

# LEADAGE ALLOYS INDIA LIMITED

## DIRECTORS

T. V. Ramanathan, Chairman  
T Arun Kumar  
T Raj Kumar (upto 31st March, 2010)  
G Chatterjee  
P K Katakya

## REGISTERED OFFICE

60, Seethanayakanahalli  
Malur Taluk  
Kolar District - 563 130  
Karnataka

## BANKERS

HDFC Bank Limited  
Punjab National Bank

## AUDITORS

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

## DIRECTORS' REPORT

To the Members of Leadage Alloys India Ltd.

Your Directors have pleasure in presenting the Seventh Annual Report of your company together with the Audited Accounts for the year ended March 31, 2010.

### Financial Highlights

PARTICULARS	2009-10 Rs in Lacs	2008-09 Rs in Lacs
<b>Sales and Income from Operations</b>	<b>54,644.29</b>	<b>44,372.08</b>
Other Income	33.08	18.05
Total Income	54,677.37	44,390.12
<b>Total Expenses (excluding depreciation)</b>	<b>49,181.97</b>	<b>43,557.08</b>
Profit before Tax & Depreciation	5,495.40	833.04
Depreciation provided during the period	121.58	88.03
<b>Profit before Tax</b>	<b>5,373.82</b>	<b>745.01</b>
Provision for Taxation	1,852.14	263.00
<b>Profit after Tax</b>	<b>3,521.67</b>	<b>482.01</b>
Add: Balance brought forward from previous year	1,217.41	844.25
Total	4,739.08	1,326.26
<b>Less: Appropriation:</b>		
Proposed Dividend	468.00	—
Tax on dividend	79.54	—
Transfer to General Reserve	375.00	108.85
<b>Balance Carried Over to Balance Sheet</b>	<b>3,816.54</b>	<b>1,217.41</b>

### Operations

Your Company has achieved a turnover of Rs. 54644.29 lacs, representing an increase of over 23% as compared to the previous year.

Your Company successfully installed and commissioned Oxy Fuel Combustion system during September, 2009. Your Company has taken steps to install an automatic battery breaking plant for better environment management.

Your Company was able to achieve a plant capacity of 58,779 M.T. for production of Lead and Lead alloys which was 98% of the installed capacity. The Company has enhanced the smelting capacity to 17038 M.T.

### Operational Excellence:

Your Company has obtained certification for environment management system under ISO 14001:2004 and ISO 9001:2000 certificates for quality management from TUV SUD South Asia Pvt. Ltd.

Your Company intends to go for Occupational Health & Safety Advisory Services (OHSAS) in the coming year.

### Internal Controls

Your Company has proper and adequate system of internal controls. The Internal audit team conducts both Systems and Financial audit which are carried out in two phases.

## Dividend

Your Directors recommend a dividend of 100% i.e., Rs. 10/- per equity share of the face value of Rs 10/- each.

## Fixed Deposits

Your Company has not accepted any deposits from the public.

## Directors

Mr. T. Rajkumar, Director-Technical resigned with effect from the close of business hours of 31st March, 2010 due to his personal commitments. Your Directors place on record their appreciation for the valuable services

Mr G Chatterjee 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 Responsibility:

Your Company continues to believe that it has societal obligations which it must fulfill in order to remain a responsible corporate citizen of the country. Your Company celebrated its third environment day along with nearby villages, spreading the message of green and clean environment, which is the need of the hour. In order to spread the message of green and clean environment your Company conducted painting competition in schools located adjacent to the factory at Seethanayakanahalli village.

Your Company has also distributed uniforms and study materials to the students of Anganvadi School and various initiatives were taken to create awareness about the environment among the children and local villagers on the occasion of World Environment Day. Tree saplings were also distributed among students and Village Self Help Group.

Your Company has also contributed library books to JSR College Malur to encourage the value of education in rural areas.

A Magazine by the name of 'Green Age' was released on the World Environment day, which contains various articles on environment written by our own employees.

## 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 sub-section (1)(e) 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 levels for their contribution to the success achieved by the Company.

Particulars of employees drawing remuneration more than the limits specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, during the period under review is attached to this Report.

Name & Age (Years)	Designation & Nature of Duties	Gross Remuneration (Rs)	Qualification & Experience /Years	Date of Employment	Particulars of last Employment
T Arun Kumar (33)	Managing Director and Chief Executive Officer	1,18,67,500	BE (Chemical)/ 11 years	25.09.2002	Not Applicable
T Raj Kumar (31)	Director-Technical	1,12,67,500	BE (Chemical)/ 8 years	25.09.2002	Not Applicable

## Notes:

1. Gross remuneration includes value of perquisite evaluated as per Income Tax Act, 1961.
2. All appointments are contractual.
3. The above Directors are related to each other. They are not related to any other Director of the Company.

**Compliance Certificate**

Pursuant to the provisions of Sub-section (1) of Section 383A of the Companies Act, 1956 the Compliance Certificate issued by Mr. S Muthu Raju, Company Secretary in Whole-time Practice is attached.

**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 31<sup>st</sup> March, 2010.

**A. Conservation of Energy**

Close monitoring of consumption of electricity, LPG, Diesel.

Optimisation of fuel in process by retrofitting the old conventional burners with fully automatic burners in all rotary furnaces resulting in 30% reduction in fuel consumption.

Process is on to replace the entire street lights with solar lights and installation of solar water heating system for canteen resulting in fuel saving by the use of non-conventional energy.

Capacitor banks were installed and power factor improved from 0.78 to 0.98 and maintained since.

Replacement of all the driving units in the refining kettle from gear drive with belt drives resulted in 12% fuel saving. Replacement of conventional burner with fully automatic burner led to 10% saving in fuel.

The compressed air consumption was reduced drastically by arresting leaks in air pollution control equipments in smelting process.

Switched over from manual casting to semi automatic casting system in refining kettles to reduce the fuel consumption by 40%.

Pressure regulators were fitted in LPG cylinders and air pipelines resulting in cost saving.

Replacement of 250W Sodium Street light with 120W CFL street lamps as an energy saving measure.

**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. Exports during the year ended 31<sup>st</sup> March 2010 amounted to Rs 62 lakhs as against Rs 20 lakhs for the year ended 31<sup>st</sup> March 2009.

Presently the entire capacity of your company caters to the domestic market. After acquiring surplus production capacity after catering to the domestic market your company would endeavour to develop the export market.

Total foreign exchange used and earned:

Used : Rs 36,033 Lakhs

Earned : Rs 62 Lakhs.

On behalf of the Board of Directors

Place: Kolkata  
Date: 15<sup>th</sup> April, 2010

T V Ramanathan  
Chairman

## COMPLIANCE CERTIFICATE

CIN : U05190KA2002PLC031042

Nominal capital : Rs. 50,000,000/-

Paid-up capital : Rs. 46,800,000/-

TO

The Members,  
Leadage Alloys India Limited,  
No. 60, Seethanayakanahalli,  
Malur Taluk, Kolar District,  
Karnataka - 563130

I have examined the registers, records, books and papers of Leadage Alloys India Limited as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the memorandum and articles of association of the company for the financial year ended on 31st March, 2010.

In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the company its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in ANNEXURE "A" to this certificate, as per the provisions of the act and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in ANNEXURE "B" to this certificate, with the registrar of companies under the act and the rules made there under.
3. The company being a public limited company has the minimum prescribed paid-up capital.
4. The board of directors met FOUR times respectively on the following dates  
17.04.2009, 24.07.2009, 16.11.2009 & 25.03.2010

In respect of which proper notice were given and proceedings were properly recorded and signed in the minutes book maintained for the purpose.

5. The company has closed its register of members in accordance with section 154 of the Act.
6. The annual general meeting for the financial year ended on 31.03.2009 was held on

01.06.2009 after giving due notice to the members of the company and the resolution passed there at were duly recorded in the minutes books maintained for this purpose.

7. No extraordinary general meeting was held during the financial year.
8. The company has not advanced any loans to its directors or persons or firms or companies referred in to section 295 of the act.
9. According to the information given to me the company has complied with the provisions of section 297 of the act wherever applicable.
10. The company has made necessary entries in the register maintained under section 301 of the act.
11. As there was no instance falling within the purview of section 314 of the act, the company has not obtained any approvals from the board of directors, members or central govt.
12. The company has not issued any duplicate share certificates during the financial year.
13. The company has
  - 1) delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the act;
  - 2) the company is not required to deposit any amount in a separate bank account;
  - 3) the company was not required to post warrants to any member of the company;
  - 4) duly complied with requirements of section 217 of the act.
14. The board of directors of the company is duly constituted.
15. The appointment of managing director/whole time director/manager has been made in compliance with the provisions of section 269 read with schedule XIII to the act.
16. The company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the central government,

- company law board, regional director, registrar or such other authorities as prescribed under the various provisions of the act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the board of directors pursuant to the provisions of the act and the rules made there under.
  19. The company has not issued any shares during the financial year.
  20. The company has not bought back any shares during the financial year.
  21. There was no redemption of preference shares or debentures during the financial year.
  22. There was no transaction necessitating the company to keep in abeyance the rights to dividend, right shares, and bonus shares pending registration of transfer of shares.
  23. The company has not accepted any Deposits under the purview of section 58A of the Act.
  24. The company's borrowings during the financial year is within the limits prescribed under section 293(1)(d) of the act.
  25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
  26. The company has not altered the provisions of memorandum of association with respect to the situation of the company's registered office from one state to another state during the year under scrutiny.
  27. The company has not altered the provisions of memorandum of association of the company with respect to the objects of the company during the year under scrutiny.
  28. The company has not altered the provisions of memorandum of association of the company with respect to the name of the company during the year under scrutiny.
  29. The company has not altered the provisions of memorandum of association of the company with respect to capital of the company during the year under scrutiny.
  30. The company has not altered its articles of association during the financial year.
  31. There were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishments was imposed on the company during the financial year for offences under the act.
  32. The company has not received any money as security from its employees during the financial year.
  33. The company is regular in depositing the dues to Provident Fund Authorities during the year under The Provident Fund Act and related rules.

Place: MADURAI  
Date: 12/04/2010

S Muthuraju  
Company Secretaries  
C.P. No: 4181

## ANNEXURE A

### REGISTERS MAINTAINED BY THE COMPANY

Register of member u/s. 150

Register of transfer

Register of contracts u/s. 301

Register of directors, managing directors etc. u/s 303

Register of directors shareholding u/s 307

Minutes book of general meetings and board meeting u/s 193

Directors attendance register

Register of charges

## ANNEXURE B

Forms and returns as filed by the company with registrar of companies, regional director, central government or other authorities during the financial year ending 31.03.2010.

S/NO	FORM NO	FILED US/	DATE OF FILING	WHETHER FILED WITHIN TIME
1.	8	125	18.01.2010	YES
2.	20B	159	01-07-2009	YES
3.	23AC & ACA	220	01-07-2009	YES
4.	66	383A	01-07-2009	YES

Place: MADURAI  
Date: 12.04.2010

S Muthuraju  
Company Secretaries  
C.P. No: 4181



## AUDITORS' REPORT

To  
The Members of  
Leadage Alloys India Ltd.

1. We have audited the attached Balance Sheet of **Leadage Alloys India Limited** as at 31st March, 2010 Profit and Loss Account and the cash flow Statements of the Company for 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.
2. 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.
3. 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.
4. 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 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 required 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 cash flow for the year ended on 31st March 2010.

For Natvarlal Vepari & Co.  
Chartered Accountants

N. Jayendran  
(Partner)  
M. No. 40441

Place: Kolkata  
Dated: April 15, 2010



## ANNEXURE TO 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 during the year neither taken nor granted any 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 sections 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 and there are no arrears of outstanding statutory dues 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 it relates	Forum where Dispute is pending
KVAT/CST	Demand for Interest and Penalty for delayed payment	1,299,699	2008-09	Jt. Comm of Commercial Taxes
KVAT/CST	Inter-state sales and branch transfer	179,107,676	2006-07 and 2007-08	Appeal to be filed

- (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 not taken any term loans during the year from Banks/Financial Institutions and hence Clause (xvi) of Companies (Auditors' Report) Order, 2003 does not apply.
- (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

Place: Kolkata  
Date: April 15, 2010

N. Jayendran  
(Partner)  
M. No. 40441

## BALANCE SHEET

AS AT 31st MARCH 2010

Particulars	Sch. Ref.	AS At 31.3.2010		(Figures in Rupees) As at 31.3.2009	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds:					
Capital	1	46,800,000		46,800,000	
Reserves & Surplus	2	<u>547,645,700</u>	594,445,700	<u>255,107,380</u>	301,907,380
Loan Funds:					
Secured Loans	3		679,445,156		134,872,436
Unsecured Loans	4		—		75,403
Deffed Tax Liability (NET)			<u>6,652,723</u>		<u>5,438,280</u>
	Total		<u>1,280,543,579</u>		<u>442,293,499</u>
APPLICATION OF FUNDS:					
Fixed Assets:					
Gross Block	5	296,002,287		241,853,642	
Less: Depreciation		<u>45,490,048</u>		<u>28,457,135</u>	
Net Block			250,512,239		213,396,507
Capital Work in progress			48,946,773		13,036,674
Current Assets, Loans & Advances					
Inventories	6	1,177,491,881		264,149,429	
Sundry Debtors	7	62,287,206		57,543,055	
Cash and Bank Balances	8	172,001,732		24,213,524	
Loans & Advances	9	<u>373,138,589</u>		<u>73,509,049</u>	
A.....		1,784,919,408		419,415,057	
Less: Current Liabilities & Provisions:					
Liabilities	10	735,799,513		202,238,398	
Provisions	10	<u>68,035,328</u>		<u>1,316,341</u>	
B.....		803,834,841		203,554,739	
Net Current Assets (A-B)			<u>981,084,567</u>		<u>215,860,318</u>
	Total		<u>1,280,543,579</u>		<u>442,293,499</u>
Notes on Accounts	19				

As per our report of even date attached

For Natvarlal Vepari &amp; Co.

Chartered Accountants

N Jayendran

Partner

Kolkata, Dated: April 15, 2010

T V Ramanathan

G Chatterjee

T Arun Kumar

Directors

# PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2010

	Sch. Ref.	2009-2010	(Figures in Rupees) 2008-2009
<b>INCOME</b>			
Sales and Income from Operations	11	5,464,428,513	4,437,207,917
Other Income	12	3,308,021	1,804,510
		<u>5,467,736,534</u>	<u>4,439,012,427</u>
<b>EXPENDITURE</b>			
Materials Cost & Inventory Adjustment	13	4,561,372,006	4,108,545,289
Manufacturing Expenses	14	123,659,435	62,960,361
Personnel Cost	15	58,219,241	45,268,572
Administration Expenses	16	13,366,065	10,234,815
Selling and Distribution Expenses	17	97,358,696	36,371,755
Financial Expenses	18	41,086,759	84,052,330
Directors Remuneration		23,135,000	8,275,500
Depreciation	5	17,032,913	13,135,578
less: transfer from revaluation reserve		(4,875,110)	(4,332,650)
Preliminary Expenses Writte off		– 4,930,355,004	– 4,364,511,551
<b>PROFIT BEFORE TAXATION</b>		<u>537,381,530</u>	<u>74,500,876</u>
Provision for Taxation			
– Current Taxes		184,000,000	25,600,000
– Deferred Tax		1,214,443	423,155
– Fringe Benefit Tax			276,000
– Prior Period Taxes		<u>185,214,443</u>	<u>441</u>
<b>PROFIT AFTER TAX</b>		<u>352,167,087</u>	<u>48,201,280</u>
Balance brought forward from previous year		<u>121,740,829</u>	<u>84,425,045</u>
		<u>473,907,916</u>	<u>132,626,325</u>
<b>Less: Appropriation</b>			
– Transfer to General Reserve		37,500,000	10,885,499
– Proposed Dividend		46,800,000	
– Dividend Distribution tax		<u>7,953,660</u>	<u>10,885,499</u>
– Balance Carried Over to Balance Sheet		<u>381,654,256</u>	<u>121,740,826</u>
Earning Per Share		<u>75.25</u>	<u>10.30</u>
(Refer Note No 9 to Notes to Accounts)			
Notes To Accounts	19		

As per our report of even date attached

For Natvarlal Vepari & Co.  
Chartered Accountants

N Jayendran  
Partner

Kolkata, Dated: April 15, 2010

T V Ramanathan  
G Chatterjee  
T Arun Kumar  
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		537,381,530		74,500,876
	Adjusted for :				
	Depreciation	12,157,803		8,802,928	
	Loss on sale of assets	—		273,127	
	Interest received	(2,430,950)		(1,653,398)	
	Interest and borrowing cost	36,179,131	45,905,984	68,297,325	75,719,982
	<b>Operating profit before working capital change</b>		583,287,514		150,220,858
	Adjustment for:				
	Trade and Other receivables	(304,373,691)		345,579,851	
	Trade payables Incl. Working Capital Changes	1,081,558,022		(198,662,639)	
	Inventories	(913,342,452)		(159,007,590)	
	<b>Total of Working Capital Changes</b>		(136,158,121)		(12,090,378)
	Cash generated from operation		447,129,393		138,130,480
	Tax Paid		(172,331,290)		(29,098,724)
	<b>Net Cash from operating activities</b>		274,798,103		109,031,756
B.	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed assets (Incl. Cap Adv)		(90,058,744)		(37,956,374)
	Sale of fixed asset				358,000
	Interest Received		2,430,950		1,653,398
	<b>Net cash flow after Investing activities</b>		(87,627,794)		(35,944,976)
C.	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from short term borrowings (net)	(3,202,971)		(4,518,164)	
	Interest Paid	(36,179,131)		(68,297,325)	
	<b>Net cash flow from financing activities</b>		(39,382,102)		(72,815,489)
	<b>NET CASH FLOW (A+B+C)</b>		147,788,207		271,291
	Net increase in cash & cash equivalent				
	Cash & cash equivalent as at (Op. bal)		24,213,524		23,942,233
	Cash & cash equivalent as at (Cl. bal)		172,001,732		24,213,524
			147,788,207		271,291
	(figures in Brackets denote outflows)				
	<b>Break up of cash and cash equivalents</b>				
	Cash-in-Hand		979,145		315,408
	Cheques on hand/Funds in transit		124,209,027		9,876,382
	Balances with Scheduled Banks:				
	In Current Accounts		260,601		1,494,874
	In Fixed Deposit Account		46,552,958		12,526,861
			172,001,732		24,213,524

As per our report of even date attached

For Natvarlal Vepari & Co.  
Chartered AccountantsN Jayendran  
Partner

Kolkata, Dated: April 15, 2010

T V Ramanathan  
G Chatterjee  
T Arun Kumar  
Directors

## SCHEDULES 1 TO 10 FORMING PART OF BALANCE SHEET

AS AT 31ST MARCH 2010

Particulars	As at 31.03.2010	(Figures in Rupees) As at 31.03.2009
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
50,00,000 Equity Shares of Rs. 10/- each.	50,000,000	50,000,000
<b>Issued, Subscribed and Paid-Up Capital:</b>		
46,80,000 Equity Shares of Rs. 10/- each	46,800,000	46,800,000
Fully paid up		
(Out of the above 20,80,000 Equity shares of Rs. 10/- each were issued as fully paid Bonus shares by way of capitalisation of balance in Profit & Loss Account)		
(2386800 equity shares of Rs. 10/- each fully paid up are held by the holding company - Exide Industries Limited.)		
<b>PER BALANCE SHEET</b>	46,800,000	46,800,000
<b>SCHEDULE-2</b>		
<b>RESERVES AND SURPLUS:</b>		
<b>General Reserve</b>		
Balance As Per Last Balance Sheet	22,500,000	11,614,501
Add: transfer during the year	37,500,000	10,885,499
	60,000,000	22,500,000
<b>Revaluation Reserve</b>		
Revaluation during the year	110,866,554	115,199,204
Less: Transferred to P&L (depreciation)	4,875,110	4,332,650
	105,991,444	110,866,554
<b>Profit &amp; Loss Account</b>	381,654,256	121,740,826
<b>PER BALANCE SHEET</b>	547,645,700	255,107,380
<b>SCHEDULE-3</b>		
<b>SECURED LOANS:</b>		
Working Capital including working capital demand loans from		
- HDFC Bank	316,175,396	—
- Punjab National Bank	83,663	130,244,686
Buyers Credit		
- HDFC Bank	361,761,318	—
(The above facilities from the bankers are Secured by hypothecation of stocks and book debts and mortgage of immovable property of the company and first charge on movable assets excl. vehicles. The above loans are covered by personal guarantee of some of the directors)		
Equipment/Vehicle term Loan		
- Kotak mahindra Bank	1,424,779	4,627,750
(Secured by vehicle/equipment purchased under the facility)		
(Amounts due in next 12 months Rs.)		
<b>PER BALANCE SHEET</b>	679,445,156	134,872,436
<b>SCHEDULE-4</b>		
<b>UNSECURED LOANS</b>		
Bills Discounting Facility with Banks and Others		
(Against receivables from the debtors)	—	75,403
<b>PER BALANCE SHEET</b>		

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

Particulars	Depr. Rate	Gross Block				Depreciation				Written Down value	
		As on 01.04.2009	Additions for the year	Sale/ adjustment	As on 31.3.2010	As on 01.04.2009	Depreciation	Deprn. on sale/ adjustment	As on 31.03.2010	As on 31.03.2010	as on 31.03.2010
<b>Tangible Assets</b>											
<i>Land &amp; Building</i>											
Building Factory	3.34%	62,938,486	5,069,314	–	68,007,800	3,692,318	2,168,326	–	5,860,644	62,147,156	59,246,169
Building Office	1.63%	3,262,242	–	–	3,262,242	180,253	53,175	–	233,427	3,028,815	3,081,990
Building Health centre	1.63%	758,902	–	–	758,902	17,939	12,370	–	30,309	728,593	740,963
Land		55,002,000	–	–	55,002,000	–	–	–	–	55,002,000	55,002,000
<i>Plant &amp; Machinery</i>											
Handling Equipments	10.34%	10,219,082	9,104,542	–	19,323,624	1,640,558	1,442,601	–	3,083,159	16,240,466	8,578,525
Laboratory Equipments	10.34%	5,450,318	–	–	5,450,318	1,252,660	563,563	–	1,816,223	3,634,094	4,197,657
Generators	10.34%	5,832,240	–	–	5,832,240	1,167,652	603,054	–	1,770,706	4,061,535	4,664,588
Plant & Machinery	10.34%	70,366,748	32,121,023	–	102,487,771	14,205,967	8,811,327	–	23,017,294	79,470,477	56,160,780
Electrical installation	10.34%	11,973,941	1,250,458	–	13,224,399	3,204,007	1,299,236	–	4,503,243	8,721,157	8,769,934
<i>Other Assets</i>											
Furniture & Fittings	6.33%	952,096	376,881	–	1,328,977	138,006	72,881	–	210,887	1,118,090	814,090
Office Equipments	4.75%	1,369,380	1,103,909	–	2,473,289	171,638	121,931	–	293,568	2,179,721	1,197,742
Computers	16.21%	1,628,064	1,510,158	–	3,138,222	495,715	484,734	–	980,449	2,157,773	1,132,349
Vehicles	9.50%	12,100,142	876,891	–	12,977,033	2,290,421	1,185,094	–	3,475,515	9,501,518	9,809,721
<b>Intangible Assets</b>											
Computer Software	20.00%	–	2,735,469	–	2,735,469	–	214,625	–	214,625	2,520,844	–
<b>TOTAL</b>		241,853,642	54,148,645	–	296,002,287	28,457,133	17,032,915	–	45,490,048	250,512,239	–
<b>Previous Year figures</b>		100,064,988	27,752,156	(1,162,707)	241,853,642	15,853,137			28,457,133		213,396,509
<b>Add: Capital Work in Progress</b>										48,946,773	13,036,674
<b>PER BALANCE SHEET</b>										299,459,012	226,433,183

**Notes:**

1. The company on 12th May 2008, carried out valuation of its Fixed Assets except vehicles, furniture and fittings, office equipments and computers by independent valuers and on the basis of the valuation report has credited an amount of Rs. 11,51,99,205/- to the revaluation reserve account being the increase in the value of fixed assets as determined by the valuer over its carrying cost on the date of the valuation.
2. The depreciation on the revalued portion aggregating to Rs. 48,75,110/- (previous year Rs. 43,32,650/) has been charged to the profit and loss account and an equivalent amount is drawn from the revaluation reserve credited to the profit and loss account.



Particulars	As at 31.03.2010	(Figures in Rupees) As at 31.03.2009
<b>SCHEDULE -6</b>		
<b>INVENTORY:</b>		
(As taken, valued & certified by the Management)		
Raw Materials	261,794,653	29,903,490
Consumables	15,211,333	17,525,718
Stores & Spares	1,839,039	2,622,501
Finished Goods	193,942,207	7,793,469
Work in Progress	275,521,122	188,768,066
Goods in Transit	429,183,527	17,536,185
<b>PER BALANCE SHEET</b>	<u>1,177,491,881</u>	<u>264,149,429</u>
<b>SCHEDULE-7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered Good)		
Outstanding for more than six months	1,339,334	1,339,334
Others	60,947,872	56,203,721
<b>PER BALANCE SHEET</b>	<u>62,287,206</u>	<u>57,543,055</u>
<b>SCHEDULE-8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash-in-Hand	979,145	315,408
Cheques on hand/funds in transit	124,209,027	9,876,382
Balances with Scheduled Banks:		
In Current Accounts	260,601	1,494,874
In Fixed Deposit Account	46,552,958	12,526,861
(The fixed deposits are held as margin against Non-fund based limits with the bankers)		
<b>PER BALANCE SHEET</b>	<u>172,001,732</u>	<u>24,213,524</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	2,443,286	10,724,292
Advance to Suppliers	235,131,268	30,050,531
Taxes and Duties - Advance and/or recoverable	131,316,454	29,406,726
Deposits	4,247,581	3,327,500
<b>PER BALANCE SHEET</b>	<u>373,138,589</u>	<u>73,509,049</u>
<b>SCHEDULE-10</b>		
<b>CURRENT LIABILITIES AND PROVISIONS:</b>		
<b>Current Liabilities</b>		
Sundry Creditors for Goods And Expenses	584,491,576	179,994,757
Advances from Customers	614,477	554,271
Duties & Taxes Payables	102,339,163	10,951,316
Outstanding Liabilities	48,354,297	10,738,054
<b>PER BALANCE SHEET</b>	<u>735,799,513</u>	<u>202,238,398</u>
<b>Provisions</b>		
Provision for Retirement benefits	1,179,984	883,367
Provision for Taxation	251,016,809	67,016,809
Less: Prepaid Taxes	(238,915,125)	(66,583,835)
Proposed Dividend	46,800,000	—
Tax on proposed dividend	7,953,660	—
<b>PER BALANCE SHEET</b>	<u>68,035,328</u>	<u>1,316,341</u>

Particulars	(Figures in Rupees)	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE -11</b>		
<b>SALES AND INCOME FROM OPERATIONS</b>		
Sales of Finished Goods	6,028,022,458	5,104,356,799
Sale of Scrap	29,818,871	14,476,420
Conversion Charges (TDS Rs. 728395 pr. yr. Rs. 559960)	36,943,141	22,721,410
	<u>6,094,784,471</u>	<u>5,141,554,629</u>
Less: Excise Duty and Sales Taxes	<u>630,355,958</u>	<u>704,346,712</u>
<b>PER PROFIT AND LOSS ACCOUNT</b>	<u><u>5,464,428,513</u></u>	<u><u>4,437,207,917</u></u>
<b>SCHEDULE-12</b>		
<b>OTHER INCOME</b>		
Interest	2,430,950	1,653,398
Profit on sale of Asset	—	5,755
Foreign Exchange Fluctuation - others	476,979	—
Other Income	<u>400,092</u>	<u>145,357</u>
<b>PER PROFIT AND LOSS ACCOUNT</b>	<u><u>3,308,021</u></u>	<u><u>1,804,510</u></u>
<b>SCHEDULE-13</b>		
<b>MATERIAL COST AND INVENTORY ADJUSTMENTS</b>		
<b>Raw Material Consumed</b>		
Opening Stock		
- RM and Consumables	47,429,208	91,458,246
- Goods in transit	17,536,185	—
Add: purchases	<u>5,475,497,920</u>	<u>4,265,426,728</u>
	5,540,463,313	4,356,884,974
Less Closing Stock		
- RM and Consumables	277,005,986	47,429,208
- Goods in transit	<u>429,183,527</u>	<u>17,536,185</u>
	4,834,273,800	4,291,919,581
<b>Finished goods and WIP adjustments</b>		
Opening Stock - W.I.P	188,768,066	5,579,124
Opening Stock - FG	<u>7,793,469</u>	<u>7,608,119</u>
	196,561,535	13,187,243
Less Closing Stock - WIP	275,521,122	188,768,066
Closing Stock - FG	<u>193,942,207</u>	<u>7,793,469</u>
	(272,901,794)	(183,374,292)
<b>PER PROFIT AND LOSS ACCOUNT</b>	<u><u>4,561,372,006</u></u>	<u><u>4,108,545,289</u></u>

Particulars	As at 31.03.2010	(Figures in Rupees) As at 31.03.2009
<b>SCHEDULE -14</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores & Spares		
Opening Stock	2,622,501	496,350
Purchases	17,351,360	7,294,056
	19,973,861	7,790,406
Less: Closing Stock (Inventory)	1,839,039	2,622,501
	18,134,822	5,167,905
Conversion Charges	772,053	3,700,895
Power and Fuel	72,382,844	46,123,191
Excise Duty	17,680,681	554,334
Hire Charges	52,305	543,802
Rent for machinery & Equipments	785,834	—
Repairs & maintenance		
- Buildings	1,870,650	1,214,541
- Material handling equipment	335,262	—
- Machinery	7,782,882	2,015,140
	9,988,794	3,229,681
Security Charges	2,995,870	2,116,004
Testing Charges	196,720	80,457
Pollution Control Expenses	607,945	1,321,645
Water Charges	52,112	16,217
Weighment Charges	9,455	106,230
<b>PER PROFIT AND LOSS ACCOUNT</b>	<b>123,659,435</b>	<b>62,960,361</b>
<b>SCHEDULE 15</b>		
<b>PERSONNEL COST</b>		
Labour charges	2,177,293	967,840
Salary & Wages	50,765,371	39,408,989
Contribution to PF and other funds	650,609	519,020
Gratuity paid	182,517	278,915
Leave encashment paid	160,438	604,452
Staff Welfare - Food & Shoes	4,283,013	3,489,356
<b>PER PROFIT AND LOSS ACCOUNT</b>	<b>58,219,241</b>	<b>45,268,572</b>
<b>SCHEDULE-16</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Conveyance	751,538	365,770
Remuneration Auditors		
- Statutory Audit fees	475,000	475,000
- Tax Audit Fees	75,000	75,000
- Reimbursements	183,272	48,372
	733,272	598,372
Internal Audit Fees	100,000	102,532
Charity & Donation	175,396	63,601
Commission & Brokerage	2,450	—
Electricity expenses - office	163,877	117,980
Legal & Professional Charges	2,638,074	1,083,511
Licence Fees	—	200,647
Office Expenses	410,431	254,440
Postage & Telegram	113,674	40,772
Printing & Stationery	546,859	554,946
Rent, Rates & Taxes	2,352,338	1,860,124

Particulars	(Figures in Rupees)	
	As at 31.03.2010	As at 31.03.2009
Motor Car expenses	607,694	438,093
Repairs and Maintenance	1,024,834	431,594
Insurance	1,600,671	1,780,925
Sundry balances w/off	—	118,025
Rounded off	847	—
Sales tax and Service tax paid	55,308	28,175
Telephone Charges	1,080,380	999,365
Travelling Charges	1,008,422	917,061
Loss on Sale of Vehicle	—	278,882
<b>PER PROFIT AND LOSS ACCOUNT</b>	<b><u>13,366,065</u></b>	<b><u>10,234,815</u></b>
<b>SCHEDULE -17</b>		
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Advertisement Charges	6,200	4,000
Commission	—	204,766
Business promotion expenses	50,000	—
Clearing Charges for Export	18,878	25,523
Freight Outward	86,990,534	32,640,183
Loading and Forwarding - Outward	1,834,578	—
Packing cost	2,809,102	26,500
Vehicle expenses	5,649,404	2,981,773
Export charges	—	489,010
<b>PER PROFIT AND LOSS ACCOUNT</b>	<b><u>97,358,696</u></b>	<b><u>36,371,755</u></b>
<b>SCHEDULE 18</b>		
<b>FINANCIAL EXPENSES</b>		
Interest on Working Capital Borrowings	34,677,004	66,741,985
Interest on Fixed period loans	421,448	866,965
Interest on Others	1,080,679	688,375
Bank charges	4,907,628	15,755,005
<b>PER PROFIT AND LOSS ACCOUNT</b>	<b><u>41,086,759</u></b>	<b><u>84,052,330</u></b>

**SCHEDULE -19**

**ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010.**

**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 respect 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. Difference between the actual results and estimates are recognized in the period in which the results are known.
- 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. 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**
- i. 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.
  - ii. The useful life of computer software is determined at five years and accordingly the same is amortised @20% per annum
- f) **Inventories**  
Items of Inventories are valued on the basis given below
- |                                     |   |
|-------------------------------------|---|
| Raw Materials and Packing Materials | At Cost net of CENVAT computed on Weighted Average method.  |
| Work-in-process and Finished Goods  | At cost including material cost net of CENVAT, 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. Exide duty is considered as cost for finished goods wherever applicable |
| Stores and Spares                   | Stores and spare parts are valued at purchase cost.   |
- g) **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 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.
- h) **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.
- i) **Sales**  
Sales include excise duty and Sales Tax / VAT.
- j) **Foreign Exchange Transactions**  
Foreign currency transaction  
*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.

k) **Tax Expense**

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.

l) **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.

m) **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.

n) **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	31.03.2009
		Rupees	Rupees
1.	Estimated amount of contracts remaining to be executed on capital Account.	94,130,494	13,620,699
2.	Contingent liability for KVAT/CST demand towards interest & penalty for delayed payment and Inter-State Sales & Branch transfers which the company has not accepted.	180,407,375	6,527,926

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	UOM	Installed Capacity	Current Year	Previous Year
Lead & Lead Alloys	MT	60,000	54,823.980	39,051.005

Note:- Installed capacity, being of a technical nature is not verified by the Auditors.

(B) Stock of Each Class of Finished Goods:

Particulars	UOM	Current Year		Previous Year	
		Qty	Rupees	Qty	Rupees
Lead & lead Alloys	MT	1,783.918	1,93,942,207	84.690	7,793,469

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

Particulars	UOM	Current Year		Previous Year	
		Qty	Rupees	Qty	Rupees
Lead & lead Alloys	MT	53,124.752	6,028,022,458	39,027.562	5,104,356,799

(D) Raw Materials Consumed

Particulars	Units	2009-10		2008-09	
		Qty	Rupees	Qty	Rupees
Battery Scrap & Lead	MT	63,655.846	4,650,100,599	50,739.998	4,034,293,756
Others (None of which individually forms more than 10% of the total consumption.)			184,173,201		257,625,825
<b>TOTAL</b>			4,834,273,800		4,291,919,581

Imported & Indigenous	2009-10		2008-09	
	Rupees	%age	Rupees	%age
Raw materials:				
Imported	3,255,224,097	67.34	2,544,564,761	59.29
Indigenous	1,579,049,703	32.66	1,747,354,820	40.71
<b>TOTAL</b>	4,834,273,800	100.00	4,291,919,581	100.00

(E) CIF Value of Imports	2009-10	2008-09
	Rupees	Rupees
Raw materials	3,574,300,543	2,342,623,234
Stores and Spares	632,922	163,187
Capital Goods	28,279,952	441,105

(F) Expenditure in Foreign Currency	2009-10	2008-09
	Rupees	Rupees
Travelling	128,410	318,842



3. Break-up of Deferred Tax assets and liabilities are as under;

Particulars	As at 31.03.2010	As as 31.03.2009
	Rupees	Rupees
Deferred tax liability on account of Depreciation	7,044,684	57,38,536
Deferred tax asset on account of Gratuity and leave encashment	391,961	300,256
net deferred tax liability	6,652,723	5,438,280

4. Sundry Debtors includes a sum of Rs. 26,757,536 being due from the holding company. The amount due to the holding company for purchases on trade account is Rs. NIL.

5. As Per the Intimation available with the company, there are no micro, small & medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues on account of principle amount together with the interest and accordingly no additional disclosure have been made. The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

6. Managerial Remuneration:

i) Managerial remuneration under Section 198 of the Companies Act, 1956.	2009-10	2008-09
Computation of Net Profit as per Section 349 read with Section		
ii) 309(5) of the Companies Act, 1956.		
Profit after taxation as per Profit and Loss Account	352,167,087	48,601,282
Add: Provision for taxation	185,214,443	25,899,596
Depreciation/Amortization/Impairment as per Accounts	12,157,803	8,802,298
Directors' remuneration (Including sitting fees)	5,400,000	7,050,000
Commission to Directors	17,735,000	1,225,500
	572,674,333	91,578,676
Less: Depreciation and Amortization under section 350	12,157,803	8,802,298
Excess provision for taxation (net)/ Income Tax refund of earlier years	0	441
Net Profit	571,458,530	82,775,937
Overall ceiling on Managerial remuneration under Section 198 of the Companies Act, 1956.	57,145,853	8,277,594
Total Managerial remuneration paid/payable during the year	23,135,000	8,275,500

7. 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.

8. The company has carried out the actuarial valuation of Gratuity and leave encashment liability under actuarial principle, in accordance with Revised AS-15 (Employee Benefits). The total amount determined on actuarial method is Rs. 4,61,432 and Rs. 7,18,552 respectively. The company has charged the differential amount as compared to the previous years to the profit and loss account.

The following table summarise the components of net benefit expense for gratuity 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
	Rupees	Rupees
Net employee defined benefit expense recognised in Personnel costs) – Gratuity		
Current Service Cost	177,814	278,915
Interest Cost	31,925	0
Actuarial loss / (gain)	(27,222)	0
Total	182,517	278,915

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
	Rupees	Rupees
Opening Defined benefit obligation	278,915	0
Current service Cost	177,814	278,915
Interest Cost	31,925	0
Actuarial loss/(gain)	(27,222)	0
Closing Defined benefit obligation	461,432	278,915

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	8.20%	7.00%
Expected rate of return on plan assets	–	–
Expected rate of salary increase	6.00%	6.00%
Attrition rate	0	–
Retirement age	58 years	58 years

9. 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.

S. No.	Particulars	2009-10	2008-09
1.	Profit after tax (Rs. in Lacs)	352,167,087	48,201,282
2.	Equity Shares Outstanding (Nos.)	4,680,000	4,680,000
3.	Weighted Average no. of shares outstanding (Nos)	4,680,000	4,680,000
4.	Nominal value of equity share (Rs.)	10	10
5.	Earning per share (Rs.)	75.25	10.30

10. 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.

11. The entire operations of the Company relate to only one segment viz. Lead Smelters and Refiners. As such, there is no separate reportable segment under Accounting Standard-AS 17 on Segment Reporting.
12. The company has continued the accounting of the transactions in foreign exchange currency as per AS11-Effects for Changes in Foreign Exchange and has continued not to exercise the option relating to the determent of exchange difference on long term liabilities.
13. Related Party Disclosure as required by Accounting Standard - IS 18 issued by the Institute of Chartered Accountants of India.

Relationships:

- A. Entities where Control exist  
Holding Companies  
Exide Industries Limited
- B. Entities where Key Management Personnel or their relatives exercises significant influence.  
Global Lead Alloys  
SM. Vaieram
- C. Key management Personnel and their relatives  
Mr. T. Arunkumar Mr. E. Narayanan  
Mr. T. Rajkumar

#### Transactions with Related Parties

Description	2009-10 Rupees	2008-09 Rupees
Purchase of goods and service - Exide Industries Limited - Global Lead Alloys – Bargur - Caldyne Automatics Ltd., Kolkata	790,998,043 13,095,053 1,243,961	759,425,940 25,476,511 0
Sales of goods (including job work and other charges recoverable - Exide Industries Limited	6,031,183,364	4,335,877,649
Job Work Charges Paid - Global Lead Alloys	2,506,507	1,394,415
Transportation charges paid - SM. Vaieram	368,582	0
Purchase of fixed assets - Exide Industries Limited	69,360	248,090
Expenses transferred - Exide Industries Limited	3,162,135	897,890

## Transactions with Related Parties

Description	2009-10 Rupees	2008-09 Rupees
<b>Remuneration to Directors</b>		
T. Arunkumar - Remuneration	3,000,000	3,000,000
- Performance Bonus	8,867,500	612,750
T Rajkumar - Remuneration	2,400,000	2,550,000
- Performance Bonus	8,867,500	612,750
A. B. Devi - Remuneration	0	750,000
R. Chitra - Remuneration	0	750,000
<b>Expenses Recovered</b>		
T Arunkumar	1,57,470	4,938,191
T Rajkumar	1,57,469	4,938,191
<b>Salary</b>		
E. Narayanan – VP – Industrial Relations	1,210,805	899,980
Balances as on 31st March 2010		
<b>Receivables</b>		
- Exide Industries Limited	26,757,536	56,126,276
<b>Payables</b>		
- Exide Industries Limited	0	75,828,098
- Global Lead Alloys	1,16,694	207,234
- SM. Vaieram	34909	0

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. Profit on exchange differences on transactions of foreign exchange transactions credited to the profit and loss account is Rs. 42,507,752 (previous year Loss of Rs. 15,049,799).
16. In the opinion of the Board of Directors, all the current assets, loans & advances have value on realisation at least of an amount equal to the amount at which they are stated in the Balance sheet.
17. Previous year's figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached

For Natvarlal Vepari & Co.  
Chartered Accountants

N Jayendran  
Partner

Kolkata, Dated: April 15, 2010

T V Ramanathan  
G Chatterjee  
T Arun Kumar  
Directors

## 27. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

### I. Registration details.

Registration No.

1 3 1 2 6

State Code

Balance Sheet

3 1 0 3 2 0 1 0

1 1

Date Month Year

Public issue

N I L

N I L

N I L

### II. Position of mobilisation and deployment of funds (Amount in Rs. Thousands)

Total Liabilities

1 2 8 0 5 4 4

Total Assets

1 2 8 0 5 4 4

Sources of Funds

Paid-Up Capital

4 6 8 0 0

Reserves & Surplus

5 4 7 6 4 6

Secured Loans

6 7 9 4 4 5

Unsecured Loans

Deferred Tax Liability

6 6 5 3

Application of Funds

Net Fixed Assets

2 9 9 4 5 9

Investments

Net Current Assets

9 8 1 0 8 5

Misc Expenditure

Accumulated Losses

N I L

### III. Performance of Company (Amount in Rs. Thousands)

Turnover

5 4 6 7 7 3 7

Total Expenditure

4 9 3 0 3 5 5

+ -

Profit/Loss Before Tax

+ -

5 3 7 4 8 2

Profit/Loss Before Tax

3 5 2 1 6 7

(Please tick appropriate box + for Profit, - for Loss

\* Earning Per Share in Rs.

7 5 . 2 5

\*\*Dividend Rate 100%

Item Code No.

ITC Code)

Product

Description

Item Code No.

(ITC Code)

Product

Description

Item Code No.

ITC Code)

Product

Description

Note: Classification of products/services under ITC code being of a technical nature is not verified by the Auditors.

T V Ramanathan

G Chatterjee

T Arun Kumar

Directors

Kolkata, Dated: April 15, 2010