		250.21		221.89
		<u>254.58 #</u>		<u>231.02</u>
		2.33		1.82
* Net of doubtful debts fully provided for				
# (Refer Note no III 'h' on Schedule 24)				
9. CASH AND BANK BALANCES				
Cash and Cheques in hand				
(including Remittances in transit)		0.18		20.25
Balances with Scheduled banks on:				
Current Account	0.64		11.77	
Unclaimed Dividend Account	<u>2.06</u>		<u>1.69</u>	
		2.70		13.46
		<u>2.88</u>		<u>33.71</u>
10. LOANS AND ADVANCES				
(Unsecured, considered good)				
Dividend Receivable				
– From Subsidiary Companies		4.75		0.63
Loans				
– To a Subsidiary Company	0.07		0.07	
– Others	<u>0.01</u>	0.08	<u>0.01</u>	0.08
Interest Accrued on Loans		–		0.13
Advances recoverable in cash or in kind or for value to be received or pending adjustments		15.96		24.89
Advance Tax, Refunds receivable and Tax deducted at source (net of provisions)		13.51		–
Balances with Customs, Sales Tax & Excise Authorities		2.27		2.61
Deposits – Others		<u>11.02</u>		<u>10.04</u>
		<u>47.59*</u>		<u>38.38</u>
* Net of Provision for Doubtful Loans and Advances Rs. 1.08 crs (Rs. 2.58 crores)				
11. CURRENT LIABILITIES				
Sundry Creditors				
– Due to Micro and Small enterprises (Refer note no III 'e' on Schedule 24)		5.44		7.77
– Due to others		385.71		292.79
Acceptances		47.08		33.71
Other Liabilities		38.63		32.85
Advances from Customers		14.97		8.56
Investor Education and Protection Fund (Refer note no III 'g' on Schedule 24)		2.06		1.73
Interest accrued but not due on Loans		<u>0.44</u>		<u>3.32</u>
		<u>494.33</u>		<u>380.73</u>
12. PROVISIONS				
Employee Benefits		13.96		11.68
Product related Warranty/Guarantees (Refer note no III 'k' on Schedule 24)		45.50		51.34
Taxation (net of Advance Tax)		–		24.23
Proposed Dividend		34.00		16.00
Tax on Proposed Dividend		<u>5.08</u>		<u>2.66</u>
		<u>98.54</u>		<u>105.91</u>

	2009-10		2008-09	
	Rs. in Crores	Rs. in Crores	Rs in Crores	Rs. in Crores
13. SALES				
Storage Batteries		4,532.00		4,215.45
Trading Items		9.60		17.82
Others		0.14		0.08
		<u>4,541.74 *</u>		<u>4,233.35</u>
* Includes Exchange Gain Rs. 1.38 crs (Rs. 8.70 crs).				
14. OTHER INCOME				
Dividend from Long Term Trade Investments (from subsidiary companies)		4.98		1.33
Dividend from Current Non trade Investments		3.78		0.73
Technical Assistance Fees		0.32		0.30
Profit on Fixed assets sold		0.05		2.51
Bad debts recovered		1.25		0.17
Sundry Income		<u>1.73</u>		<u>1.43</u>
		<u>12.11</u>		<u>6.47</u>
15. (INCREASE) / DECREASE IN STOCKS				
Opening Stocks				
Work-in-progress	117.45		128.35	
Finished goods	141.26		147.60	
Trading goods	<u>2.77</u>		<u>3.52</u>	
		261.48		279.47
Closing Stocks				
Work-in-progress	152.02		117.45	
Finished goods	153.93		141.26	
Trading goods	<u>2.62</u>		<u>2.77</u>	
		308.57		261.48
Excise Duty		<u>(2.18) *</u>		<u>7.96</u>
		<u>(49.27)</u>		<u>25.95</u>
* Represents Excise duty on (Increase)/ decrease of Finished goods inventory				
16. MATERIALS CONSUMED				
Raw Materials, Components etc:				
Opening Stock	144.42		251.21	
Add: Purchases (including Processing charges, Procurement expenses etc. and after adjusting Cenvat Credits)	<u>2,341.70</u>		<u>2,103.41</u>	
	2,486.12		2,354.62	
Less: Closing Stock	<u>262.16</u>	<u>2,223.96</u>	<u>144.42</u>	<u>2,210.20</u>
		<u>2,223.96</u>		<u>2,210.20</u>
(Refer note no III 'i' on Schedule 24)				

	2009-2010		2008-2009	
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
17. PERSONNEL COSTS				
Salaries, Wages & Bonus		177.77		134.14
Contribution to Provident & Other Funds (net)		20.26		15.56
Welfare Expenses		27.18		21.20
		<u>225.21</u>		<u>170.90</u>
18. EXPENSES				
Stores & Spare Parts consumed		40.43		34.16
Power & Fuel		135.78		118.89
Battery Charging / Battery Assembly expenses		8.95		6.97
Repairs & Maintenance				
Buildings	5.58		4.37	
Plant & Machinery	21.47		16.63	
Computers & Softwares	3.83		4.24	
Others	<u>2.49</u>	33.37	<u>2.91</u>	28.15
Rent & Hire Charges		10.33		8.36
Rates & Taxes		1.14		1.44
Insurance		1.12		1.44
Commission		4.33		6.32
Royalty and Technical Aid Fees		4.46		4.97
Publicity and Sales Promotion		43.11		28.98
Freight & Forwarding (net)		105.17		85.91
Selling Expenses (Schedule 22)		66.24		57.61
Travelling & Conveyance		12.02		11.37
Bank Charges		2.90		3.41
Communication Costs		5.67		5.30
Donations		0.27		0.01
Auditors' Remuneration (refer note no III 'u' on schedule 24)		0.65		0.57
Directors' Sitting Fees		0.03		0.01
Loss on Fixed Assets sold/discarded		0.40		0.75
Bad Debts written off	0.19		0.32	
Less: Adjusted against provision	<u>(0.19)</u>	—	<u>(0.05)</u>	0.27
Loans and Advances written off	2.54	—		
Less: Adjusted against provision	<u>(2.54)</u>	—	—	—
Loss on Disposal of Long term Trade Investment	1.01			
Less: Adjusted against provision	<u>(1.01)</u>	—	—	—
Provision for Doubtful Loans and Advances		—		2.58
Provision for Diminution in value of Investments		—		1.02
Miscellaneous Expenses (Schedule 23)		22.27		20.52
		<u>498.64</u>		<u>429.01</u>
19. INTEREST AND FINANCE COST				
Interest on:				
Term Loans		5.10		14.86
Working Capital Borrowings		5.44*		33.22
		10.54		48.08
Fund Mobilisation Costs		<u>0.07</u>		<u>0.11</u>
		10.61		48.19
Less: Interest received on loans, deposits etc. [including Tax deducted at source Rs. 0.07 crs (Rs. 0.06 crs)]		0.32		0.30
		<u>10.29</u>		<u>47.89</u>

*Net of exchange Gain Rs 3.57 crs (Includes Loss Rs 13.72 crs.)

	2009-2010 Rs. in Crores	2008-2009 Rs.in Crores
20. DEPRECIATION/AMORTISATION		
Charge for the year	82.31	71.04
Less: Transfer from Revaluation Reserve	1.66	3.10
	<u>80.65</u>	<u>67.94</u>
21. TAXATION		
Provision for Income Tax	273.30*	149.20
Provision for Wealth Tax	0.20	0.20
Provision for Fringe Benefit Tax	—	1.60
	<u>273.50</u>	<u>151.00</u>
* Includes Deferred Tax Liability Rs 0.53 crs (release Rs 6.70 crs), and provision for earlier years Rs 1.41 crs (Rs 1.50 crs). (Refer Note no III 'J' on Schedule 24)		
22. SELLING EXPENSES		
Testing Charges	0.86	0.38
Liquidated Damages	0.45	0.23
Cash Discounts	33.51	32.48
After Sales Services	14.86	14.30
C & F Expenses	16.17	10.00
Installation Costs	0.39	0.22
	<u>66.24</u>	<u>57.61</u>
23. MISCELLANEOUS EXPENSES		
Motor Vehicle Running Expenses	3.59	3.44
Consultancy & Services outsourced	6.50	7.62
Security Service Charges	3.57	3.03
General Expenses	0.55	0.66
Legal Expenses	1.52	0.81
Printing & Stationery	3.76	3.20
TQM Expenses	0.27	0.32
CSR Expenses	1.18	0.33
Pollution Control Expenses	1.33	1.11
	<u>22.27</u>	<u>20.52</u>
24. NOTES TO ACCOUNTS		
I. CONTINGENCIES		
Contingent liabilities not provided for in respect of		
– Outstanding Bank Guarentees/Indemnity Bonds	10.09	10.24
– Sales Tax demands	1.03	0.11
– Excise Duty demands	0.77	0.62
– Other claims being disputed by the Company	0.50	0.54
– Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not ascertainable	Not ascertainable

24. NOTES TO ACCOUNTS (Contd.)

II. DIRECTORS' REMUNERATION

a. Computation of Directors' commission

	2009-2010		2008-2009	
	Rs. in Crores	Rs. in Crores	Rs.in Crores	Rs.in Crores
Profit before taxation		810.59		435.39
Add: Depreciation		80.65		67.94
Less: Net Profit on sale of Fixed assets as per section 349		(0.35)		1.76
		891.59		501.57
Less: Depreciation as per section 350		(80.65)		(67.94)
Profit as per section 349 of the Companies Act, 1956		810.94		433.63
Add:				
Commission payable to Directors	1.65		1.51	
Directors' remuneration & fees, excluding commission	4.72		4.19	
		6.37		5.70
Profit as per Section 198		817.31		439.33
Maximum Commission permissible to Managing and Whole-time Directors @10% of the net profit as calculated above		81.73		43.93
Actual amount payable in terms of service agreements		1.65		1.51
b. Directors' Remuneration and Fees		6.37*		5.70

*Comprising of salary and performance bonus Rs 3.31 crs (Rs. 2.87 crs), contribution to provident, gratuity & other funds Rs 0.81 crs (Rs. 0.73 crs), estimated cost of other benefits Rs. 0.58 crs (Rs. 0.59 crs) and commission Rs. 1.65 crs (Rs. 1.51 crs) to the Whole-time directors (including Managing Director) and Sitting Fees Rs. 0.02 crs (Rs. 0.01 crs) to Non-Executive Directors.

III. OTHERS

- Sales are net of price adjustments for earlier years, settled during the year by the Company and discounts, trade incentives etc (after adjustment of excess provision written back amounting to Rs. 9.93 crs.).
- Excise duty includes Rs. 8.83 crs. (Rs. 11.96 crs) paid on batteries issued towards warranty claims.
- The Company has a full-fledged Research and Development Center and its has thereby been able to considerably further its efficiency. During the year, a sum of Rs. 11.55 crs. (Rs. 9.38 crs), including capital expenditure Rs. 2.73 crs. (Rs. 1.80 crs), was spent on Research and Development work.
- Stores and Spares consumed is exclusive of Rs. 0.37 crs (Rs. 0.29 crs) being the amounts allocated to other heads of expenses.
- The amounts due to Micro and Small enterprises are as follows:-
 - Principal Amount Rs. 5.44 crs (Rs. 7.77 crs)
Interest due on above Rs. 0.02 crs (Rs. 0.01 crs)
 - Amount of interest paid in terms of Sec. 16 of the Micro, Small and Medium Enterprise Development Act 2006 Rs. nil (Rs. nil)
 - Amount of interest due and payable for the period of delay Rs. 0.02 crs (Rs.0.01 crs)
 - Amount of interest accrued and remaining unpaid as at 31st March 2010 Rs. 0.02 crs (Rs. 0.01 crs)
 - Amount of further interest remaining due and payable in the succeeding year Rs. nil (Rs. nil)
- Diminution, based on the net worth as per the latest audited accounts of the relevant Company or market value, in the value of certain long term unquoted/quoted investments as on the Balance Sheet date, being temporary in nature, has not been provided.
- Details of amount payable (when due) to Investor Education & Protection Fund are as follows (Schedule -11)

24. NOTES TO ACCOUNTS (Contd.)

	31.3.2010 Rs. in crs	31.3.2009 Rs. in crs
Unclaimed Dividend	2.06	1.70
Unclaimed Public Deposits	—	0.03
Total	<u>2.06</u>	<u>1.73</u>

h. The particulars of amounts due from Subsidiary Companies are as follows:

Rs. in crs				
Name of the Subsidiary A-Sundry Debtors (Schedule-8)	Amounts Due			
	31/3/2010		31/3/2009	
Chloride Batteries S.E. Asia Pte Limited	8.43		8.18	
Caldyne Automatics Limited	5.32		3.32	
Chloride International Ltd.	—		0.12	
Espex Batteries Limited	11.77		6.99	
Leadage Alloys India Limited	—		1.97	

B-Loans & Advances (Schedule-10)	Amounts Due		Maximum Amount outstanding during the year	
	31/3/2010	31/3/2009	31/3/2010	31/3/2009
Espex Batteries Limited*	0.11	0.07	0.11	0.08
Associated Battery Manufacturers (Ceylon) Ltd.**	0.69	0.52	0.69	0.52
Caldyne Automatics Limited***	0.30	0.20	0.30	0.20
Chloride International Ltd.***	0.09	—	0.09	0.09
Leadage Alloys India Ltd.***	2.39	—	2.39	—
Chloride Metals Limited***	1.34	—	1.34	—

* Including GBP 10,000 loan with interest at GBP LIBOR plus 100 basis points, without any repayment schedule and dividend receivable thereon.

** Represents dividend and Technical Assistance fees receivable.

*** Represents dividend receivable.

- i. Materials consumed (Schedule 16) includes warranty costs Rs. 28.81 crs (Rs. 37.59 crs) and is net of exchange fluctuation Gain Rs. 18.18 crs. (Includes Exchange Loss Rs. 40.64 crs.), export incentives Rs. 5.10 crs. (Rs. 4.64 crs.), and purchase tax set-off Rs.0.64 crs. (Rs. nil).
- j. The Break-up of Deferred Tax liability as on 31 March 2010 is as follows:

	31.03.2010 Rs. in crs.	31.03.2009 Rs. in crs.
A. Deferred Tax Liability		
i) Timing Difference in depreciable assets.	58.01	57.76
ii) Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year.	8.36	7.40
Total	<u>66.37</u>	<u>65.16</u>

24. NOTES TO ACCOUNTS (Contd.)

	31.03.2010 Rs. in crs.	31.03.2009 Rs. in crs.
B. Deferred Tax Asset		
i) Expenses allowable against taxable income in future years	2.91	11.69
ii) Expenses disallowed in earlier assessments which are being contested	4.46	12.27
Net Deferred Tax Liability (A-B)	59.00	41.20

Based on a recent ruling of The Hon'ble Supreme Court in another case and also its tax assessment order for an earlier year, the Company has treated provision for warranty as an allowable expenditure while estimating the liability for IncomeTax for the year and has also written back excess tax liabilities of Rs.18.09 crores and reversed the corresponding deferred tax asset of Rs 17.27 crores for past years arising due to the above.

- k. The movements in 'Provision for Product Related Warranty/Guarantee' Account during the year are as follows:

	2009-10 Rs. in crs.	2008-09 Rs. in crs.
Opening Balance:-	51.34	51.56
Add: Provision created during the year	37.64	49.58
Less: Product related warranties issued for the year	43.48	49.80
Closing Balance	45.50	51.34

- l. During the year, the Company has issued 5 crores shares of Re 1 each to Qualified Institutional Buyers (QIBs) at a premium of Rs.106.90 to generate funds for its capital expenditure, acquisitions and for general corporate purposes. The total sum received aggregated to Rs.539.50 crores (including Rs.534.50 crores towards Securities premium). Pending utilization of the money for the purposes mentioned above, the Company has temporarily invested the funds in mutual funds after adjusting share issue expenses of Rs 9.59 crores (including Auditor's remuneration of Rs. 0.27 crores).
- m. Details for calculation of basic and diluted earning per share are as under:

		2009-10	2008-09
Profit after taxation as per Profit & Loss Account	(Rs. crs.)	537.09	284.39
Weighted Average number of equity shares	(No.)	80,27,39,806	80,00,00,000
Basic and diluted earning per share	(Rs.)	6.69	3.55

- n. **BUSINESS SEGMENT**

As the Company's business activity falls within a single primary business segment, viz. 'Lead Acid Storage Batteries', the disclosure requirements of Accounting Standard-17 "Segment Reporting", issued by the Institute of Chartered Accountants of India are not applicable.

- o. **GEOGRAPHICAL SEGMENTS**

The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas operations as under:

Revenue - Gross Sales

	2009-10 Rs. in crs.	2008-09 Rs. in crs.
India	4434.18	4113.30
Overseas	107.56	120.05

Assets and additions to tangible and intangible fixed assets by geographical area: The following table shows the carrying amount of segment assets and addition to segment assets by geographical area in which the assets are located:

Rs. in Crs.

	Carrying amount of segment assets		Additions to fixed assets and intangible assets including CWIP	
	31.3.2010	31.3.2009	2009-2010	2008-2009
India	1602.29	1404.53	112.73	159.53
Overseas	23.97	22.36	—	—
	1626.26	1426.89	112.73	159.53

24. NOTES TO ACCOUNTS (Contd.)

- p. The following assets and liabilities in foreign currencies as at the Balance Sheet Date are not hedged:
Rs. in crs.

Sr. No.	Particulars	31.3.2010	31.3.2009
(i)	Trade Receivables	23.90	19.71
(ii)	Loans given to an overseas subsidiaries	0.07	0.07
(iii)	Investments in overseas subsidiaries and associates	18.43	19.45
(iv)	Dividend and Technical fees receivable	0.72	0.52
(v)	Trade Payables	94.66	56.71

The company also has a rupee swap to fully hedge the foreign currency borrowing of Rs. 25 crs (Rs. 72.12 crs).

- q. The Company has paid Rs. 0.49 crs (Rs. 0.52 crs) towards lease of residential apartments. These are cancellable leases, renewable by mutual agreement. Generally, there is no escalation clause and no other restrictions imposed by the lease arrangements. There are no sub-leases.

r. **Gratuity, compensated absences and other post-employment benefit plans**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The Company provides certain Post-Retirement Medical Benefits (PRMB) to the employees qualifying for such benefits under the scheme upto 31 March 2006, and accordingly the number of beneficiaries is frozen on that date. This benefit is unfunded.

The Company has a Pension plan, a part of the liability whereof upto 31 March 2003 is in the nature of a defined benefit plan. From 1 April 2003 onwards, pension remains as a defined contribution liability which is funded annually with an insurance company.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Rs. in Crs.

	For the year ended 31st March 2010			For the year ended 31st March 2009		
	GRATUITY	PENSION	PRMB	GRATUITY	PENSION	PRMB
	Plan (Benefit)			Plan (Benefit)		
I. Expenses recognised in the Statement of Profit & Loss Account						
1. Current Service Cost	1.95	—	0.06	1.67	—	0.07
2. Interest Cost	1.81	0.59	0.16	1.80	0.68	0.17
3. Expected Return on plan assets	2.51	0.97	—	2.06	0.95	—
4. Actuarial (Gains)/Losses	6.48	0.09	0.53	4.09	0.30	0.22
5. Total Expense	7.73	(0.29)	0.75	5.50	0.03	0.46
II. Net Asset/(Liability) recognised in the Balance Sheet						
1. Present Value of Defined Benefit Obligation	37.12	9.59	3.11	29.24	9.42	2.47
2. Fair Value of Plan Assets	36.52	13.01	—	29.36	12.53	—
3. Net Asset/(Liability)	(0.60)	3.42	(3.11)	0.12	3.11	(2.47)
III. Change in Obligation during the year						
1. Present Value of Defined Benefit Obligation at the beginning of the year	29.24	9.42	2.47	23.49	8.67	2.11
2. Current Service Cost	1.95	—	0.06	1.67	—	0.07
3. Interest Cost	1.81	0.59	0.16	1.80	0.68	0.17
4. Benefits Paid	2.86	0.84	0.11	1.98	0.43	0.10
5. Actuarial (Gains)/Losses	6.98	0.42	0.53	4.26	0.50	0.22
6. Present Value of Defined Benefit Obligation at the end of the year	37.12	9.59	3.11	29.24	9.42	2.47

24. NOTES TO ACCOUNTS (Contd.)

Rs. in Crs.

	For the year ended 31st March 2010			For the year ended 31st March 2009		
	GRATUITY	PENSION	PRMB	GRATUITY	PENSION	PRMB
	Plan (Benefit)			Plan (Benefit)		
IV. Change in the Fair Value of Plan Assets during the year						
1. Plan assets at the beginning of the year	29.36	12.53	—	24.37	12.35	—
2. Expected return on plan assets	2.51	0.97	—	2.06	0.95	—
3. Contribution by employer	7.01	0.02	0.11	4.74	(0.54)	0.10
4. Actual Benefits Paid	2.86	0.84	0.11	1.98	0.43	0.10
5. Actuarial (Gains)/Losses	0.50	0.33	—	0.17	0.20	—
6. Plan assets at the end of the year	36.52	13.01	—	29.36	12.53	—
7. Actual return on Plan Assets	3.01	1.30	—	2.23	1.15	—

V. In 2010-11 the Company expects to contribute Rs. 5.00 crs to gratuity and Rs. 1.00 crs to Pension.

VI. The major categories of plan assets as a percentage of the fair value of total plan assets

Investments with insurer	100%	100%	—	100%	100%	—
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VII. Actuarial Assumptions

1. Discount Rate	7.50% p.a (6.50%)
2. Expected rate of return on plan assets	8.00% p.a (8.00%)
3. Mortality pre retirement	Standard Table LIC (1994-96) Ultimate
4. Mortality Post retirement	Mortality for annuitants LIC (1996-98) Ultimate
5. Employee Turnover Rate	19.30% (19.30%)

VIII. Healthcare cost trend rates have no effect on the amounts recognised in the profit and loss account, since the benefit is in the form of a fixed amount as per the various grades, which is not subject to change.

IX. 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.

X. Contribution to Provident and Other Funds includes Rs. 12.51 crs (Rs. 10.26 crs) paid towards Defined Contribution Plans.

Rs in Crs.

XI. Amount for the current and previous four periods are as follows :	Year ended March 10	Year ended March 09	Year ended March 08	Year ended March 07	Year ended March 06
1. Gratuity					
Defined Benefit Obligation	37.12	29.24	23.49	22.82	21.42
Plan Assets	36.52	29.36	24.37	23.20	22.27
Surplus / (deficit)	(0.60)	0.12	0.88	0.38	0.85
Experience adjustments on plan liabilities	(11.15)	(0.57)	0.66	2.44	0.76
Experience adjustments on plan assets	0.49	0.17	0.22	0.10	1.25
2. Pension					
Defined Benefit Obligation	9.59	9.42	8.67	11.91	15.50
Plan Assets	13.01	12.53	12.35	14.53	18.06
Surplus / (deficit)	3.42	3.11	3.68	2.62	2.56
Experience adjustments on plan liabilities	(0.03)	(0.39)	(2.43)	(2.92)	(1.22)
Experience adjustments on plan assets	0.33	0.20	0.14	0.22	(0.03)
3. Post Retirement Medical Benefit					
Defined Benefit Obligation	3.11	2.47	2.11	2.15	2.12
Experience adjustments on plan liabilities	0.75	0.01	(0.05)	0.70	0.31

24. NOTES TO ACCOUNTS (Contd.)

- s. The Ministry of Corporate Affairs, Government of India vide its letter no. 47/68/2010-CL-III dated 19th March, 2010, has exempted the Company from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the Company required u/s 212 of the Companies Act, 1956.
- t. In additions to the details furnished in Schedule 6, the following investments in Mutual funds units were purchased and sold during the year:

Name of the fund	Units Purchased	Units Sold
Reliance Mutual Fund	450,592.26 (420.10)	450,592.26 (420.10)
HDFC Mutual Fund	50,002,584.50 (9,989,321.78)	50,002,584.50 (9,989,321.78)
ING Vysya Mutual Fund	210,088,401.17 (50,606,168.66)	210,088,401.17 (50,606,168.66)
IDFC Mutual Fund	14,030,895.74 (-)	14,030,895.74 (-)
ICICI Prudential Mutual Fund	2,846,775.33 (-)	2,846,775.33 (-)
Kotak Mutual Fund	9,994,859.04 (-)	9,994,859.04 (-)
Can Rebeco Mutual Fund	4,060,529.66 (-)	4,060,529.66 (-)
Tata Mutual Fund	34,971,817.45 (5,004,440.73)	34,971,817.45 (5,004,440.73)
Bharti Axa Mutual Fund	50,039.49 (-)	50,039.49 (-)
SBI Mutual Fund	5,001,846.16 (-)	5,001,846.16 (-)
Birla Mutual Fund	25,068,502.31 (-)	25,068,502.31 (-)
DSP Mutual Fund	49,994.28 (50,151.95)	49,994.28 (50,151.95)

- u. Details of Auditor's remuneration:-

	2009-10 (Rs. in crs.)	2008-09 (Rs. in crs.)
Statutory Audit	0.33	0.30
Limited Reviews	0.22	0.18
Tax Audit	0.05	0.04
In other capacity for certificates etc	0.03	0.03
Out of Pocket Expenses	0.02	0.02
Total	0.65	0.57

v. Related Party Disclosure:

- i) Particulars of related parties :

1. Subsidiaries

: Chloride Batteries S.E. Asia Pte. Limited, Singapore (CBSEA)
 Chloride International Limited (CIL)
 Caldyne Automatics Limited (Caldyne)
 Espex Batteries Limited, UK (Espex)
 Associated Battery Manufacturers (Ceylon) Ltd., Sri Lanka (ABML)
 Chloride Metals Limited (CML-Formerly Tandon Metals Limited)
 Leadage Alloys India Limited
 Exide Batteries (Pvt) Limited (Subsidiary of CBSEA)

24. NOTES TO ACCOUNTS (Contd.)

2. Associate Companies : ING VYSYA Life Insurance Company Limited (IVL)
CEIL Motive Power Pty Limited, Australia (Upto 24th August, 2009)
3. Enterprise/Individuals having a direct : Chloride Eastern Limited, UK. (CEL)
or indirect controls over the company : Chloride Eastern Industries Pte Limited, Singapore (CEIL)
LIEC Holdings SA, Switzerland
Mr. S B Raheja
4. Key Management Personnel : Mr. T V Ramanathan
Mr. G Chatterjee
Mr. P K Katakya
Dr. S K Mittal
Mr. A K Mukherjee
Mr. Nadeem Kazim
Mr. Supriya Coomer
5. Name of the Companies/firms/ : Nil
in which Directors/Key Management
Personnel have significant influence
with whom transactions have happened
during the year

ii) Details of transactions entered into with the related parties:

(Rs. in Crores.)

	Subsidiaries		Associate Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel	Total	
	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	Transaction Value	Balance Outstanding as on 31-03-2010
Purchases of goods – CIL	– (0.05)	– –	– –	– –	– –	– –	– –	– (0.05)	– –
– ABML	1.68 (9.09)	– –	– –	– –	– –	– –	– –	1.68 (9.09)	– –
– Chloride Metals	266.03 (175.46)	0.72 (2.08)	– –	– –	– –	– –	– –	266.03 (175.46)	0.72 (2.08)
– Leadage Alloys	603.12 (433.59)	2.68 –	– –	– –	– –	– –	– –	603.12 (433.59)	2.68 –
– C B S E A	0.01 –	– –	– –	– –	– –	– –	– –	0.01 –	– –
– Caldye	1.07 (0.98)	– –	– –	– –	– –	– –	– –	1.07 (0.98)	– –
– Total	871.91 (619.17)	3.40 (2.08)	– –	– –	– –	– –	– –	871.91 (619.17)	3.40 (2.08)
Sale of goods – CBSEA	41.64 (50.76)	8.43 (8.18)	– –	– –	– –	– –	– –	41.64 (50.76)	8.43 (8.18)
– Caldye	18.59 (12.17)	5.32 (3.32)	– –	– –	– –	– –	– –	18.59 (12.17)	5.32 (3.32)
– Espex	19.00 (19.34)	11.77 (6.99)	– –	– –	– –	– –	– –	19.00 (19.34)	11.77 (6.99)
– Chloride Metals	80.37 (52.36)	– –	– –	– –	– –	– –	– –	80.37 (52.36)	– –
– Leadage Alloys	79.11 (75.94)	– (1.97)	– –	– –	– –	– –	– –	79.11 (75.94)	– (1.97)
– CIL	7.52 (1.13)	– (0.12)	– –	– –	– –	– –	– –	7.52 (1.13)	– (0.12)
– Total	246.23 (211.70)	25.52 (20.58)	– –	– –	– –	– –	– –	246.23 (211.70)	25.52 (20.58)

24. NOTES TO ACCOUNTS (Contd.)

ii) Details of transactions entered into with the related parties:

(Rs. in Crores.)

	Subsidiaries		Associate Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel	Total	
	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	Transaction Value	Balance Outstanding as on 31-03-2010
Cost of management services recovered – CIL	0.04 (0.04)	– –	– –	– –	– –	– –	– –	0.04 (0.04)	– –
Sale of Assets									
– Chloride Metals	– (0.02)	– –	– –	– –	– –	– –	– –	– (0.02)	– –
– Total	– (0.02)	– –	– –	– –	– –	– –	– –	– (0.02)	– –
Rent and Maintenance Costs – CIL	0.22 (0.21)	– –	– –	– –	– –	– –	– –	0.22 (0.21)	– –
Employee Welfare Expenses – IVL	– –	– –	0.36 (0.32)	– –	– –	– –	– –	0.36 (0.32)	– –
Rights Issue of Shares									
– IVL	– –	– –	93.74 (62.50)	– –	– –	– –	– –	93.74 (62.50)	– –
Dividend Income – CIL	0.09 –	0.09 –	– –	– –	– –	– –	– –	0.09 –	0.09 –
– ABML	0.83 (1.04)	0.60 (0.43)	– –	– –	– –	– –	– –	0.83 (1.04)	0.60 (0.43)
– Leadage Alloys	2.39 –	2.39 –	– –	– –	– –	– –	– –	2.39 –	2.39 –
– Chloride Metals	1.34 –	1.34 –	– –	– –	– –	– –	– –	1.34 –	1.34 –
– Espex	0.03 (0.09)	0.03 –	– –	– –	– –	– –	– –	0.03 (0.09)	0.03 –
– Caldyne	0.30 (0.20)	0.30 (0.20)	– –	– –	– –	– –	– –	0.30 (0.20)	0.30 (0.20)
– Total	4.98 (1.33)	4.75 (0.63)	– –	– –	– –	– –	– –	4.98 (1.33)	4.75 (0.63)
Technical Assistance Expenses – CEIL	– –	– –	– –	– –	0.08 (0.09)	0.04 (0.04)	– –	0.08 (0.09)	0.04 (0.04)
Technical Assistance Income – ABML	0.32 (0.30)	0.08 (0.09)	– –	– –	– –	– –	– –	0.32 (0.30)	0.08 (0.09)
Loans Given – ESPEX	– –	0.07 (0.07)	– –	– –	– –	– –	– –	– –	0.07 (0.07)
– CEIL Motive Power	– –	– –	– –	(2.58)	– –	– –	– –	– –	– (2.58)
Interest Costs – ESPEX	0.01 (0.01)	0.01 (0.01)	– –	– –	– –	– –	– –	0.01 (0.01)	0.01 (0.01)
– CEIL Motive Power	– –	– –	– (0.12)	– (0.12)	– –	– –	– –	– (0.12)	– (0.12)
Interest Income – ESPEX	0.01 (0.01)	– (0.01)	– –	– –	– –	– –	– –	0.01 (0.01)	– (0.01)
– CEIL Motive Power	– –	– –	– (0.20)	– (0.34)	– –	– –	– –	– (0.20)	– (0.34)
Remuneration to Directors	– –	– –	– –	– –	– –	– –	6.37* (5.70)	6.37 (5.70)	3.31 (2.87)
(Refer note no. II of Schedule 25) to Others	– –	– –	– –	– –	– –	– –	0.56 (0.28)	0.56 (0.28)	– –
Total	– –	– –	– –	– –	– –	– –	6.93 (5.98)	6.93 (5.98)	3.31 (2.87)

Note: (1) Dividend amounting to Rs. 31.28 crs (Rs. 31.28 crs) was paid for the year 2008-09 and Interim Dividend 2009-10 to Chloride Eastern Limited, UK.

* Details furnished in Corporate Governance Report.

24. NOTES TO ACCOUNTS (Contd.)

IV. SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of Accounting**

The Company prepares its accounts under the Historical Cost Convention modified by revaluation of fixed assets. The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. For recognition of Income and expenses, Mercantile System of Accounting is followed. The accounting policies applied by the Company, are consistent with those used in the previous year.

b. **Revenue Recognition**
Sale of Goods

Revenue from sale of goods including manufactured products is recognised upon passage of title to the customers, which generally coincides with delivery.

Customs Duty benefits in the form of advance license entitlements are recognised on export of goods, and are set off from material costs.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date. However, Dividend from subsidiaries is recognised even if the same are declared after the balance sheet date but pertains to period on or before the date of balance sheet, as per the requirement of schedule VI of the Companies Act, 1956.

c. **Fixed Assets**

Fixed Assets are stated at cost of acquisition inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/commissioning expenses etc upto the date the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written up by the valuer, is considered in the accounts and the differential amount is transferred to revaluation reserve.

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

d. **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Long-Term investments. Current Quoted Investments are stated at lower of cost or market rate on individual investment basis. Long Term Investments are considered at cost, unless there is other than temporary decline in value thereof, in which case adequate provision is made for diminution in the value of investments. Investments in foreign companies are carried at exchange rates prevailing on the date of their acquisition.

e. **Depreciation**

i) The classification of plant & machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

ii) a) Depreciation is provided on straight-line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except for the assets shown in (b) below. Further, in respect of certain assets whose residual economic life, as determined by the approved valuer, is less than the residual life as per the books, depreciation is provided at the adjusted higher rates so that the value thereof is written off over the economic life determined by the valuer.

b) Based upon their respective useful economic life, depreciation on the following assets is provided at a rate higher than those specified in Schedule - XIV of the Companies Act 1956:

Class of assets	Useful economic Life	Rate of Depreciation
Air conditioners, Refrigerators, Washing Machines, Water Coolers, Televisions (included in Furniture & Fittings)	6	15.83%
Motor Vehicles	6	15.83%
Computer Hardware	4	24.50%
Weighing Scales, & Transformers	15	6.53%
Pallet Trucks	10	9.80%

c) The Company has estimated the residual value of Plant & Machinery, moulds and computers to be 2% of the cost as against 5% specified in Section 205 (2)(c) of the Companies Act, 1956. Accordingly, 98% of the value of fixed assets is being depreciated in the accounts.

d) Acquired Goodwill is written off over a period of five years.

iii. Depreciation includes amount written off in respect of leasehold properties over the respective lease period.

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

v. In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

f. **Intangible Assets**
Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project, not exceeding ten years.

24. NOTES TO ACCOUNTS (Contd.)

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

g. **Leases:**i) **Finance lease:**

In order to comply with Accounting Standard – 19 Notified by the Companies Accounting Standard Rules, 2006

- a) Assets given under a finance lease are recognized as receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest as per the IRR method. The principal amount received reduces the net investment in the lease and interest is recognized as revenue. Initial direct costs such as legal charges, brokerage etc are recognized immediately in the Profit & Loss Account.
- b) Assets acquired under finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Leased assets capitalised are depreciated over the shorter of the estimated useful life of the asset or the lease term.

ii) **Operating leases:**

- a) Assets acquired under Operating Leases represent assets where the lessor effectively retains substantially all the risks and benefits of their ownership. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term.
- b) Assets given under operating leases are included in fixed assets. Lease income is recognized in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account.

h. **Foreign Currency Transactions**i) **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.

ii) **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; and 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.

iii) **Exchange Differences**

Exchange differences arising on the settlement / conversion of monetary items, are recognised as income or expenses in the year in which they arise.

iv) **Forward Exchange Contracts**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

i. **Inventories**

- i) Raw materials, components, stores and spares are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- ii) Work-in-progress and finished goods are valued at Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

j. **Borrowing Costs**

Borrowing costs attributable to the acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets, upto the date when such assets are ready for their intended use. Other borrowing costs are charged to Profit and Loss Account.

k. **Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity are capitalised. Indirect expenditure incurred during construction period are capitalised as part of the indirect construction cost to the extent to which the expenditure are indirectly related to construction or are incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the Profit and Loss Account. Income earned during construction period, if any, is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion are capitalised. As regards indirect expenditure on expansion, only that portion is capitalised which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its original standard of performance.

l. **Excise Duty**

Excise Duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the balance sheet date.

24. NOTES TO ACCOUNTS (Contd.)

m. Retirement and other employee benefits

- i) Retirement Benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts.
- ii) Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of each financial year.
- iii) Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year.
- iv) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account.
- v) Pension liability is split into a defined benefit portion and a defined contribution portion as indicated in note no. 'r'. The contributions towards defined contribution are charged to the Profit and Loss account of the year when the contribution becomes due. The Defined benefit portion is provided for on the basis of an actuarial valuation made at the end of each financial year.
- vi) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

n. Product Related Warranty/Guarantee Claims

Provision for product related warranty/guarantee costs is based on the claims received upto the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

o. Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are 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 timing differences between taxable income and accounting income for the year 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 recognised 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 recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of the deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

p. Earning per share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

q. Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and 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 made in terms of Accounting Standard-29, are not discounted to its present value and are determined based on the management 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 management estimates.

r. Segment reporting

Based on the synergies risks and returns associated with business operations and in terms of Accounting Standard – 17, the Company is predominantly engaged in a single reportable segment of Lead Acid Storage Batteries during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

Contingent Liabilities

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

V. STATISTICAL DATA

a. CAPACITIES, PRODUCTION & STOCKS

	Unit	Installed Capacity		Actual Production	
		2009-2010	2008-2009	2009-2010	2008-2009
Storage Batteries	Nos.	24,235,970	22,660,003	21,689,011	19,462,909

Notes: Licensed capacity since not required to be given, is not furnished.
Installed capacity has been estimated by the Management.

24. NOTES TO ACCOUNTS (Contd.)

m. Retirement and other employee benefits

- i) Retirement Benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts.
- ii) Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation made at the end of each financial year.
- iii) Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year.
- iv) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account.
- v) Pension liability is split into a defined benefit portion and a defined contribution portion as indicated in note no. 'r'. The contributions towards defined contribution are charged to the Profit and Loss account of the year when the contribution becomes due. The Defined benefit portion is provided for on the basis of an actuarial valuation made at the end of each financial year.
- vi) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

n. Product Related Warranty/Guarantee Claims

Provision for product related warranty/guarantee costs is based on the claims received upto the year end as well as the management estimates of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

o. Taxation

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are 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 timing differences between taxable income and accounting income for the year 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 recognised 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 recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of the deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

p. Earning per share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

q. Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and 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 made in terms of Accounting Standard-29, are not discounted to its present value and are determined based on the management 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 management estimates.

r. Segment reporting

Based on the synergies risks and returns associated with business operations and in terms of Accounting Standard – 17, the Company is predominantly engaged in a single reportable segment of Lead Acid Storage Batteries during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

Contingent Liabilities

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

V. STATISTICAL DATA

a. CAPACITIES, PRODUCTION & STOCKS

	Unit	Installed Capacity		Actual Production	
		2009-2010	2008-2009	2009-2010	2008-2009
Storage Batteries	Nos.	24,235,970	22,660,003	21,689,011	19,462,909

Notes: Licensed capacity since not required to be given, is not furnished.
Installed capacity has been estimated by the Management.

24. NOTES TO ACCOUNTS (Contd.)

b. STOCK OF FINISHED GOODS

	2009-2010		2008-2009	
	Quantity Nos.	Value Rs.in Crores	Quantity Nos.	Value Rs.in Crores
Storage Batteries				
: Opening Stock	1,053,536	161.60	699,574	175.90
: Closing Stock	843,518	176.45	1,053,536	161.60

c. SALE OF FINISHED GOODS

	2009 - 2010			2008 - 2009		
	Quantity Nos.	Mah*	Value Rs. in Crores	Quantity Nos.	Mah	Value Rs. in Crores
Storage Batteries	21,899,029	3,949	4,532.00	19,108,947	3,475	4,215.45
* Mah denotes Million Ampere Hours						
Trading Items	54,506	—	9.60	85,045	—	17.82

d. TRADING ITEMS

	2009-2010		2008-2009	
	Quantity Nos.	Value Rs. in Crores	Quantity Nos.	Value Rs. in Crores
Storage Batteries				
: Opening Stock	16,733	2.77	21,441	3.52
: Purchase	59,424	6.04	80,337	12.21
: Closing Stock	21,651	2.62	16,733	2.77

e. Consumption of Raw Materials and components

	2009-2010		2008-2009	
	Quantity Tonnes	Value Rs. in Crores	Quantity Tonnes	Value Rs. in Crores
Lead and Lead Alloy	174,519	1,753.86	154,908	1,722.18
Others		470.10		488.02
		<u>2,223.96</u>		<u>2,210.20</u>

f. Value of Raw Materials consumed :

	Percentage		Value	
			Rs. in Crores	
Imported	25.3	562.32	28.7	633.72
Indigenous	74.7	1,661.64	71.3	1,576.48
	<u>100.0</u>	<u>2,223.96</u>	<u>100.0</u>	<u>2,210.20</u>

g. Value of Stores and Spares

consumed :

(excluding amounts charged to other heads)

	2009-2010		2008-2009	
	Percentage	Value Rs.in Crores	Percentage	Value Rs.in Crores
Imported	13.5	5.45	14.4	4.92
Indigenous	86.5	34.98	85.6	29.24
	<u>100.0</u>	<u>40.43</u>	<u>100.0</u>	<u>34.16</u>

24. NOTES TO ACCOUNTS (Contd.)

	Rs. in Crores	Rs.in Crores
h. Value of Imports (C.I.F. basis)		
Raw Materials and Components	515.00	618.00
Trading Items	6.25	10.19
Spare Parts	8.82	7.77
Capital Goods	25.34	82.58
	<u>555.41</u>	<u>718.54</u>
i. Income & Expenditure in Foreign Currency		
Income (on accrual basis)		
– Export (f.o.b. value)	107.56	120.05
– Dividend	0.86	1.13
– Interest	–	0.21
– Technical Assistance Fee	0.32	0.30
Expenditure (on actual remittance basis)		
– Royalty	3.75	3.56
– Technical Assistance Fee	0.30	0.18
– Others	5.56	5.67
j. Remittance in foreign currencies on account of Dividends to non-resident shareholders		
(i) Number of Shareholders	1	1
(ii) Number of Shares held	390,954,666	390,954,666
(iii) Net amount of dividend remitted (Rs. in crores)	31.28	31.28
(iv) Amount remitted for	2008-09 and 2009-10 (interim)	2007-08 2008-09 (interim)

The above information include particulars in respect of certain non-resident shareholders for whom dividend warrants were sent to the shareholders' banks in India, with prior approval of the Reserve Bank of India.

VI. Figures in brackets relate to previous year and the same have been regrouped/rearranged where necessary.

Signatures to Schedules 1 to 24
As per our report of even date.

S. R. BATLIBOI & CO.
Firm Registration Number: 301003E
Chartered Accountants

Per R. K. Agrawal
Partner
Membership No. 16667
Mumbai, 28 April, 2010

S. Coomer
Secretary

R. G. Kapadia
R B Raheja
T. V. Ramanathan
A. K. Mukherjee
Directors

INFORMATION REGARDING SUBSIDIARY COMPANIES

PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of Subsidiary Companies	Holding Company's interest	Net Aggregate amount of Subsidiary Company's profit not dealt with in the Company's Account		Net Aggregate amount of Subsidiary Company's profit dealt with in the Company's Account	
		For the Subsidiary Company's Financial period ended 31.03.2010	For the Subsidiary Company's Financial previous years	For the Subsidiary Company's Financial period ended 31.03.2010	For the Subsidiary Company's Financial previous years
Chloride International Limited	Holder of entire issued Share Capital of 4,50,000 Equity Shares of Rs. 10/- each	* Rs. 1,311,166	* Rs. 50,851,640	* Rs. 900,000	* Rs. 53,504,218
Caldyne Automatics Limited	Holder of entire issued Share Capital of 1,980,000 Equity Shares of Rs. 10/- each	* Rs. 6,655,649	* Rs. 5,478,810	* Rs. 2,970,000	* Rs. 5,225,400
Chloride Metals Limited	Holder of entire issued Share Capital of 5,346,100 Equity Shares of Rs. 10/- each	* Rs. 83,763,187	* Rs. 98,109,388	* Rs. 13,365,250	* Nil
Leadage Alloys India Limited	Holder of 2,386,800 Equity Shares out of Issued Share Capital of 4,680,000 Equity Shares of Rs. 10/- each	* Rs. 151,680,848	* Rs. 73,562,823	* Rs. 23,868,000	* Nil
Chloride Batteries S.E. Asia Pte Limited	Holder of entire issued Shares Capital of 7,000,000 Ordinary Shares	** S\$ 1,163,834	** (S\$575,131)	** S\$ Nil	** S\$ Nil
Espex Batteries Limited	Holder of 102,000 Ordinary Shares out of issued Share Capital of 200,004 Ordinary Shares of GBP 1 each	*** GBP 12,370	*** GBP 27,868	*** GBP 5,100	*** GBP Nil
Associated Battery Manufacturers (Ceylon) Limited	Holder of 3,896,640 Ordinary Shares out of issued Share Capital of 6,336,000 Ordinary Shares of Sri Lankan Rp10 each	****SLR 38,932,744	****SLR 141,861,402	****SLR 23,379,840	****SLR 84,870,720

* In Indian rupee

** In Singapore dollars

*** IN GBP

**** In Sri Lankan Rupee

Notes:

- On 31 March 2010, all the 4,50,000 Equity Shares issued by Chloride International Limited were held by Exide Industries Limited and its nominees. All these shares were acquired by Exide Industries Limited from Chloride Eastern Limited of which it was a Subsidiary.
- On 31 March 2010, of the 1,980,000 Equity Shares issued by Caldine Automatics Limited were held by Exide Industries Limited and its nominees. Out of this 91,800 shares were acquired effective 12 July, 1999 and another 88,200 Shares were acquired effective 25 July 2007. Balance 1,800,000 shares were issued as "bonus shares" effective 14 July, 2008.
- On 31 March 2010, all the 5,346,100 Equity Shares issued by Chloride Metals Limited were held by Exide Industries Limited and its nominees. Out of this, 2,401,100 Shares were acquired effective 1 November, 2007 and balance 2,945,000 equity shares were acquired effective 31 March, 2008.
- On 31 March 2010, of the 4,680,000 Equity Shares issued by Leadage Alloys India Limited, 2,386,800 Equity Shares were held by Exide Industries Limited and its nominees. All these shares were acquired effective 1 April, 2008.
- On 31 March 2010, all the 7,000,000 Ordinary Shares issued by Chloride Batteries S.E. Asia Pte Limited were held by Exide Industries Limited. All these shares were acquired effective 12 February, 2001.
- On 31 March 2010, of the 200,004 Ordinary Shares issued by Espex Batteries Limited, 102,000 Ordinary Shares were held by Exide Industries Limited. All these shares were acquired effective 1 May, 2003.
- On 31 March 2010, of the 6,336,000 Ordinary Shares issued by Associated Battery Manufacturers (Ceylon) Limited, 3,896,640 Ordinary Shares were held by Exide Industries Limited. Out of this 3,104,640 shares were acquired effective 11 January, 2001 and balance 792,000 Ordinary Shares were acquired effective 9 August, 2004.

R. G. Kapadia
R. B. Raheja
T. V. Ramanathan
A. K. Mukherjee
Directors

Mumbai, 28 April, 2010

S. Coomer
Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

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

I. REGISTRATION DETAILS

Registration No.	14919
State Code	21
Balance Sheet Date	310310

II. CAPITAL RAISED DURING THE YEAR

(Amount in Rs. crs.)

Public Issue	NIL
Rights Issue	NIL
Private Placement of Equity Shares (including premium)	539.50
Bonus Issue	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs. crs.)

Total Liabilities	2961.63
Total Assets	2961.63

SOURCES OF FUNDS

Paid up Capital	85.00
Reserves & Surplus	2134.77
Secured Loans	0.17
Unsecured Loans	89.82
Deferred Tax Liability	59.00

APPLICATION OF FUNDS

Net Fixed Assets	714.44
Investments	1335.37
Net Current Assets	318.95
Misc. Expenditure	NIL
Accumulated Losses	NIL

IV. PERFORMANCE OF THE COMPANY

(Amount in Rs. crs.)

Turnover including other income	3806.11
Total Expenditure	2995.52
Profit Before Tax	810.59
Earnings per share (Rs.) (Basic and diluted)	6.69
Dividend rate (%)	100

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

Lead Acid Storage Batteries used for Starting Piston Engines	8507.10
Other Lead Acid Accumulators	8507.20

Mumbai, 28 April, 2010

S. Coomer
SecretaryR. G. Kapadia
R. B. Raheja
T. V. Ramanathan
A. K. Mukherjee
Directors