
EXIDE
INDUSTRIES LIMITED
ANNUAL REPORT 2010-2011
Energy & Environment
EXIDE
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BOARD OF DIRECTORS

R. G. Kapadia, *Chairman & Non Executive Director*

R. B. Raheja, *Vice Chairman & Non-Executive Director*

T. V. Ramanathan, *Managing Director & Chief Executive Officer*

G. Chatterjee, *Director – Industrial*

P. K. Kataky, *Director – Automotive*

A. K. Mukherjee, *Director – Finance & Chief Financial Officer*

Nadeem Kazim, *Director – HR and Personnel (w.e.f. 1st May, 2011)*

Vijay Aggarwal, *Non Executive Director*

H M Kothari, *Non Executive Director*

Bhaskar Mitter, *Non Executive Director*

S. N. Mookherjee, *Non Executive Director*

S. B. Raheja, *Non Executive Director*

D. S. Parekh, *Non Executive Director (Alternate to S. B. Raheja)*

Mona N Desai, *Non Executive Director*

W. Wong, *Non Executive Director*

SECRETARY

S. Coomer

AUDIT COMMITTEE

R. G. Kapadia
Bhaskar Mitter
S. N. Mookherjee
Vijay Aggarwal
Mona N Desai

REMUNERATION COMMITTEE

Bhaskar Mitter
R. G. Kapadia
T. V. Ramanathan
S. N. Mookherjee
Vijay Aggarwal
Mona N Desai

SHAREHOLDERS' GRIEVANCE REDRESSAL COMMITTEE

Bhaskar Mitter
T. V. Ramanathan
G. Chatterjee

SHARE TRANSFER COMMITTEE

T. V. Ramanathan
G. Chatterjee
P. K. Kataky
A. K. Mukherjee

BANKING OPERATIONS COMMITTEE

T. V. Ramanathan
G. Chatterjee
P. K. Kataky
A. K. Mukherjee

EXECUTIVE COMMITTEE

T. V. Ramanathan
G. Chatterjee
P. K. Kataky
A. K. Mukherjee
Nadeem Kazim
S. Coomer

BANKERS

State Bank of India
Standard Chartered Bank
Citibank N.A.
The Hongkong and Shanghai
Banking Corporation of India Limited
BNP Paribas
HDFC Bank Limited
Deutsche Bank AG
ICICI Bank Limited
ABN AMRO Bank N.V.
Bank of America N.A.

STATUTORY AUDITORS

S.R. Batliboi & Co.
Chartered Accountants
22, Camac Street, Block 'C', 3rd Floor
Kolkata 700 016

REGISTRAR AND SHARE TRANSFER AGENT

C.B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata 700 019

SOLICITORS

A.H. Parpia & Co.
Advocates & Solicitors
203-204 Prabhat Chambers
92 S V Road, Khar (West)
Mumbai 400 052

REGISTERED OFFICE

EXIDE HOUSE
59E, Chowringhee Road
Kolkata 700 020

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 64th Annual General Meeting of the Company will be held at Kala Mandir, 48 Shakespeare Sarani, Kolkata – 700 017 on, the 21st day of July, 2011 at 9.30 am to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended 31 March, 2011 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr R B Raheja who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr W Wong who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

   "RESOLVED THAT in accordance with the provisions of Section 257 of the Companies Act, 1956, Mr Nadeem Kazim, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 104 of the Articles of Association of the Company, be and is hereby appointed as a Director of the Company.

   RESOLVED FURTHER THAT in accordance with Section 198, 269, 309 and all other applicable provisions, read with Schedule XIII of the Companies Act, 1956, approval of the Company is hereby accorded to the appointment of Mr Nadeem Kazim as a Whole-time Director of the Company for a period of five years with effect from 1st May, 2011 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors, including any Committee thereof, to alter and vary the terms and conditions of appointment and/or remuneration subject to the limits specified under Schedule XIII of the Companies Act, 1956 and any statutory modification or re-enactment thereto."

Registered Office:
Exide House
59E Chowringhee Road
Kolkata 700 020

Dated: 27th April, 2011

By Order of the Board

Company Secretary and
Vice President - Legal &
Administration

NOTES

a. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time for holding of the Meeting.

b. The Register of Members and Share Transfer Books of the Company will remain closed from 16th July, 2011 to 21st July, 2011, both days inclusive. Dividend, if declared at the Meeting, will be payable to those members holding equity shares in physical form whose names appear in the Company's Register of Members on 21st July, 2011 or to their mandatees. Dividend, if any, in respect of equity shares held in electronic form will be payable to the beneficial owners of shares as on 15th July, 2011 as per the details furnished to the Company by both NSDL and CDSL.

c. Information relating to the Directors proposed to be appointed and those retiring by rotation and seeking reappointment at this Meeting, as required under Clause 49(G)(i) of the Listing Agreement with the Stock Exchanges is annexed to this Notice.

d. Members are requested to immediately notify any change in their addresses to the Registrar and Share Transfer Agent, C B Management Services (P) Limited, P-22, Bondel Road, Kolkata – 700 019.

e. Pursuant to Section 205A of the Companies Act, 1956, Dividend for the financial year ended 31st March, 2004, which remains unpaid or unclaimed, will be due for transfer to the Investors Education and Protection Fund of the Central Government in August 2011. Members who have not encashed their dividend warrant(s) for the financial year ended 31st March, 2004 and onwards, are requested to claim the amount forthwith from the Company.

f. Members holding shares in physical form are requested to notify/send the following to the Company or its Registrars to facilitate better service:-

i. Any change in their address/bank details;

ii. Particulars of their bank account, in case the same have not been sent earlier; and

iii. Share Certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

g. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective depositories, viz. NSDL and CDSL, will be considered for payment of dividend through ECS.

h. Members who desire to receive documents from the Company in electronic mode may provide their e-mail address to the Registrar and Share Transfer Agents of the Company through e-mail at *investor@cbmsl.com* mentioning the Company's name and Folio Number/DPID & Client ID.

Explanatory Statement (Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

The Board of Directors at its Meeting held on 27th April, 2011 appointed Mr Nadeem Kazim ("Mr Kazim") as an Additional Director of the Company and as a Whole-time Director designated as Director – HR and Personnel for a period of five years from 1st May, 2011 to 30th April, 2016, subject to the approval of the members in General Meeting. Pursuant to Article 104 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956, Mr Kazim will hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received a Notice in terms of Section 257 of the Companies Act, 1956 from a member proposing that Mr Kazim be appointed as a Director of the Company. Mr Kazim has vast experience in corporate HR, strategic IR and Personnel and has been with the Company since 2009. Mr Kazim does not hold any shares in the Company.

The period of service, remuneration payable and the terms and conditions of service of Mr Kazim with effect from 1st May, 2011 are set out below:

Salary	₹ 1,85,000 per month.
Increment	Basic Salary will be increased by 10% per annum, subject to performance criteria as laid down by Remuneration Committee of the Board of Directors.
Commission	Commission of 1% of the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956, subject to a maximum of annual salary for each year, based on certain performance criteria to be laid down by the Remuneration Committee of the Board of Directors and payable annually after the annual accounts have been approved by the Board of Directors and Members of the Company.
Performance Bonus	Subject to a maximum of annual salary based on certain performance criteria to be laid down by the Remuneration Committee of the Board of Directors.
Period	For a period of five years with effect from 1st May, 2011 to 30th April, 2016.

Other terms and conditions:

Perquisites	In addition to the above salary, increment, commission and performance bonus, he shall be entitled to perquisites like furnished accommodation with expenditure on gas, electricity, water, maintenance and repair thereof or House Rent Allowance with expenditure on gas, electricity, water and furnishings, leave travel allowance for self and family, medical expenses and medical insurance for self and family, fees of clubs, personal accident and life insurance and such other perquisites and allowances in accordance with the Rules of the Company or as may be agreed to by the Board of Directors. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in the absence of any such Rule perquisites shall be evaluated at actual costs. Provision for use of Company's car and telephones at residence (including payment for local calls and long distance calls) shall not be included in the computation of perquisites. Company's contribution to Provident Fund and Pension Fund not exceeding 27% of salary or such percentage limit as may be prescribed by Income Tax legislation. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and leave including encashment of leave at the end of the tenure, as per Company's policy. The overall amount of perquisites shall not exceed an amount equal to the annual basic salary. In computing the monetary ceiling on perquisites Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account.
Minimum Remuneration	In the absence of or inadequacy in profits in any financial year of the Company during the tenure he shall be entitled to remuneration by way of salary along with perquisites, benefits and other allowances as mentioned above not exceeding such sum as may be prescribed under Schedule XIII of the Companies Act, 1956 from time to time.
General	In addition, the contract of appointment shall set out the usual rights and obligations of the parties.
Termination	The appointment is terminable by either party by giving three months prior written notice to the other.

An abstract of the terms of appointment of Mr Kazim pursuant to Section 302 of the Companies Act, 1956 has already been sent to the members in the second week of May, 2011.

The Board considers the aforesaid appointment of Mr Kazim on the terms set out above to be in the interest of the Company and recommends that the resolution be approved by the members.

Except Mr Kazim, no other Director is concerned with or interested in the aforesaid appointment.

Registered Office:
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Dated: 27th April, 2011

By Order of the Board

Company Secretary and
Vice President - Legal &
Administration

Information pursuant to Clause 49 of Listing Agreement with regard to the Directors seeking appointment/ reappointment at the forthcoming Annual General Meeting (Refer Item Nos. 3, 4 and 6 of the Notice)

Name of the Director	Date of Birth	Brief resume and nature of expertise in functional area	No. of equity shares held in the Company	Other Directorships/Other Committee memberships* held
Mr R B Raheja	17.06.1954	Mr R B Raheja holds a Bachelor's degree in Commerce and has a wide range of experience in industry and business.	Nil	**Directorships:** Prism Cement Limited Supreme Petrochem Limited EIH Limited Juhu Beach Resorts Limited EIH Associated Hotels Limited Hathway Cable & Datacom Limited ING Vysya Life Insurance Company Limited Amber Apartment Makers Private Limited Ameeta Grihnirman Private Limited Arjun Housing Private Limited Bay-Side Exports Private Limited Brindavan Agro Industries Private Limited Brindaban Builders Private Limited Brindavan Land Development Private Limited Bellvne Constructions Private Limited Bloomingdale Investment & Finance Private Limited Chandramouli Finance & Estates Private Limited Colonnade Housing Private Limited Colonnade Contractors & Developers Private Limited Coronet Investments Private Limited Crescent Property Developers Private Limited Gstaad Trading Company Private Limited Hathway Bhaskar Multinet Private Limited ING Investment Management (India) Private Limited Kaunteya Builders Private Limited Kaunteya Contractors & Developers Private Limited Kuntinandan Contractors & Developers Private Limited Kuntiputra Properties Private Limited Lavina Contractors & Developers Private Limited Manali Investment & Finance Private Limited

Name of the Director	Date of Birth	Brief resume and nature of expertise in functional area	No. of equity shares held in the Company	Other Directorships/Other Committee memberships* held
				Matsyagandha Investments & Finance Private Limited Panchali Builders Private Limited Peninsula Estates Private Limited Prerana Builders Private Limited R B R Constructions Private Limited R B R Estates & Finance Private Limited R. Raheja Properties Private Limited Sea – Side Exports Private Limited Shiraz Realtors Private Limited Shoreline Exports Private Limited Varahagiri Investments & Finance Private Limited Vijay Raheja Builders Private Limited Vidur Constructions Private Limited Villa-Capri Developers Private Limited Windsor Realty Private Limited **Committee Memberships** **Member of the Audit Committee** EIH Limited Juhu Beach Resorts Limited EIH Associated Hotels Limited
Mr Winston Wong	14.04.1947	Mr Wong is qualified as a FCCA, FCPA Australia and FCPA Singapore. Mr Wong has over 40 years of working experience in various types of businesses.	Nil	**Directorships:** Chloride Eastern Industries Pte Ltd (Singapore) Chloride Batteries S E Asia Pte Ltd (Singapore) Chloride Eastern Limited (England) Associated Battery Manufacturers (Ceylon) Limited (Srilanka) **Committee Memberships** Nil
Mr Nadeem Kazim	26.01.1964	Mr Nadeem Kazim holds a Bachelor Degree in Arts and is a Post Graduate Diploma holder in Personnel Management from XISS, Ranchi. Mr Kazim has a wide range of experience in issues pertaining to HR and Personnel.	Nil	**Directorships:** Caldyne Automatics Limited Chloride Metals Limited Leadage Alloys India Limited **Committee Memberships** Nil

* Committee Memberships include only Audit Committee and Shareholders' / Investors Grievance Committee.

Registered Office:
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Kolkata 700 020

Dated: 27th April, 2011

By Order of the Board

Company Secretary and
Vice President - Legal &
Administration

DIRECTORS' REPORT TO THE SHAREHOLDERS

(including Management Discussion & Analysis)

Your Board of Directors have pleasure in presenting the 64th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2011.

Economic Environment

After the economic slowdown caused by the global financial crisis in 2007 the Indian economy, which showed signs of recovery in 2009-10, continued to gain momentum. The growth rate which plummeted to 6.8% in 2008-09, rose upto 8% in 2009-10 and is expected to be 8.6% for 2010-11 as per the Advance Estimates of the Central Statistics Office (CSO). The positive feature of such turnaround is that this recovery has been broad-based with almost all the core sectors recording an impressive turnaround. Agriculture, which had a negligible growth in 2009-10, recorded an impressive 5.4% increase in growth.

All these positive developments were however marred to a certain extent due to high inflation, mainly driven by high cost of food items. A negative growth in agriculture in 2008-09, a severe drought in 2009-10 followed by unseasonal rains during 2010-11, coupled with inadequacies in the public distribution system resulted in shortage of food crops. Further, due to enhancement of income amongst the marginalized sections of the rural populace, arising out of social security policies of the Government, there was an increased demand for cereals and other food grains. All these factors contributed to severe pressure on prices of food grains. Thankfully, due to better monsoons and certain interventions made by the Government and the Reserve Bank of India, the inflation which peaked to 11% fell to single digit levels. The high fiscal deficit which was a source of concern was also eased to a certain extent through revenue generation from auction of 3G spectrum licenses, disinvestment in PSUs etc.

Looking into the medium to long term, it is expected that this growth story would continue unabated and, in fact, would accelerate further. All key economic indicators look favourable which leads us to the expectation that the rate of growth will breach the 9% mark in 2011-12. However, there are certain causes for concern. The recent political instability in the African countries is having a spiraling effect on the crude prices which is fuelling inflation and if the situation does not improve this may have an adverse effect on the economy. Further, Japan, which has not yet shown any definite signs of recovery from its long slowdown may be further affected due to the recent unfortunate natural disasters and the consequent threats of nuclear radiation. In the global scenario, though India has a large domestic demand, it is also vitally linked with the economy of the industrialized nations. Many of the industrialized nations are yet to show signs of sustained recovery from the economic slowdown and any further crisis may have an adverse effect on our economy.

Industry Structure and Development

The Domestic Battery Industry has had mixed fortunes during the year under review. The telecom, infrastructure and export sectors continue to be sluggish but this has been compensated by an unexpected high growth in the automobile sector. The passenger vehicle segment grew by over 29% whilst the commercial vehicle segment registered a growth of nearly 27% as compared to 2009-10. Sale of two-wheelers registered a growth of 26% and automobile exports had a growth of nearly 30% as compared to 2009-10. It is expected that this rate of growth would continue unabated and the total automobile market is expected to grow by double digits annually for the next 5 years.

As stated earlier, India is emerging as a small car hub in the Asia Pacific Region and most of the leading global players have a presence in this country. Buoyed by the growth prospects, almost all automobile manufacturers in the country are expanding their capacities and some are also setting up new facilities. These manufacturing facilities would not only cater to the local market but also act as a manufacturing base for export of both passenger vehicles as well as heavy vehicles, including tractors. During the previous year the automobile industry attracted Foreign Direct Investment worth US$ 1,191 million. Trained manpower at competitive costs and stagnation in the industrialized nations has induced global majors to invest in India and China. It is expected that India would become one of the top 5 vehicle producing countries in the World by 2020, with domestic consumption growing four-fold. These developments would obviously lead to increase in the market base of the domestic battery industry.

Infrastructure continues to be a key focus area for the Government with massive investments planned in the near term. ₹ 2,14,000 crores has been allocated in the Union Budget 2011-12 for the infrastructure sector, which is 23% higher than the previous year and this amounts to 48.5% of the Gross Budgetary support to plan expenditure. Further, plans for modernization of Railways and setting up of Nuclear Power Plants would lead to considerable demand for the battery industry.

Performance

Your Company is not only one of the leading manufacturers of Lead Acid Batteries in India and South Asia, but also is reckoned among the first five major companies in the global battery manufacturing industry. During the year under review, your Company recorded 20% growth in net sales with an increase of 24% in profit after tax. The unprecedented rise in demand from all segments of automotive vehicle manufacturers resulted in diversion of capacity from the after market business thereby leading to reduced profitability. Inspite of the same your Company registered an increase in profits which, apart from others, was due to higher availability of lead and lead alloys from the two captive lead smelters, favourable foreign exchange rates, strict austerity measures and all round cost control.

Automotive Batteries

The sales of automotive batteries registered a growth of 23% as compared to the previous year. However, your Company was unable to cater fully to the unanticipated demand by all segments of vehicle manufacturers due to capacity constraints and thereby take full advantage of the potential growth in the industry. In such a scenario, in line with its long term perspective, your Company took a conscious decision to give priority to the increased requirements of the vehicle manufacturers over the more profitable after market segment.

Your Company continues to remain the preferred supplier for most of the new vehicles launched during the year under review. These batteries have been developed by your Company through in-house R&D and several of these underwent rigorous tests including tests in overseas laboratories prior to being selected for supplies. Your Company has already launched Deep Cycling Electric Bike batteries for electric bicycles and scooters and is also in the process of developing batteries for Stop-Start Micro Hybrid Vehicles in collaboration with The Furukawa Battery Company Limited, Japan. Your Company is also exploring the possibility of developing and marketing Lithium-ion batteries for the Electric Vehicle Segment.

As informed in the earlier Directors Report, the marketing and distribution set up has been reorganized on the hubs and spokes model and presently your Company is operating from 204 locations. By the end of the current year your Company is expected to be present in 250 cities and towns. Through this initiative your Company has been able to reach out to the customers in ‘B’ Class and ‘C’ Class cities and also provide better after sales and warranty services.

The CRM initiative *exidereachout.com* has helped in building a loyal customer base. Your Company has also been able to divert customers from the un-organised sector through its unique initiative “Project Kisan”, which primarily services the rural markets. The ‘Humsafar’ module, under which batteries are sold through motor garages, and the arrangements with several companies for distribution of your Company’s products through their outlets have resulted in reaching the products at the door step of the consumers.

As stated earlier, your Company was unable to cater to the entire market demand inspite of running its Plants in full capacity. Consequently, your Company has invested ₹ 275 crores in the year under review and proposes to invest a further amount of ₹ 370 crores in 2011-12 in capacity expansion. A new facility for production of two-wheeler batteries has also been commissioned at Ahmednagar, Maharashtra.

Industrial Batteries

Sales of Industrial batteries for 2010-11 registered a growth of around 16% in terms of value and 13% by volume. This has been possible in spite of severe competition and low cost imports in the domestic market.

Overall Infrastructure business has shown a growth of 15%, mostly contributed by Solar at 68% and Traction segment at 62%. Telecom recorded a comparatively lower growth of 9%.

Power segment recorded a growth of 12% with a very healthy order booking for future months.

In Fast Moving Industrial Battery segment, Sales for the year ended 31.03.2011 recorded a growth of around 18% in terms of value and 13% in terms of volume. While there has been a marginal degrowth of 5% in UPS OEM segment, Trade growth during the period was 18%. Measures have been initiated for further upgradation of quality and performance of VRLA Batteries.

Exports had a growth of 40% by value and 26% by volume, mostly through exports to Australia, Germany, UK, South Africa and ASEAN Countries.

A lot of Research & Development work has been done in developing Maintenance Free Tubular Batteries for Telecom & UPS with long life. Flooded Batteries with 10 year's Warranty are being developed for Telecom and Solar Applications.

Submarine Batteries

Your Company continues to be the sole supplier for Submarine batteries to the Indian Navy and an accredited supplier to the Admiralty Shipyard, Russia.

Exports

Inspite of depressed international market conditions, exports of both the automotive as well as industrial batteries registered a growth during the year. Exports of Industrial Batteries reached ₹ 117 crores with a growth of 40% in value and 26% in volume, mostly through exports to European countries and Australia. Automotive battery exports were around ₹ 28 crores as against around ₹ 24 crores in the previous year, recording a growth of around 16% in value terms.

Details of activities relating to exports is given in Part III of the Information as per Section 217 (1)(e) of the Companies Act, 1956, which is annexed to this Report.

Technology Upgradation

Your Company is constantly upgrading its existing technology and acquiring new technology to meet the increasing requirements of the consumers mainly through Technical Collaboration/ Assistance Agreements with leading international battery manufacturing companies.

Your Company has on-going Agreements with Furukawa Battery Company Limited, Japan for Automotive batteries, VRLA batteries for two wheelers and Idle Stop-Start (ISS) automotive batteries, and with Shin-Kobe Electric Machinery Company Limited, Japan (a part of the HITACHI Group) for automotive batteries and VRLA batteries for industrial applications. In addition, your Company also has an Agreement with Changxing Noble Power Sourcing Company Limited, China for manufacture of Deep Cycling E-bike batteries for electric bicycles and scooters.

In order to keep abreast with the latest developments in manufacturing processes and for introduction of hi-tech products your Company also seeks advice from several foreign consultants and experts. The foreign collaborators also provide regular training as well as a platform for knowledge sharing with your Company's technical personnel. The in-house R&D Division is continuously striving to improve the manufacturing processes and raw materials for better product performance in a cost effective manner.

Financial Results

	In ₹ Crores	
	2010-2011	2009-2010
Profit before depreciation & taxation	1023.81	891.24
Depreciation / Amortisation	83.45	80.65
Profit before tax	940.36	810.59
Taxation	274.00	273.50
Profit after tax	666.36	537.09
Balance brought forward	516.44	324.59
Making a total of	1182.80	861.68
Out of this appropritions are:		
General Reserves	75.00	250.00
Leaving a balance of	1107.80	611.68
Interim Dividend (₹ 0.90) [Previous Year ₹ 0.60]*	76.50	48.00
Tax on Interim Dividend	12.58	8.16
Proposed Final Dividend (₹ 0.60) (Previous Year ₹ 0.40)*	51.00	34.00
Tax on Final Dividend	0.35	5.08
And leaving a balance of (which is carried forward to next year)	967.37	516.44

*On equity share of ₹ 1.00 each
[Aggregate Dividend amounts to 150% (Previous year 100%)]

Consolidated Financial Statements

In accordance with Accounting Standard 21 – Consolidated Financial Statements form part of the Report & Accounts. These Accounts have been prepared on the basis of audited financial statements received from the subsidiaries and associate companies as approved by its respective Board of Directors.

Dividend

Your Company has paid an interim dividend at the rate of 90% (₹ 0.90 per equity share of ₹ 1.00 each) on the equity shares to the shareholders, whose names appeared on the Register of Members on 22nd October, 2010. Your Directors are now pleased to recommend a final dividend at the rate of 60% (₹ 0.60 per equity share of ₹ 1.00 each) for the year ended 31st March,2011, subject to your approval at the ensuing Annual General Meeting. Consequently, the total dividend for the year ended 31st March, 2011, including the interim dividend paid during the year, amounts to 150% (₹ 1.50 per equity share of ₹ 1.00 each).

Corporate Governance

Transparency is the cornerstone of your Company's philosophy and all requirements of Corporate Governance are adhered to both in letter and spirit. The Audit Committee of the Board meets at regular intervals as required in terms of Clause 49 of the Listing Agreement. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory and listing requirements. The Directors and key management personnel of your Company have complied with the Code of Conduct which was put in place by the Board of Directors. Apart from being in compliance with all requirements of Clause 49 of the Listing Agreement your Company has voluntarily adopted certain governance principles. Setting up of the Remuneration Committee of Directors and introduction of a Model Code for Insider Trading are some of the initiatives taken by your Company towards this end.

The Report on Corporate Governance as required under the Listing Agreement forms part of and is annexed to this Report. The Auditors' Certificate on compliance with Corporate Governance requirements is also attached to this Report. Further, as required under Clause 49 (V) of the Listing Agreement a certificate from the CEO and CFO is being annexed with this Report.

Business / Operational Excellence

Providing credible value addition to stakeholders and being recognized as a responsible corporate citizen is the vision of your Company. Aiming towards this, your Company has implemented an exhaustive Total Quality Management System (TQM). Over the years it has been improved upon and fine-tuned to become more effective in meeting the strategic challenges of the business. The latest techniques of Total Productive Maintenance (TPM), 6 Sigma and Lean Manufacturing now form an integral part of the TQM system – leading to Business Excellence.

Your Company's state-of-the-art factories manufacture products of the highest quality that enhance customer satisfaction. Quality is designed and built into products by using techniques like Advanced Product Quality Planning (APQP), Failure Mode and Effect Analysis (FMEA), Statistical Process Control (SPC) and Measurement System Analysis (MSA). Process Capability Index monitoring is done to ensure that products are well within the specification limits, leading to minimal rework and scrap.

With the support of TQM as a strategic initiative, your company has crossed several milestones in its unending journey towards Business Excellence. In regard to the Quality Management System (QMS), the Industrial SBU has been certified to ISO-9001:2008, while the Automotive SBU has been certified to ISO/TS-16949:2009 international standards. These certifications include all the business processes of R&D, Manufacturing, Marketing, Sales and after sales support, and Corporate functions. The Submarine SBU is also certified to ISO-9001:2008. The certification body is the renowned TUV-Nord, headquartered in Germany.

Recognising the responsibility of your Company towards its partners in progress, TQM initiatives have also been extended to cover the key suppliers. An effective system of quality control, periodic audits, supplier rating and training has been established, with an objective of continuous improvement and for mutual benefit.

In support of the core value of Striving for Excellence, your Company is progressively implementing the European Foundation for Quality Management (EFQM) Business Excellence Model and have won several awards in this respect.

In addition to these, in the last few years, your Company has won several awards and accolades in Quality, Safety-Health-Environment, 5-S, Energy Conservation, Productivity and Quality Circles. In 2009 the Hosur plant won the prestigious Asia Manufacturing Excellence Award-Gold Category in Auto Ancilliary from Frost & Sullivan as well as the ABK-AOTS 5-S Award 1st Prize in Large Manufacturing category. For the same year the Shamnagar plant has won the TQM Role Model Quality Award from CII (ER). Your Company has also won awards and recognitions from its valued customers like Toyota, Tata Motors and Bajaj Auto. Quality Circles run by workmen have been winning awards and accolades in state and national levels from Quality Circle Forum of India and the CII for the past several years.

With the aim of improving efficiency and maximizing the utilization of plant and equipment, your Company has implemented Total Productive Maintenance (TPM) in the factories. The best methodology as given by the Japanese Institute of Plant Maintenance (JIPM) is being followed.

For outstanding efforts and results in TPM, the JIPM has conferred the "Award for TPM Excellence" to your Haldia plant for 2008 which has now been awarded also to the Hosur and Chinchwad plants in 2010. Other factories are also making efforts to win this coveted award in the near future.

Environment & Safety

Keeping in line with the core values of being a responsible corporate citizen, an effective Environmental Management System (EMS) has been established by your Company. The Chinchwad, Haldia, Hosur, Shamnagar and Taloja factories are certified to ISO-14001:2004 by TUV-Nord. Going much beyond mere statutory compliance, your Company aims at continuous improvement of its environmental performance. Minimisation of waste and preservation of natural resources, being a part of policy, are put into effect by designing and running optimum processes and implementation of several environmental improvement projects. This has resulted in your Company receiving the prestigious TERI Corporate Environment Award in 2007 and Best Innovation Award for Leadership and Excellence in Environment-Health-Safety from CII (SR) in 2008.

Occupational Health and Safety issues are continuous focus points for your Company. This commitment has prompted your Company to implement OHSAS 18001:2007 standard in the factories. The Hosur factory has already been certified and the other factories are expected to be certified in due course.

Energy conservation also continues to be an active focus area for your Company since it is not only a major cost in the manufacturing process but, more importantly, a significant part of your Company's corporate social responsibilities. Your Company has taken several initiatives at each plant level in order to conserve energy which is in line with our policy of conservation of natural resources.

Corporate Social Responsibility

Your Company recognises the fact that, beyond the day to day conduct of its business, as a responsible corporate citizen it has to discharge its duties towards the larger society in which it operates. The core areas identified by your Company to improve the society are Health Care, Basic Education, Women's Empowerment and the Environment.

The partnership of your Company with UNICEF in the area of Child Environment Programme, that started in 2009 continued during 2010-11. The programme aims to reach out to the poorer and marginalised sections of the society in the remote rural areas of India to create a greener and healthier world where children have better access to basic health and hygiene facilities. The uniqueness of the programme lies in linking this social objective to another environmental objective of recycling lead whereby customers are encouraged to return used lead acid storage batteries through your Company's dealer network. There is not just a monetary incentive for the customer to do this but also a certain contribution is committed to UNICEF for every single used battery returned thereby making the customer a part of the larger CSR movement.

While the UNICEF association has a pan-India appeal and reach, in Kolkata the Company continued to successfully partner with the reputed NGO, CINI-Asha, to provide basic education and for development of some of the slum children.

At the factory level all factories carried out various activities that are tailored to the unique needs of the villages and communities in their respective vicinities. Shamnagar factory contributed towards providing regular safe drinking water facilities and lighting up the streets around the households in the vicinity. In Hosur, the factory management worked with the local Primary Health Center to organise various health camps throughout the year. Further, in Hosur the factory management also converted temporary village roads into permanent pucca motorable roads, erected bus shelters for villagers and undertook various other locally meaningful and relevant developmental activities that impact the day to day lives of the neighbouring villagers. Haldia factory contributed to your Company's overall social responsibility programme by boring tube wells, organising health camps in the deeper pockets of the villages and also by contributing to various natural disaster relief activities. The other factories also contributed to their local community development programmes in a similar way commensurate with their scale of operations. All factories participated in the environmental improvement programmes by undertaking various initiatives like planting saplings, creating green belts and organising environmental awareness camps to educate local villagers on the need to safeguard the environment.

As part of its corporate philosophy, your Company also encourages its subsidiaries to effectively discharge its societal obligations. Towards this end, Leadage Alloys India Limited, a wholly owned subsidiary, distributed uniforms and study materials to students of an Anganwadi school, contributed library books to a local college, constructed a bus shelter and conducted medical camps in Malur, Karnataka. Several programmes were also initiated for creating awareness about the environment amongst the local villagers including celebration of 'Environment Day' and also 'World Chemical Disaster Day' in collaboration with the Karanataka State Pollution Control Board. Similarly, Chloride Metals Limited, another wholly owned subsidiary, donated furniture and has taken up a project for construction of new class rooms in the Zilla Parishad Primary School in Markal, Pune. The said Company has also taken several initiatives for creating awareness about the environment amongst the local villagers including planting of trees.

Internal Controls

Your Company has proper and adequate system of internal controls. The Internal Audit team conducts both Systems and Financial Audits which are carried out in two phases at each factory, Branch, Regional and Corporate offices. The audit findings are reviewed by the Audit Committee of Directors and corrective action, as deemed necessary, is taken. Your Company also has laid down procedures and authority levels with suitable checks and balances encompassing the entire operations of the Company.

Your Company has identified various business risks and periodic reviews are conducted by the Management regarding the adequacy of mitigation procedures for the same.

Outlook

Due to the overall buoyancy the future outlook, as far as the Battery Industry is concerned, appears to be promising. The high growth rate in both auto and auto ancillary industries are expected to continue for the medium term. The huge expenditure proposed in the infrastructure sectors, including setting-up of power plants and modernization of Railways, would also result in better prospects for your Company's business.

Increase in disposable income and the growing middle class would lead to higher demand for quality and technologically superior products as compared to the cheaper substitutes. Stringent pollution control norms would act as a deterrent to small scale battery manufacturers in the unorganized sector thereby yielding more market share to the organized sector. The international markets are also showing signs of recovery which augurs well for the export of your Company's products.

Opportunities and Threats

Your Company has the advantage of having a product range covering a broad spectrum of applications, viz. Automotive, Infrastructure, Power, Telecom, Information Technology, Agriculture, Defence, etc. Technologically superior products coupled with a wide distribution and after sales network are the strengths of your Company. Apart from a strong presence in the existing segments, your Company is making forays into new areas such as electric and hybrid batteries for cars and two-wheelers and in the development of environment friendly storage power alternatives.

Your Company continues to invest in upgradation and expansion of its manufacturing capacities. The in-house R&D Department has been consistently developing quality products and is also striving for achieving cost efficiencies. Your Company receives strong support from its Foreign Technical Collaborators not only in the form of sharing of new technology but also by receiving assistance in upgrading manufacturing and other processes which results in technologically superior products with sustainable quality.

Competition in the domestic battery industry is on the increase with not only the existing players being more aggressive to increase their market share but also with several new companies making forays in this business. Though competition leads to better quality and service, it may also result in predatory pricing thereby creating pressure on margins.

Risks & Concerns

Lead is the major constituent of your Company's product and the volatility in its price continues to be a cause for concern. This not only has a major impact on costs but also leads to uncertainty in procurement. However, your Company seeks to mitigate this risk through continuous monitoring and prudent business practices. Further, due to the sustained efforts to increase the production and supplies from the captive smelters the dependence on imported Lead is gradually being reduced.

Cheap imports especially from China have been another area of concern. Unfortunately, the present anti-dumping laws do not provide protection against such imports. However, your Company has been able to counteract this threat to a considerable extent through consistency in quality of its products and efficient after sales service in order to retain its existing and also to attract new customers.

Subsidiary Companies

Your Company has four wholly owned Indian subsidiaries, viz. Chloride Metals Limited, Caldyne Automatics Limited, Leadage Alloys India Limited and Chloride International Limited and three foreign subsidiaries, viz. Chloride Batteries S.E. Asia Pte. Ltd., Singapore, Espex Batteries Limited, UK and Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka.

Chloride Metals Limited which is a 100% subsidiary of your Company is engaged in lead smelting and refining operations and has its plant at Markal, Pune. The said Company achieved a net sale of ₹ 381.27 crores representing a growth of 59% over the previous year and a profit before tax of ₹ 19.79 crores which is 31% higher than the previous year.

Caldyne Automatics Limited is a 100% subsidiary of your Company having its factory at Sector V, Salt Lake City, Kolkata and is engaged in manufacture and sale of Chargers, DC Power Systems and associated equipment. During the year 2010-11, the said company achieved a turnover of ₹ 44.11 crores and a profit before tax of ₹ 2.33 crores representing an increase of 19% and 52% respectively over the previous year.

Leadage Alloys India Limited, which became a 100% subsidiary during the year under review, has its plant at Kolar District, Karnataka and is engaged in lead smelting and refining activities. During the year 2010-11 the said company has achieved a turnover of ₹ 744.79 crores representing an increase of over 36% over the previous year and profit before tax of ₹ 32.57 crores as compared to ₹ 53.74 crores in the previous year.

Chloride International Limited, a 100% subsidiary of your Company, is engaged in the marketing and sale of Non-conventional Energy Systems like Solar Home Lighting and Heating System Panels, and Home UPS / Inverters etc. The net sales of the said company during 2010-11 amounted to ₹ 20.39 crores which was 70% higher than that of the previous year. The Profit Before Tax also increased from ₹ 0.37 crores to ₹ 0.46 crores.

Your Company holds 100% of the share capital in Chloride Batteries S E Asia Pte. Ltd., Singapore. The said company is engaged in manufacture and sale of lead acid batteries and caters to the South East Asian and Australian markets. During the year 2010-11 the company achieved a turnover of SGD 30.62 million and Profit before Tax of SGD 1.32 million representing a degrowth of 17% and 7% respectively over the previous year.

Espex Batteries Limited, UK, in which your Company holds 51% of the share capital, is engaged in marketing and selling of lead acid batteries for industrial applications. During the year 2010-11 the company achieved a turnover of GBP 6.23 million and made a Profit Before Tax of GBP 0.2 million which were 56% and 324% higher than the previous year.

Your Company also holds 61.5% in Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka. The said company is engaged in the business of manufacturing and marketing of Lead Acid batteries. During the year 2010-11 the said company achieved a turnover of SLR 1958 million which was higher by 26% over the previous year and Profit before Tax of SLR 208.6 million representing a growth of 38% over the previous year.

The statement of Holding Company's interest in Subsidiaries as specified in sub section (3) of section 212 of the Companies Act, 1956 is attached to the Report and Accounts of your Company. The Profit and Loss Accounts, Balance Sheet, Auditors Report and Directors Report of the Subsidiaries are not attached to the Annual Accounts of your Company pursuant to general exemption granted vide General Circular no. 2/2011 dated 8.2.2011 issued by the Government of India, Ministry of Corporate Affairs. However, the necessary details about the Subsidiaries are given in the Consolidated Financial Statements attached to the Annual Accounts. Further, any shareholder of the Company or the Subsidiary Companies may obtain copies of these documents by writing to the Company Secretary at the Registered Office of your Company. Copies of the Annual Accounts of the Subsidiaries would also be available for inspection by any such person at the Registered Office of your Company on any working day.

Human Resources

The HR policies and procedures of your Company are geared towards nurturing and development of Human Capital. Your Company has transparent processes for rewarding performance and retaining talent. Skill Gap Analysis and other systems are also in place to identify the training interventions required. Priority is given to succession planning and talent management.

Industrial relation at all factories continued to remain cordial.

As on 31st March, 2011 your Company has 5151 employees.

Directors

At its meeting held on 27th April, 2011, your Board appointed Mr Nadeem Kazim, Executive Vice President - HR & Personnel as an Additional Director of the Company to hold office till the ensuing Annual General Meeting. Your Board also appointed Mr Nadeem Kazim as a Wholetime Director for a period of five years with effect from 1st May, 2011 subject to your approval in the General Meeting. A notice has been received from a Member under Section 257 of the Companies Act, 1956 proposing the name of Mr Nadeem Kazim for appointment as a Director at the ensuing Annual General Meeting.

Mr R B Raheja and Mr Winston Wong, Directors, retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr S N Mookherjee, Director, also retires by rotation at the ensuing Annual General Meeting but due to personal reasons does not wish to offer himself for re-appointment. Your Board places on record its deep appreciation for the services rendered by Mr Mookherjee during his long association with your Company.

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

Auditors

The Auditors, M/s S R Batliboi & 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 pursuant to Section 217 of the Companies Act, 1956

a. **Conservation of Energy and Technology Absorption**

   Information pursuant to Clause (e) of Sub-Section (1) of Section 217 of the Companies Act, 1956 read with Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 and forming a part of the Directors' Report for the financial year ended 31st March, 2011, are attached hereto.

b. **Particulars of Employees**

   In accordance with the provisions of Section 217 of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexure to the Directors' Report. In terms of the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Directors' Report is being sent to all the shareholders of the Company, excluding such annexure. Any shareholder interested in obtaining a copy of the said annexure may write to the Company Secretary at the registered office of the Company.

c. **Responsibility Statement**

   Statement under the amended Section 217(2AA) of the Companies Act, 1956, on the responsibility of the Directors is a part of the Report.

Directors' Responsibility Statement

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.

Forward-Looking Statements

This Report contains forward-looking statements that involve risks and uncertainities. When used in this Report, the words "anticipate", "believe", "estimate", "expect", "intend", "will" and other similar expressions as they relate to the Company and/or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

Acknowledgement

Your Directors would like to record its appreciation for the co-operation and support received from its employees, shareholders, Government agencies and all stakeholders.

On behalf of the Board of Directors

Place: Mumbai
Dated: 27th April, 2011

R G Kapadia
Chairman

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

I. Conservation of Energy

The Company accords great importance to conservation of energy. The main focus of the Company during the year was:

a. Close monitoring of consumption of electricity, LPG, Diesel and water.

b. Close monitoring of electricity consumption based on 'KWH/MT of Lead Consumed'.

c. Optimisation of electricity, LPG, diesel and water by reducing process cycle time, process modification and also by equipment modification/replacement/retrofitting.

d. Usage of renewable energy, viz. Solar.

e. Achieving power factor standards nearing unity. All of the Company's plants targeted unity.

Chinchwad Plant

1. Use of Non Conventional Energy (Wind Power) of 482958 KWH.
2. Power Factor Maintained at 0.97 thereby getting an incentive of ₹ 28,48,582.
3. Optimum use of Energy by Switching off Machines, Lights, Fans, Air Conditioners and Exhaust Systems whenever not required.
4. 100% use of Recycled water for Gardening and Shop Floor Washing.
5. Reduction in Compressed Air Consumption by arresting Air Leakages.
6. Creating awareness among workmen to conserve energy.
7. Installed 50 nos. FRP transparent sheets over the roof to maximize use of natural light.

Bawal Plant

1. Use of Grid Cast pot insulation resulting in saving of 46064 KWH (₹ 2.99 lacs) per annum.
2. Installation of Variable Frequency Drive in AHU resulting in saving of 349350 KWH (₹ 23 lacs) per annum.
3. Street light replacement with LED, Acidic fume free lights installed in Motor Cycle Assembly Shed resulting in saving of 75599 KWH (₹ 4.91 lacs) per annum.
4. Turning-off 60 HP motor of assembly dust collector through modification in ducting resulting in saving of 324000 KWH (₹ 21.06 lacs) per annum.
5. Power saving through compressed air line modification and close-looping system resulting in saving of 36052 KWH (₹ 2.34 lacs) per annum.
6. Improvement in power factor (0.96 – 0.98) resulting in saving of ₹ 18.67 lacs per annum.
7. Saving water through re-use of RO1 & RO2 reject resulting in saving of 17658 KL(₹ 1.05 lacs) per annum.
8. Saving water through Reduction in J/F effluent resulting in saving of 2298 KL (₹ 0.11 lacs) per annum.
9. Increase in efficiency of RO1, Soft water resulting in saving of 15573 KL (₹ 4.67 lacs) per annum.
10. Saving in water consumption through increase in OBR used in DM plant resulting in saving of 690 KL (₹ 0.41 lacs) per annum.
11. Saving in Diesel consumption through synchronization of DG sets resulting in saving of 72523 KL (₹ 23.57 lacs) per annum.

Hosur Plant

1. Conversion of 2 sets of Ball mill lead pots from Electrical heaters into LPG burner.
2. Replacement of all DG cooling towers with the coil coolers.
3. Individual chillers have been connected to common tank to reduce the consumption.
4. All the fume killers are interlocked with the machine operation.
5. Shop floor high bay sodium light fittings replaced with LED light fittings.
6. 40% of required raw water is fed by recycling.
7. System of segregation of Compressed air into Low pressure and High pressure with respect to machines requirement.
8. Low air pressure requirements were met through air blowers.
9. Purchasing power from Indian Energy Exchange at reduced cost during peak hours instead of running Diesel generator.
10. 100% of Acid dilution was done with recycled acid.
11. Power Factor Improvement from 0.99 to 0.993 with incentive from Tamil Nadu Electricity Board.
12. Demand control due to optimisation of Load utilization incentive from Tamil Nadu Electricity Board.
13. The Plant saved an amount of ₹ 371.83 lacs during the year in its efforts to conserve energy.

Taloja Plant

1. Reduction of KWH per ton of lead from 934 to 874 by optimisation of motors/increasing output of oxide generation/reduction in heating losses.
2. Reduction in LPG consumption from 31kg/ton of lead to 29 kg/ton of lead by controlling the main line pressure, use of energy efficient LPG burners.
3. Use of common Steam generator for E-Bike Curing Chambers resulted in saving of LPG cost by ₹ 3.0 lacs/annum.
4 Use of Star Delta Convertor to conserve energy in blowers of Formation, JF resulted in saving of ₹ 8.0 lacs.
5. Automatic switching of Fresh Air Blower during shift change resulted in saving of ₹ 2.5 lacs.
6. Replacing tube lights by CFL Bulbs at New Mezzanine floor.
7. Reduction of Fixed energy consumption by 5% by using Solar street light, energy efficient lights in E-Bike.
8. Maintaining Power Factor as unity throughout the year resulted in saving of ₹ 27 lacs.
9 Switching -Off the JF / Formation rectiformers to avoid energy loss due to no load losses in the transformers, resulted in savings of ₹ 5 lacs.
10. 100% use of recycled water for gardening and floor washing.
11. Reduction in charging cycle time by pulse charging at JF to avoid no load losses resulting in ₹ 10 lacs savings.
12. Day light improvement by use of transparent sheet in E -Bike area.
13. Increase in use of no. of turbine ventilators to improve ventilation and work environment.
14. Cycle time reduction in curing process resulting in savings of ₹ 6 lacs per annum.

Shamnagar Plant

1. Maintained Plant power factor above 98.5% by installation of additional Automatic Power Factor Control Panel of 300 Kilo Volt Ampere Rating. Annual savings achieved: ₹ 15.50 lacs.

2. Maintained Plant load factor of about 74%. Annual savings achieved: ₹ 28.50 lacs.
3. Installed Variable Frequency Drive in one no. 60 HP dust extraction system. Annual savings achieved: ₹ 5.60 lacs.
4. Installed Variable Frequency Drive in one no. 100 HP Acid fume extraction system. Annual savings achieved: ₹ 12.50 lacs.
5. Installed one no. energy efficient screw compressor. Annual savings achieved: ₹ 1.90 lacs.
6. Replaced two nos. old reciprocating compressors by 2 nos. screw compressors. Annual savings achieved: ₹ 8.90 lacs.
7. Replaced roof asbestos sheets by transparent sheet. Thus, increased day light which resulted in switching off bay-lights in day time. Annual savings achieved: ₹ 2.40 lacs.
8. Installed about 200 nos. natural draft turbine ventilators in New Industrial Generation building to improve ventilation and working environment. Annual savings achieved: ₹ 7.90 lacs.
9. Installed cooling tower which in turn saves water of about 30000 KL/year. Annual savings achieved: ₹ 0.75 lacs.
10. Installed wash water recovery system which in turn saves water of about 60000 KL/year. Annual savings achieved: ₹ 1.50 lacs.

Haldia Plant:

1. Improved Power Factor from 0.98 to 0.99 by installation & commissioning of additional 1 no. 1000 KVA, 1 no. 500 KVA & 6 nos. 100 KVA capacity Automatic Power Factor Control panels with Capacitor banks and harmonic filters. Annual Savings: ₹ 66 lacs.
2. Achieved the average Load Factor of the plant at 77.9% by controlling Maximum Demand through Demand Controller. Annual Savings: ₹ 1.65 Crores.
3. Installation of 1 no. 135 KVA Lighting energy saver panel for lighting at Traction plant. Annual Savings: ₹ 1.5 lacs.
4. Installation of energy saver tube lights (2x28 W) instead of conventional tube lights (2x40W) in shop floor, canteen & office areas. Annual Savings: ₹ 2.6 lacs.
5. Installation of Light Detecting Sensor for Automatic switching ON/OFF of Shop Floor lights. Annual Savings: ₹ 8.9 lacs.
6. Installation of 28 W T5 Energy saver tube lights instead of 60W BC lamp at Auto J/F tank lighting. Annual Savings: ₹ 2.2 lacs.
7. Electrical Interlocking of Fresh air & Exhaust Blowers with production machines to avoid idle running during non-productive hours. Annual Savings: ₹ 1.67 lacs.
8. Installation of Silicon Control Rectifier control heating system in lead pot at Wirtz machines. Annual Savings ₹ 1.5 lacs.
9. Installation of translucent sheet in Auto casting, Industrial ball mill areas to improve day light & better working environment.

Ahmednagar Plant:

1. Power Factor Maintained at unity (0.996).
2. Optimum use of Energy by Switching off Machines, Lights, Fans, Air Conditioners and Exhaust Systems whenever not required.
3. Energy efficient T-5 (216, 120 & 28 watts) lighting system provided instead of High Pressure Sodium Vapour lamps (400, 210 & 40 watts) in existing plant.
4. 100% use of Recycled water for Gardening.

5. Installation of air turbine roof ventilators in the existing plant for improving ventilation as well as working environment.
6. Reduction in Compressed Air Consumption by arresting Air Leakages.
7. Creating awareness among workmen to conserve energy.

II. Particulars as per Form B

A1. Research & Development (R&D)

Specific areas in which R&D is carried out by the Company

Research & Development activities are mainly concentrated on development of new products in various segments and for advancement of designs and technology. The activities also include development of production tools for both existing as well as new products. Additionally, special focus is given for improving product consistency.

A2. Benefits derived as a result of the above R&D

Due to the R&D activities the Company has been able to maintain a technology leadership in several product ranges. Significant achievements in the recent past would include development of Idling Stop Start battery for Mahindra & Mahindra, development of battery for Toyota's Fortuna MCV, new products for General Motors, India and value engineered products for Maruti Suzuki's ALTO. New products introduced would also include long life batteries for Inverter and Solar applications, batteries for E-bikes and VRLA motor cycle batteries.

A3. Future Action Plan

Research & Development would continue to be a major focus area for the Company. In view of the emerging needs for advanced lead-acid batteries for varied applications, the focus on technology and innovation would continue. Ongoing projects include development of state-of-the-art batteries for various applications including Idling Stop Start batteries, mild hybrid and electric vehicles. Upcoming projects would include rechargeability and deep cycling capability in the new range of batteries, enhancement of battery shelf life and introduction of new materials and advanced processes. Being a full member of ALABC (Advanced Lead Acid Battery Consortium), the Company will actively participate in the development of advanced products.

A4. Expenditure on R&D

The capital and revenue expenditure on R&D were ₹ 1.09 Crores and ₹ 8.67 Crores respectively, aggregating to ₹ 9.76 Crores.

Total R&D Expenditure as percentage of Net Turnover: 0.20%.

B1. Technology Absorption, Adaptation and Innovation

The Agreements with the Foreign Collaborators covers not only imports of new technology but also continued technical assistance and sharing of Best Practices in all spheres of manufacturing operations. This is an ongoing process and apart from absorption of the technology, efforts are directed towards further improvements and innovation.

B2. Benefits

Introduction of new products has helped the Company to meet the emerging market needs and also maintain its technological leadership. Significant benefits have been derived by way of enhanced market penetration by meeting the specific requirements of international and domestic vehicle manufacturers and the highly quality conscious export markets.

B3. Particulars of Imported Technology in the last 5 years

Technology Imported	Year of Import	Has Technology been absorbed	If not fully absorbed, reasons and future action plan
Automotive and VRLA Lead Acid Storage Batteries with Shin-Kobe Electric Machinery Co Ltd., Japan for Shamnagar, Haldia, Chinchwad and Hosur Plants.	Since 1994-95. Current arrangement is effective 1st April, 2010 and is valid upto 31st March, 2015.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuously evolving, the Agreement will be ongoing.
Lead Acid Storage Batteries for Automotive applications with Furukawa Battery Co Ltd., Japan for Taloja Plant.	Since 1997-98. Current arrangement is effective 1st December, 2010 and is valid upto 30th November, 2015.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuously evolving, the Agreement will be ongoing.
VRLA Lead Acid Storage Batteries for Motorcycles with Furukawa Battery Co Ltd., Japan for Bawal and Ahmednagar Plants.	9th March, 2007, valid upto 8th March, 2012.	Being absorbed. The Agreement also provides support for future product improvements.	Not Applicable.
Deep Cycling E-bike batteries for Electric Bicycles & Scooters with Changxing Noble Power Sourcing Co. Ltd., China.	15th June, 2008, valid upto 14th June, 2010.	Partly absorbed.	Technology support extended without any additional Technical Fees.
Automotive batteries for Idling Stop System with Furukawa Battery Co Ltd., Japan for Taloja Plant.	1st February 2010, valid upto 31st January, 2015.	In Progress.	Still under development.

III. Foreign Exchange – Earnings and Outgoings

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

   Your Company continued with its initiatives for developing the export market for both Automotive and Industrial batteries. During the year, MF batteries with Ca-Ca Alloy were launched into markets of Armenia & Uzbekistan. Successful inroads were made in Finland and Norway in Europe and Mozambique and Tanzania in Africa for the first time. Exide brand automotive batteries were supplied to Mauritius.

   In the Industrial Battery segment, the Company received the prestigious approval from one of the Globally Leading OEM of Motive Power Segment and is continuing to supply Traction batteries to them. Also, successful inroads were made in France, Norway and Finland in Europe with Traction batteries. We have also entered into the solar markets of Australia, Dubai and Nigeria and have also supplied to the Telecom market of Nigeria for the first time.

2. Total Foreign Exchange used and earned:

   Used : ₹ 704.74 crores

   Earned : ₹ 147.04 crores

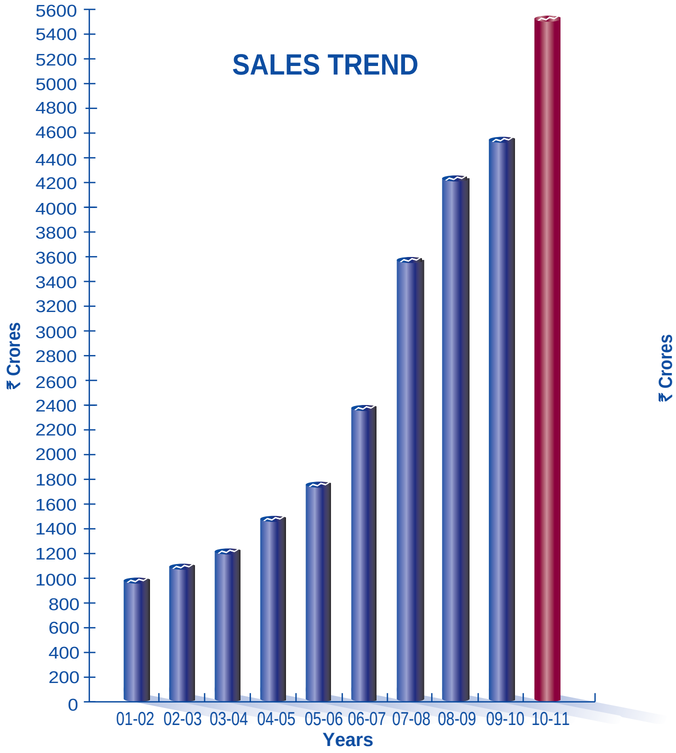
On behalf of the
Board of Directors

Place : Mumbai
Date : 27th April, 2011

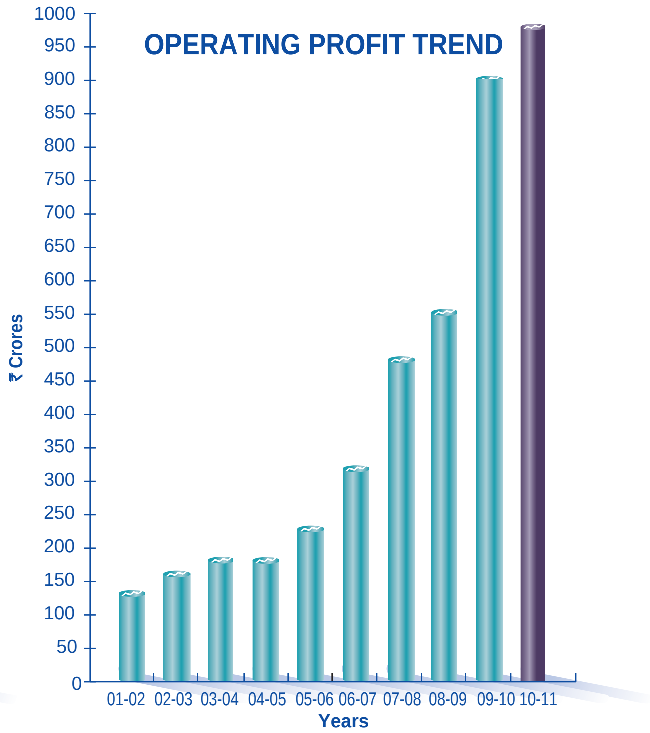
R G Kapadia
Chairman

FINANCIAL TRENDS

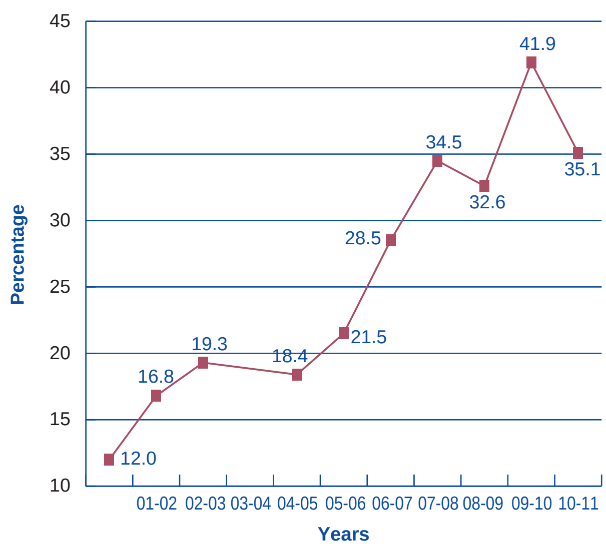
SALES TREND



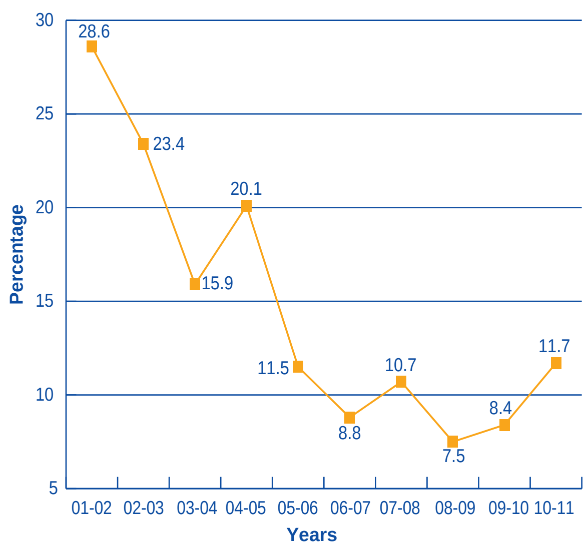
OPERATING PROFIT TREND



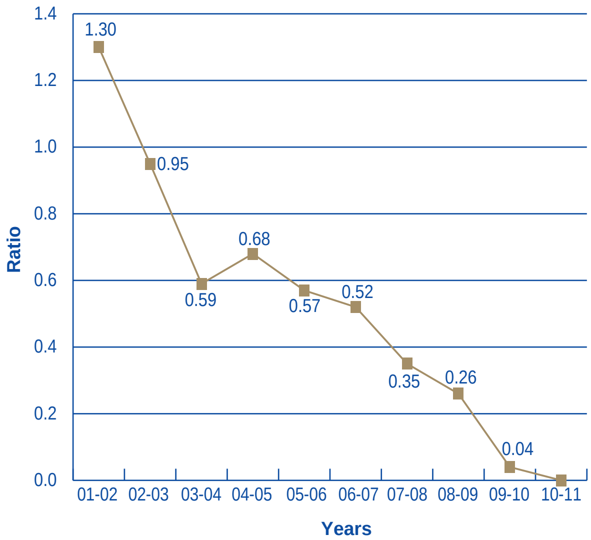
RETURN ON CAPITAL EMPLOYED



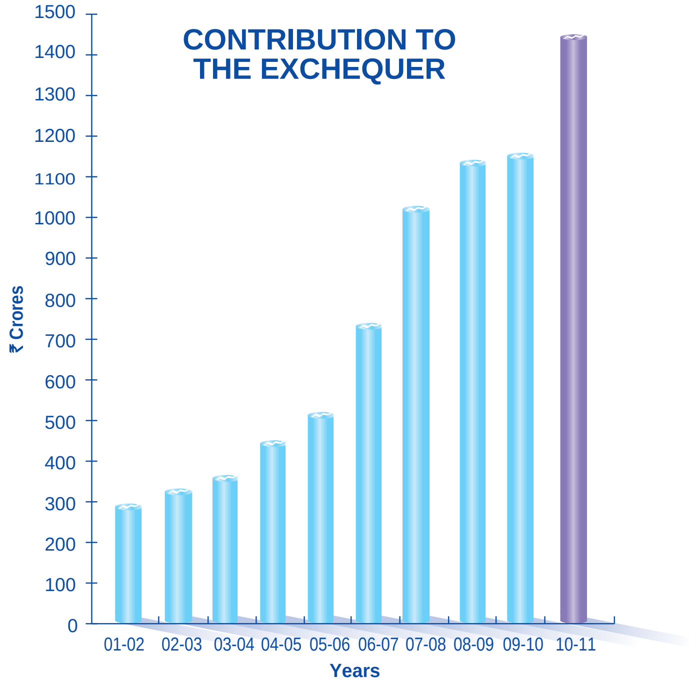
WORKING CAPITAL TO NET SALES

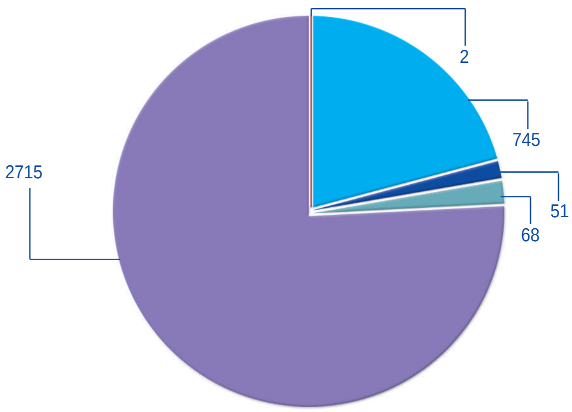


DEBT-EQUITY RATIO



CONTRIBUTION TO THE EXCHEQUER



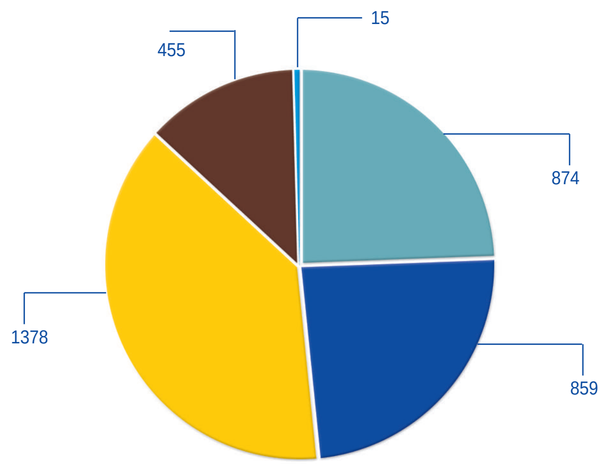


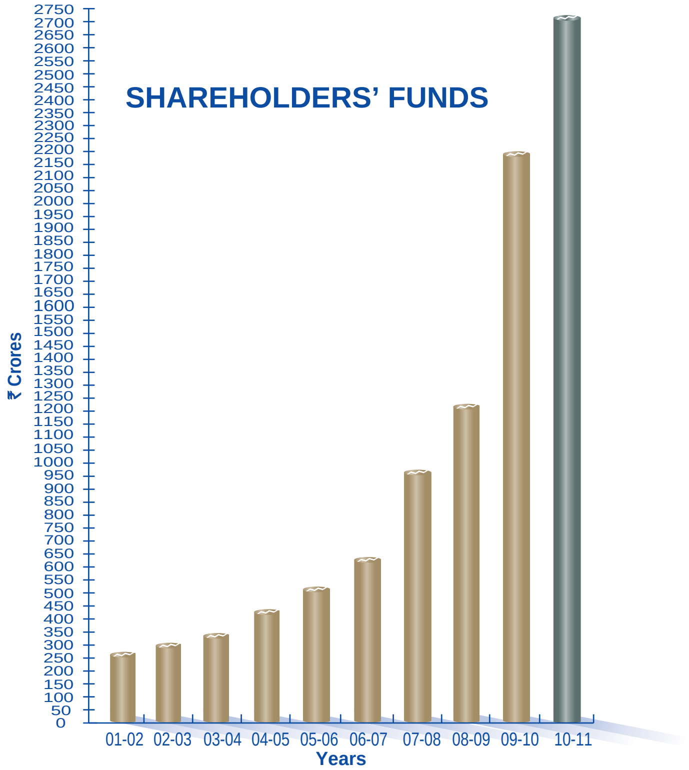
SOURCES OF FUNDS

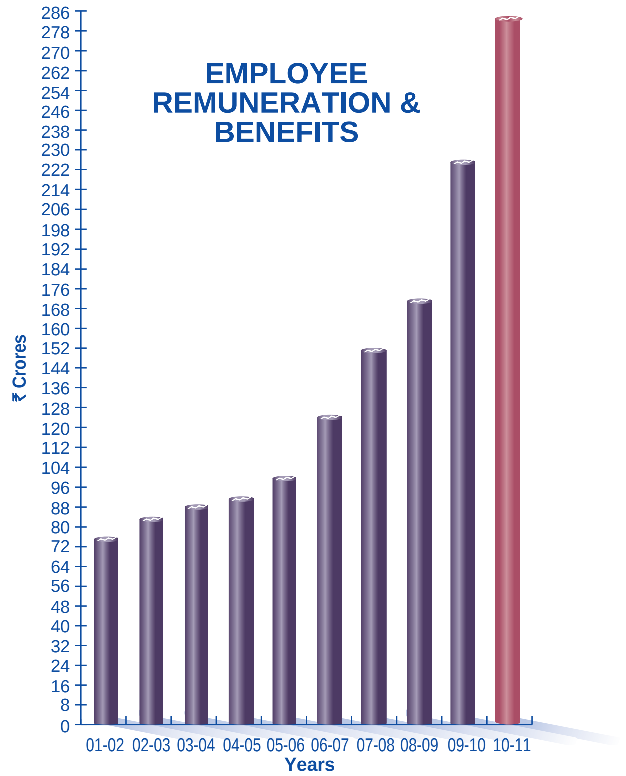
	(₹ Crores)
Money borrowed from Banks and Others	2
Payable for Goods supplied & services rendered	745
Proposed Dividend	51
Deferred Tax Liability	68
Shareholders' Funds	2715
	3,581

APPLICATION OF FUNDS

	(₹ Crores)
Fixed Assets	874
Inventories	859
Investments	1378
Customers and Others	455
Cash & Bank Balances	15
	3,581







THE DECADE IN RETROSPECT

(₹ Crores)

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Sales (Gross)	5558	4542	4233	3606	2383	1761	1483	1220	1095	985
Operating Profit	983	902	551	476	317	229	182	182	162	132
Gross Profit	977	892	503	439	289	207	168	165	127	86
Taxation	274	274	151	124	80	51	37	37	29	11
Net Profit	666	537	284	250	155	101	77	73	52	31
Cash Profit	750	618	352	315	209	156	131	127	98	75
Annualised Earning per Share (₹)	7.84	6.69	3.55	3.30	+2.07 #	13.43 #	10.30 #	10.23 #	14.70	8.79
Dividend	140	95	56	37	31	26	21	32	16	13
Balance Sheet										
Net Fixed Assets*	874	685	653	565	455	408	428	416	415	423
Investments	1378	1335	668	518	378	279	112	20	19	19
Current Assets	1329	912	742	877	572	440	458	366	349	353
Total Assets	3581	2932	2063	1960	1405	1127	998	802	783	795
Loans	2	90	317	350	325	290	290	199	282	343
Current Liabilities	796	593	487	572	407	282	220	210	143	127
Sub Total	798	683	804	922	732	572	510	409	425	470
Deferred Tax Liability	68	59	41	48	45	51	59	58	62	62
Net Worth*	2715	2190	1218	990	628	504	429	335	296	263
Total Liabilities	3581	2932	2063	1960	1405	1127	998	802	783	795
Book Value Per Share (₹)**	31.94	25.76	15.22	12.37	8.37	6.72	5.72	4.70	8.32 ***	7.36 ***
Return on Networth (%)	30.4	44.1	28.7	39.9	30.8	23.5	23.1	24.6	19.9	10.3

* Net of Revaluation Reserve
** At same par value of share
*** Before Bonus-Issue at 1:1 in 2003-2004
# Post Bonus Issue
\+ Post Sub-division of shares

SUBSIDIARIES/ASSOCIATES

EQUITY HISTORY

YEAR	EQUITY SHARES		PARTICULARS	CUMULATIVE SHARE CAPITAL (₹ in Crores)
	NUMBER	FACE VALUE PER SHARE		
1960	11,80,000	₹ 10	Public Issue	1.18
1965	2,36,000	₹ 10	Bonus Issue	1.42
1967	3,54,000	₹ 10	Bonus Issue	1.77
1968	3,54,000	₹ 10	Bonus Issue	2.12
1974	18,88,000	₹ 10	Bonus Issue	4.01
1977	15,04,500	₹ 10	Bonus Issue	5.52
1978	9,38,100	₹ 10	Rights Issue	6.46
1980	16,13,650	₹ 10	Bonus Issue	8.07
1983	48,40,950	₹ 10	Bonus Issue	12.91
1987	77,45,520	₹ 10	Bonus Issue	20.66
1996	41,30,944	₹ 10	Rights Issue	24.79
1997	40,48,152	₹ 10	Conversion of Equity Warrants	28.83
1998	71,67,454	₹ 10	Rights Issue	36.00
2001-02	3,23,209	₹ 10	Buy Back	35.68
2002-03	67,723	₹ 10	Buy Back	35.61
2003-04	3,56,10,338	₹ 10	Bonus Issue	71.22
2004-05	37,79,324	₹ 10	Preferential Issue	75.00
2006-07	75,00,00,000	₹ 1	Sub-division	75.00
2007-08	5,00,00,000	₹ 1	Rights Issue	80.00
2009-10	5,00,00,000	₹ 1	Qualified Institutions Placement Issue	85.00

Dividend:
The Board has recommended a final dividend of ₹ 0.60 per share (60%) subject to approval of the shareholders at the ensuing Annual General Meeting. Together with interim dividend of ₹ 0.90 per share (90%) paid on 2nd November, 2010 the total dividend for the year works out to ₹ 1.50 per share (150%) [previous year 100%].

REPORT ON CORPORATE GOVERNANCE

Governance Philosophy

The Corporate Governance philosophy of the Company remains substantially unchanged, the salient features of which are as under:

Exide views Corporate Governance as a systemic process by which companies are directed and controlled to maximise their capacity to generate wealth. As large corporates use vast quantum of societal resources, Exide believes that the governance process should ensure that these companies are managed in a manner that meets both stakeholders' aspirations and societal expectations.

Exide's Corporate Governance initiative is based on two core principles:

i. Management must have the executive freedom to drive the organization forward without undue restraints; and

ii. This freedom of management, however, should be exercised within a framework of effective accountability and transparency.

Exide believes that any meaningful policy on Corporate Governance must provide empowerment to the executive management of the Company and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management are used with care and responsibility.

Exide's governance philosophy embraces the tenets of trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. Exide believes that the practice of each of these tenets would lead to the creation of the right corporate culture in which the Company is managed in a manner that fulfils the purpose of Corporate Governance.

Trusteeship recognises that large corporations have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholder value as well as fulfill obligations to other stakeholders.

Transparency requires that the Company makes appropriate disclosures where necessary and explains the basis of its policies and actions to all those who are affected by them.

Empowerment is a process used to unleash creativity and innovation throughout the organisation by decentralising and delegating the decision making powers at the most appropriate levels.

Control ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely response to change and ensure effective management of risks.

Exide's Corporate Governance processes continuously reinforce and help actualize the Company's belief in ethical corporate citizenship and is manifest through exemplary standards of ethical behaviour, both within the organisation as well as in external relationships.

THE GOVERNANCE STRUCTURE

The practice of Corporate Governance in Exide is at three interlinked levels:

i. Strategic supervision - by the Board of Directors

ii. Strategic management - by the Executive Committee

iii. Executive management - by the Divisional Head of the business

This three-tier structure ensures that strategic supervision on behalf of the shareholders, being free from the task of strategic management, can be conducted by the Board with objectivity thereby sharpening accountability of the management. Further, strategic management, being free from the task of day-to-day executive management, remains focused and energized. The structure also ensures that executive management of the divisions, being free from the collective strategic responsibilities for Exide as a whole, is focused on enhancing the quality, efficiency and effectiveness of each business.

The core roles of the key entities flow from the structure. The core roles, in turn, determine the core responsibilities of each entity. In order to discharge such responsibilities each entity is empowered formally with requisite powers.

The structure, processes and practice of governance enables focus on the Corporate purpose while simultaneously facilitating effective management of the diverse businesses within the portfolio.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders.

Composition

As on the date of this Report the Board of Directors of the Company consists of four Executive Directors and nine Non-Executive Directors including a Non-Executive Chairman. There is also one Alternate Director who is a Non-Executive Director. The Non-Executive Directors are eminent professionals with experience in business, finance, law and corporate management.

The composition of the Board of Directors as on 27th April, 2011 is as follows:

Name of Director	Category of Directors	No of other Directorships held (*)	Committee Memberships held in other companies (**)	
			as Member	as Chairman
Mr R G Kapadia	Independent Non-Executive Chairman	7	3	5
Mr R B Raheja	Non-Executive Vice Chairman	7	4	Nil
Mr T V Ramanathan	Executive Director	3	Nil	Nil
Mr G Chatterjee	Executive Director	4	Nil	Nil
Mr P K Kataky	Executive Director	3	Nil	Nil
Mr A K Mukherjee	Executive Director	3	Nil	Nil
Mr H M Kothari	Independent Non-Executive Director	4	Nil	Nil
Mr Bhaskar Mitter	Independent Non-Executive Director	3	5	1
Mr S N Mookherjee	Independent Non-Executive Director	Nil	Nil	Nil
Mr Vijay Aggarwal	Independent Non-Executive Director	4	1	3
Mr S B Raheja	Non-Executive Director	3	1	Nil
Mr D S Parekh (Alternate to Mr S B Raheja)	Independent Non-Executive Director	13	2	5
Mr W Wong	Non-Executive Director	Nil	Nil	Nil
Ms Mona N Desai	Independent Non-Executive Director	4	Nil	Nil

* Excludes Directorships in Indian Private Limited Companies, Foreign Companies, Companies u/s 25 of the Companies Act, 1956 and memberships of Managing Committees of various Chambers/bodies and Alternate Directorships.

** Committees include only Audit Committee and Shareholder's Grievance Committee.

Mr R B Raheja & Mr S B Raheja are related.

Appointment/Re-appointment of Directors

At the Meeting of the Board of Directors held on 27th April, 2011, Mr Nadeem Kazim has been appointed as an Additional Director, designated Director – HR & Personnel, with effect from 1st May, 2011. A Notice has been received from a Member under Section 257 of the Companies Act, 1956 proposing the appointment of Mr Nadeem Kazim as a Director at the ensuing Annual General Meeting.

The following Directors retire by rotation in accordance with the provisions of the Companies Act, 1956 and, being eligible, have offered themselves for re-appointment at the ensuing Annual General Meeting:

1. Mr R B Raheja
2. Mr Winston Wong

A brief Resume of the above named Directors along with the particulars of Directorships held by them has been appended to the Notice for the Annual General Meeting which is being circulated to the members alongwith this Report.

Mr Nadeem Kazim, Mr R B Raheja and Mr Winston Wong do not hold any equity shares in the Company.

Meetings and Attendance

During the financial year ended 31st March, 2011 five Board Meetings were held on 28th April, 2010, 13th July, 2010, 16th September, 2010, 12th October, 2010, and 18th January, 2011 respectively. The previous Annual General Meeting was held on 14th July, 2010.

Directors attendance at Board Meetings and at Annual General Meeting (AGM):

Name of Director	No of Board Meetings Attended	Attendance at last AGM
Mr R G Kapadia	3	Yes
Mr R B Raheja	1	–
Mr T V Ramanathan	5	Yes
Mr G Chatterjee	5	Yes
Dr S K Mittal*	1	–
Mr P K Kataky	5	Yes
Mr A K Mukherjee	5	Yes
Mr H M Kothari	2	–
Mr Bhaskar Mitter	3	Yes
Mr S N Mookherjee	Nil	–
Mr A H Parpia**	1	–
Mr S B Raheja	Nil	–
Mr Vijay Aggarwal	1	–
Mr D S Parekh (Alternate to Mr S B Raheja)	2	–
Mr W Wong	Nil	–
Ms Mona N Desai	1	–

* Dr S K Mittal ceased to be a member of the Board of Directors of the Company consequent upon retiring from the services of the Company on 30th April, 2010.

** Mr A H Parpia resigned from the Board of Directors of the Company on 28th April, 2010.

Code of Conduct for Directors and Senior Management

The Board had approved of the Code of Conduct as applicable to the Directors and the members of the Senior Management on 21st October, 2005. All Directors and members of the Senior Management have adhered to the Code of Conduct of the Company during the year and have signed declarations of compliance with the same. The Annual Report of the Company contains a declaration to this effect from the Managing Director & CEO. The Code of Conduct has also been posted on the website of the Company.

COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee of the Company, inter alia, provides assurance to the Board on the adequacy of the internal control systems, financial disclosures and ensures that generally accepted accounting principles are observed by the Company. It also provides guidance and liaise with the Internal Auditors as well as the Statutory Auditors of the Company.

The terms of reference of the Audit Committee are in conformity with the revised requirements of Clause 49 of the Listing Agreement read in conjunction with Section 292A of the Companies Act, 1956.

Composition

The Audit Committee presently comprises of five independent Non-Executive Directors. Mr R G Kapadia, Chairman of the Committee is an independent Non-Executive Director and a Chartered Accountant acknowledged as a financial expert in his own right. Mr Bhaskar Mitter, Mr S N Mookherjee, Mr Vijay Aggarwal and Ms Mona N Desai are also members of the Audit Committee. All the members are well versed in corporate finance and related areas. The Managing Director & CEO, Director-Finance & CFO and Chief- Internal Audit are permanent invitees to the audit committee meetings. Mr S Coomer, Company Secretary and Vice President- Legal & Administration is the Secretary of the Committee.

Attendance

During the financial year ended 31st March, 2011 four meetings of the Audit Committee were held on 28th April, 2010, 13th July, 2010, 12th October, 2010 and 18th January, 2011 respectively.

Name of Director	Number of meetings attended
Mr R G Kapadia	4
Mr Bhaskar Mitter	2
Mr Vijay Aggarwal	2
Mr S N Mookherjee	Nil
Mr Mona N Desai*	–

* Ms Mona N Desai was appointed a member of the Audit Committee of Directors on 27th April, 2011.

The representatives of the Statutory Auditors attended three out of four Audit Committee Meetings held during the year.

B. REMUNERATION COMMITTEE

The Remuneration Committee of Directors recommends to the Board the compensation terms of Executive Directors and Executive Committee members. Mr Bhaskar Mitter, Chairman of the Committee is an Independent Non-Executive Director. The names of the other members of the Committee are Mr R G Kapadia, Mr T V Ramanathan, Mr S N Mookherjee, Mr Vijay Aggarwal and Ms Mona N Desai.

Attendance

During the financial year ended 31st March, 2011, one meeting of the Remuneration Committee was held on 28th April, 2010.

Name of Director	Number of Meetings attended
Mr Bhaskar Mitter	1
Mr R G Kapadia	1
Mr T V Ramanathan	1
Mr S N Mookherjee	1
Mr Vijay Aggarwal	1
Ms Mona N Desai*	–

* Ms Mona N Desai was appointed a member of the Remuneration Committee of Directors on 27th April, 2011.

Remuneration of Non-Executive Directors

The Non-Executive Directors do not receive any remuneration from the Company, apart from the sitting fees.

Remuneration of Executive Directors

All the Executive Directors of the Company have been appointed on contractual basis based on the approval of the shareholders for periods ranging from 2 to 5 years. The details of remuneration paid to Executive Directors for the year ended 31st March, 2011 are given herein below:

Name of Director	Salary & Performance Bonus (₹ in crores)	Contributions to retiral funds (₹ in crores)	Perquisites & Other benefits (₹ in crores)	Commission (₹ in crores)	Total (₹ in crores)
Mr T V Ramanathan	1.07	0.23	0.11	0.17	1.58
Mr G Chatterjee	0.92	0.19	0.17	–	1.28
Mr P K Kataky	0.92	0.21	0.13	0.14	1.40
Mr A K Mukherjee	0.48	0.11	0.10	0.07	0.76
Dr S K Mittal*	0.03	0.01	0.01	–	0.05

* Retired from services of the Company on 30th April, 2010.

Shareholding of Non Executive Directors

Name of Director	No of shares held as on 31st March, 2011
Mr D S Parekh	22,805
Mr H M Kothari	2,14,491
Ms Mona N Desai	78,666

C. SHAREHOLDERS' GRIEVANCE REDRESSAL COMMITTEE

The Shareholders' Grievance Redressal Committee comprises of three Directors. Mr Bhaskar Mitter, a Non-Executive Independent Director, is the Chairman of the Committee. Mr T V Ramanathan and Mr G Chatterjee are also members of the Committee. The Committee looks into redressal of investor complaints relating to transfer of shares, non-receipt of dividend, non-receipt of annual reports etc. Mr S Coomer, Company Secretary and Vice President- Legal & Administration acts as the Secretary to the Committee and is assigned with the responsibility of overseeing investor grievances.

Attendance

During the financial year 2010-2011, one meeting of the Shareholders' Grievance Redressal Committee was held on 2nd December, 2010.

Name of Director	Number of meetings attended
Mr Bhaskar Mitter	1
Mr T V Ramanathan	1
Mr G Chatterjee	1

Details of complaints at the beginning of the year, received and resolved during the year and pending share transfers as on 31st March, 2011:

Number of complaints at the beginning of the year	Nil
Number of complaints received	32
Number of complaints redressed	32
Number of complaints not resolved	Nil
Number of pending share transfers	18

D. SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of four Executive Directors, viz. Mr T V Ramanathan, Mr G Chatterjee, Mr P K Kataky and Mr A K Mukherjee. The Committee approves the transfer/transmission of shares, sub-division or consolidation of shares and issue of new/duplicate share certificates, etc.

Attendance

During the financial year ended 31st March, 2011 thirteen meetings of the Share Transfer Committee were held on 9th April, 2010, 5th May, 2010, 7th June, 2010, 8th July, 2010, 9th August, 2010, 9th September, 2010, 6th October, 2010, 22nd October, 2010, 17th November, 2010, 10th December, 2010, 10th January, 2011, 10th February, 2011 and 10th March, 2011 respectively.

Name of Director	Number of meetings attended
Mr T V Ramanathan	12
Mr G Chatterjee	10
Mr P K Kataky	5
Mr A K Mukherjee	12

E. BANKING OPERATIONS COMMITTEE

The Banking Operations Committee has been constituted to approve opening and closing of bank accounts, change in bank signatories and other routine banking operations. The Committee comprises of four Executive Directors, viz. Mr T V Ramanathan, Mr G Chatterjee, Mr P K Kataky and Mr A K Mukherjee.

Attendance

During the financial year ended 31st March, 2011 three meetings of the Committee were held on 7th June, 2010, 12th August, 2010 and 10th March, 2011 respectively.

Name of Director	Number of meetings attended
Mr T V Ramanathan	3
Mr G Chatterjee	3
Mr P K Kataky	1
Mr A K Mukherjee	3

F. EXECUTIVE COMMITTEE

The Executive Committee comprises of the Executive Directors and Key Management Personnel. The Committee focuses on the strategic management issues of the Company subject to the overall supervision of the Board of Directors.

During the financial year ended 31st March, 2011 nine meetings of the Executive Committee were held on 30th April, 2010, 26th May, 2010, 29th June, 2010, 9th August, 2010, 10th September, 2010, 10th November, 2010, 10th December, 2010, 19th January, 2011 and 11th March, 2011 respectively.

The names of members of the Executive Committee as on 31st March, 2011 and the number of meetings attended by them during 2010-2011 are as follows:

Name	Number of meetings attended
Mr T V Ramanathan	9
Mr G Chatterjee	9
Mr P K Kataky	9
Mr A K Mukherjee	8
Mr Nadeem Kazim	9
Mr S Coomer	8

GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
61st	31.03.2008	Kalamandir 48 Shakespeare Sarani Kolkata - 700 017	25.07.2008	10.30 AM
62nd	31.03.2009	Do	17.07.2009	10.30 AM
63rd	31.03.2010	Do	14.07.2010	10.30 AM

SPECIAL RESOLUTION

The details of Special resolutions passed by the Company at the last three Annual General Meetings (AGM) are given herein below:

Date of AGM	Subject matter of the resolution	Triggering Section of the Companies Act, 1956
25th July 2008	Re-appointment of Messrs S R Batliboi & Co., Statutory Auditors	Section 224A
17th July 2009	No Special Resolution	–
14th July 2010	No Special Resolution	–

POSTAL BALLOT

No resolution by means of Postal Ballot was passed during the year ended 31st March, 2011.

DISCLOSURES

a. **Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large**

Details of transactions of a material nature with any of the related parties as specified in Accounting Standard 18 issued by the Institute of Chartered Accountants of India have been reported in the Notes to the Accounts. There is no transaction of a material nature with any of the related parties which is in conflict with the interests of the Company.

b. **Details of non-compliance by the Company, penalties imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.**

There was no such instance of non-compliance during the last three years.

c. **All mandatory requirements have been appropriately complied with and the non-mandatory requirements are dealt with at the end of the report.**

MEANS OF COMMUNICATION

A. Quarterly results and Audited Financial Results are generally published in following Newspapers:

The Economic Times

The Telegraph

Ananda Bazar Patrika

The Hindu Business Line

The Times of India

B. The Company's website at www.exideindustries.com is regularly updated with the financial results.

C. Whether MD & A is a part of Annual Report : Yes

D. Whether Official news Releases and Presentations made to Institutional Investors/Analysts are posted on the web-site of the Company : Yes

GENERAL SHAREHOLDER INFORMATION

1. The 64th Annual General Meeting is proposed to be held on Thursday, 21st July, 2011 at 9:30 a.m. at 'Kala Mandir' 48, Shakespeare Sarani, Kolkata - 700017.
2. Financial Year: 1st April to 31st March.
3. The Company has furnished information, as required by Clause 49(VI)(G) of the Listing Agreement of the Stock Exchanges, relating to appointment and re-appointment of retiring directors. Shareholders may kindly refer to the Notice convening the 64th Annual General Meeting of the Company. The name of other companies in which the retiring directors holds directorship and the membership of Committees of the Board in other Companies are also given in the annexure to the Notice convening the 64th Annual General Meeting.

1. Tentative Financial Calendar for 2011-12

First Quarterly Results	July, 2011
Second Quarterly/Half Yearly Results	October, 2011
Third Quarterly Results	January, 2012
Annual Results for the year ending on 31st March, 2012	April, 2012
Annual General Meeting for the year ending on 31st March, 2012	July, 2012

2. Dates of Book Closure

The Share Transfer Books and Register of Members of the Company will remain closed from 16th July, 2011 to 21st July, 2011 (both days inclusive).

3. Dividend Payment Date

During the financial year 2010-2011, the Company paid an interim dividend @ ₹ 0.90 per equity share of ₹ 1 each, to its shareholders.

The Final Dividend @ ₹ 0.60 per equity share of ₹ 1 each for the year ended 31st March, 2011 as recommended by the Board at its meeting held on 27th April, 2011 if approved by the shareholders at the Annual General Meeting to be held on Thursday, 21st July, 2011 will be paid within 30 days from the date of the Annual General Meeting.

4. Listing of Equity Shares on Stock Exchanges and Stock Code/Symbol

The Equity Shares of the Company are presently listed on the following Stock Exchanges:

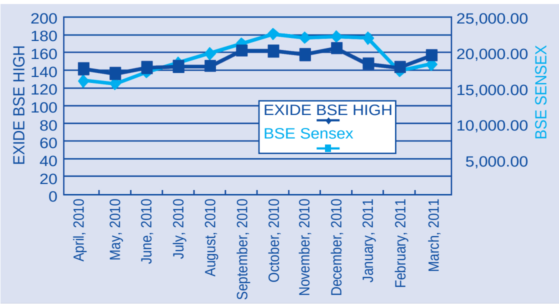
Name of the Stock Exchange	Stock Code	Symbol
The Calcutta Stock Exchange Limited	15060 & 10015060	–
Bombay Stock Exchange Limited	500086	–
National Stock Exchange of India Limited	–	EXIDEIND

5. Stock Market price date for the year on BSE, NSE & CSE

Month	BSE (#)		NSE (#)		CSE*	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2010	126.85	115.50	126.85	115.40	*	*
May 2010	124.40	109.05	124.50	108.60	*	*
June 2010	136.95	117.35	137.00	117.35	*	*
July 2010	146.80	124.25	147.25	124.50	*	*
August 2010	157.35	137.40	157.90	137.85	*	*
September 2010	169.00	145.40	168.80	145.30	*	*
October 2010	179.80	151.80	179.95	151.10	*	*
November 2010	175.00	151.95	174.90	135.90	*	*
December 2010	176.30	159.05	176.40	158.60	*	*
January 2011	174.75	112.00	174.75	109.60	*	*
February 2011	138.20	115.20	138.20	114.55	*	*
March 2011	145.40	131.25	145.45	129.30	*	*

(#) Source BSE and NSE web-site
* No trading on the exchange

6. Share Price Index



7. Registrar & Share Transfer Agent

The Company has engaged the services of C B Management Services (P) Ltd, P-22 Bondel Road, Kolkata-700 019, a SEBI registered Category I Registrar and Share Transfer Agent, for processing transfers, sub-division, consolidation, etc. Since trading in Company's shares can now be done only in the dematerialized form request for demat and remat should be sent directly to the Registrar. The Company has made arrangements for dematerialization of its share currently held in physical form with National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL).

8. Share Transfer System

As already stated, the Company's shares are traded on the Stock Exchanges compulsorily in demat mode. Therefore, shareholders are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the Share Certificates beyond 15 days from the date of generation of the DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 30 days. Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and Share Certificates to the Share Transfer Agent after generating the DRN.

9. Nomination Facility

The Companies (Amendment) Act, 1999 has introduced the facility of nomination to share/debenture/deposit holders. This facility is mainly useful for all holders holding the shares/debentures/deposits in single name. In cases where the securities/ deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors are advised to avail of this facility, especially those holding securities in single name, to avoid the process of transmission by law.

Investors holding shares in physical form may obtain nomination form from the Registrar and Share Transfer Agent of the Company. However, if the shares are held in dematerialized form the nomination has to be intimated to your depository participants directly, as per the format prescribed by them.

10. Share Transfer Record

Month	No. of transfers	No. of shares processed
April 2010	5	13761
May 2010	17	25696
June 2010	13	12458
July 2010	22	39690
August 2010	10	22310
September 2010	4	6740
October 2010	31	48069
November 2010	7	14763
December 2010	9	10089
January 2011	10	22850
February 2011	10	21811
March 2011	3	4641

11. Distribution of Shareholding as on 31.03.2011

Range		No. of shares of face value of ₹ 1.00 each	% of total shares	Total no. of holders	% of total holders
From	To				
1	5000	32188101	3.79	65127	93.54
5001	10000	16375875	1.93	2317	3.33
10001	20000	15276452	1.80	1100	1.58
20001	30000	8854566	1.04	364	0.52
30001	40000	5910041	0.69	170	0.25
40001	50000	4074069	0.48	91	0.13
50001	100000	12148046	1.43	172	0.25
100001	& above	755172850	88.84	281	0.40
	TOTAL	**850000000**	**100.00**	**69622**	**100.00**

12. Shareholding Pattern of the Company as on 31.03.2011

Category	No. of Shares	% of total issued share
Promoter Holding	390954666	45.99
Foreign Institutional Investors	128654433	15.14
Non Resident Individual	4263140	0.50
Mutual Funds	47131724	5.54
Financial Institutions, Insurance Companies & Banks	89139674	10.49
Public	96660394	11.37
Bodies Corporate	92370742	10.87
Directors & their relatives	825227	0.10
TOTAL	**850000000**	**100.00**

13. Dematerialisation of Shares

As on 31 March, 2011, 43,68,12,104 shares representing 51.39% of the Company's total shares are held in dematerialized form and 41,31,87,896 shares representing 48.61% of the Company's total shares are held in physical form respectively.

14. Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments.

15. Plant Locations

Location	Address
West Bengal	91 New Chord Road, Athpur, Shamnagar, 24 Parganas (N) - 743 128
West Bengal	Durgachak, Haldia, Dist Midnapore, West Bengal - 721 602
Haryana	Plot No. 179, Sector 3, HSIDC Growth Centre, Bawal - 123 501
Maharashtra	D2, MIDC Industrial Estate, Chinchwad East, Pune - 411 019
Maharashtra	Plot No. T-17 MIDC Taloja Industrial Area, Taloja - 410 208
Maharashtra	E-5, MIDC, Nagapur Taluka, Ahmednagar - 414 111
Tamil Nadu	Chichurakanapalli, Sevaganapalli Panchayat, Hosur Taluk, Dist Krishnagiri - 635 103

16. Address for Correspondence

The Company's registered office is situated at Exide House, 59E, Chowringhee Road, Kolkata - 700 020.

Shareholders correspondence should be addressed to any of the following:

(a) Share Department, Exide Industries Ltd.
Exide House, 59E Chowringhee Road,
Kolkata – 700 020

Contact Person:
Mr Supriya Coomer,
Company Secretary and Compliance Officer.
Tel Nos. : [033] 2283 2120/2150/2180
Fax No. : [033] 2283 2637
email : supriyac@exide.co.in

(b) C B Management Services (P) Ltd,
P- 22 Bondel Road, Kolkata – 700 019

Contact Person:
Mr Sankar Ghosh, Vice President
Tel No. : [033] 4011 6700/6725
Fax No. : [033] 2287 0263
email : rta@cbmsl.com

(c) For investor grievances shareholders may send an email to *cosec@exide.co.in*

Status as regards adoption/non adoption of non-mandatory requirements laid down in revised Clause 49 of the Listing Agreement and forming part of the Report on Corporate Governance

Particulars	Status
The Board	
a) Non-Executive Chairman may maintain a Chairman's office at the expense of the Company.	Not Adopted
b) Independent Directors may have a tenure not exceeding in the aggregate, a period of nine years, on the Board of the Company.	Not Adopted
Remuneration Committee	
i) The above Committee has been constituted as per the provisions contained in Schedule XIII of the Companies Act, 1956.	Adopted
ii) The Chairman of the Committee is an Independent Director.	Adopted
iii) The Chairman of the Committee was present at the last Annual General Meeting of the Members.	Adopted
Shareholders Rights A half-yearly declaration of financial performance including summary of the significant events in the last six months may be sent to each household of shareholders.	Adopted. However, not sent during 2010-2011 as part of austerity measures.
Audit Certifications Company may move towards a regime of unqualified financial statements.	Adopted even before Clause 49 became effective.
Training of Board members Board members may be trained in the business model of the Company as well as on the risk profile of the business parameters of the company, their responsibilities as Directors and the best ways of discharging them.	All members of the Board are experts in their respective fields and well aware of the business model of the Company as well as its risk profile.
Evaluation of Non-Executive Board Members Mechanism for evaluating performance of non-executive directors by peer group consisting of entire board excluding the director being evaluated.	Not adopted
Whistle Blower Policy The Company may establish a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.	Not adopted

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges on Code of Corporate Governance, Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance by the Company is annexed.

AUDITORS' CERTIFICATE

To
The Members of Exide Industries Limited

We have examined the compliance of conditions of corporate governance by Exide Industries Limited, for the year ended on 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S. R. Batliboi & Co.
Firm registration number: 301003E
Chartered Accountants

per Sanjoy K. Gupta
Partner
Membership No.: 54968

Place : Mumbai
Date : 27 April 2011

CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors
Exide Industries Limited
Exide House
59E Chowringhee Road
Kolkata- 700 020

We, T V Ramanathan, Managing Director & CEO and A K Mukherjee, Director-Finance & CFO of Exide Industries Limited certify to the Board in terms of the requirement of Clause 49 V of the Listing Agreement with the Stock Exchanges, that we have reviewed the financial statement and cash flow statement of the Company for the financial year ended 31st March, 2011.

1. To the best of our knowledge, we certify that:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations; and
   c) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct;
2. For the purposes of financial reporting, we accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, and further state that there were no deficiencies in the design or operation of such internal controls.
3. We do further certify that there has been:
   a) no significant changes in internal controls during the year;
   b) no significant changes in accounting policies during the year; and
   c) no instances of fraud, of which we are aware during the period.

Place : Mumbai	T V Ramanathan	A K Mukherjee
Date : 27.04.2011	Managing Director & CEO	Director-Finance & CFO

ANNUAL DECLARATION UNDER CLAUSE 49(I)(D) OF LISTING AGREEMENT WITH STOCK EXCHANGES

DECLARATION

As required under Clause 49(I)(D) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Board members and senior management personnel of the Company have complied with the Code of Conduct of the company for the year ended 31st March, 2011.

Place : Mumbai	T V Ramanathan
Date : 27.04.2011	Managing Director & CEO

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, 2011 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 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 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, 2011;

   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 Sanjoy K. Gupta
Partner
Membership No.: 54968

Place : Mumbai
Date : 27 April, 2011

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. 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 in earlier year had granted unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 0.07 crores and the year-end balance of such loan 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.

(c) In respect of above loan granted, the recovery of principal amount has not fallen due but the recovery of interest has been regular during the year.

(d) There is no overdue amount of loan granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(e) 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 and hence the requirements of sub clause (f) and (g) of clause 4(iii) of the order are not applicable.

(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. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

(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 the 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) The Company has not accepted any deposit from the public.

(vii) In our opinion, the Company has an internal audit system, which 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) The Company is regular in depositing with appropriate authorities 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 applicable to it.

The Central Government has till date neither notified the effective date nor prescribed the amount of cess payable under section 441 A of the Companies Act, 1956. Hence, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(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 material 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, customs 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 Year 2001-02	Income Tax Appellate Tribunal
	– Do –	26.53	Assessment Years 2005-2006 to 2007-08	CIT, Appeals
The Central Excise and Customs Act, 1944	Determination of Assessable Value/Denial of exemption notification/Availment of Cenvat Credit	5.06	1993-94 to 2009-10	Various appellate authorities.
Pimpri Municipal Corporation Act	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	1.85	2000-01 to 2008-09	Various appellate authorities.
Various States Sales Tax Act	Demands relating to non submission of Local forms /dispute related to classification of goods.	2.20	1996-97 to 2008-09	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 the 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 Sanjoy K. Gupta
Partner
Membership No.: 54968

Place : Mumbai
Date : 27 April, 2011

BALANCE SHEET

AS AT 31st MARCH 2011

	SCHEDULE	31.3.2011 Rs. in Crores	31.3.2011 Rs. in Crores	31.3.2010 Rs. in Crores	31.3.2010 Rs. in Crores
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	85.00		85.00	
Reserves & Surplus	2	2,657.45		2,134.77	
			2,742.45		2,219.77
Loan Funds	3				
Secured		0.06		0.17	
Unsecured		2.09		89.82	
			2.15		89.99
Deferred Tax Liabilities (net)	4		67.50		59.00
			2,812.10		2.368.76
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		1,561.15		1,336.46	
Less: Accumulated Depreciation/ Amortisation		725.31		659.78	
Net Block		835.84		676.68	
Add: Capital Work-in-Progress including Capital Advances		65.97		37.76	
			901.81		714.44
Investments	6		1,377.97		1,335.37
Current Assets, Loans & Advances					
Inventories	7	858.95		606.77	
Sundry Debtors	8	366.53		254.58	
Cash and Bank Balances	9	14.78		2.88	
Loans & Advances	10	88.48		47.59	
		1,328.74		911.82	
Less:					
Current Liabilities & Provisions					
Current Liabilities	11	660.26		494.33	
Provisions	12	136.16		98.54	
		796.42		592.87	
Net Current Assets			532.32		318.95
			2,812.10		2,368.76
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 Sanjoy K. Gupta
Partner
Membership Number: 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

For and on behalf of the Board of Directors

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

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2011

	SCHEDULE	2010-2011		2009-2010	
		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
INCOME					
Gross Sales	13	5,558.11		4,541.74	
Less:Excise Duty (refer note no III 'b' on schedule 24)		492.97		328.27	
: Sales Tax, Value Added Tax & Octroi		511.54		419.47	
Net Sales			4,553.60		3,794.00
Other Income	14		103.84		12.11
			4,657.44		3,806.11
EXPENDITURE					
(Increase)/Decrease in Stocks	15		(200.87)		(49.27)
Materials Consumed	16		2,946.90		2,201.57
Purchase of Trading Goods			61.50		6.04
Personnel Costs	17		282.85		236.13
Expenses	18		584.45		510.11
Interest and Finance Costs	19		5.73		10.29
Depreciation/Amortisation	20		83.45		80.65
			3,764.01		2,995.52
BALANCE			893.43		810.59
Exceptional Items (refer note no III 'v' on schedule 24)			46.93		–
PROFIT BEFORE TAX			940.36		810.59
Taxation (net)	21		274.00		273.50
PROFIT AFTER TAX			666.36		537.09
Balance brought forward			516.44		324.59
PROFIT AVAILABLE FOR APPROPRIATION			1,182.80		861.68
APPROPRIATIONS					
General Reserve			75.00		250.00
Interim Dividend			76.50		48.00
Tax on Interim Dividend			12.58		8.16
Proposed Dividend			51.00		34.00
Tax on above Dividend			0.35		5.08
Surplus carried to Balance Sheet			967.37		516.44
			1,182.80		861.68
Earning per share - Basic & Diluted -(Nominal Value Per Share Re 1) (refer note no III 'm' on schedule 24)			Rs. 7.84		Rs. 6.69
Notes to Accounts	24				

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 Sanjoy K. Gupta
Partner
Membership Number: 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

For and on behalf of the Board of Directors

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH 2011

		2010-2011		2009-2010	
		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
(A)	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax		940.36		810.59
	Adjustment for :				
	Depreciation	83.45		80.65	
	Exceptional Item	(46.93)		–	
	Profit on Fixed Assets sold	(0.26)		(0.05)	
	Loss on Fixed Assets sold / discarded	0.46		0.40	
	Gain on Prepayment of Sales Tax Loan	(20.65)		–	
	Provision/(Recovery) for Diminution in Value in Investments	–		(0.01)	
	Provision /(Recovery) for Doubtful Loans and Advances	–		(0.03)	
	Dividend Income	(79.94)		(8.76)	
	Interest Expense	6.02		10.61	
	Interest Income	(0.29)		(0.32)	
			(58.14)		82.49
	Operating profit before working capital changes		882.22		893.08
	(Increase)/Decrease in Sundry Debtors (net of provision)	(112.09)		(23.74)	
	(Increase)/Decrease in Inventories	(252.18)		(168.30)	
	(Increase)/Decrease in Loans & Advances	(19.13)		8.31	
	Increase/(Decrease) in Current Liabilities	180.60	(202.80)	107.73	(76.00)
	Cash generation from operations		679.42		817.08
	Direct Taxes Paid (net of refund)		(281.63)		(293.24)
	Net Cash from operating activities		397.79		523.84
(B)	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(275.24)		(107.56)	
	Sale of Fixed Assets	59.25		0.27	
	Acquisition of Shares	(142.34)		(119.96)	
	Sale of Shares	–		0.70	
	Purchase of Mutual Fund units	(1,405.00)		(989.00)	
	Sale of Mutual Fund units	1,505.00		444.00	
	Interest Received	0.27		0.39	
	Dividend received	73.61		2.01	
	Net Cash used in investing activities		(184.45)		(769.15)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Repayment of Long Term Borrowings	(67.08)		(147.74)	
	Net increase/(decrease) in other borrowings	(0.11)		(79.45)	
	Issue of Shares (including Share Premium)	–		539.50	
	Share issue expenses	(0.19)		(9.59)	
	Dividends Paid (including tax)	(128.17)		(74.82)	
	Interest Paid	(5.89)		(13.42)	
	Net Cash used in financing activities		(201.44)		214.48
	Net Increase/(decrease) in cash and cash equivalents		11.90		(30.83)
	Cash and cash equivalents as at 1 April 2010 #		2.88		33.71
	Cash and cash equivalents as at 31 March 2011 #		14.78 *		2.88

as disclosed in Schedule 9

* Includes Rs. 2.70 crs (Rs. 2.06 crs) lying in Unclaimed Dividend Account, being the amount available for restricted use.

As per our report of even date.

For and on behalf of the Board of Directors

S. R. Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

per Sanjoy K. Gupta
Partner
Membership Number: 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

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

SCHEDULES FORMING PART OF THE ACCOUNTS

AS AT 31st MARCH 2011

	Par Value Rs.	31.3.2011 Rs. in Crores	31.3.2010 Rs. in Crores
1. SHARE CAPITAL			
Authorised			
1,000,000,000 Equity Shares	1	100.00	100.00
		100.00	100.00
Issued, Subscribed and paid up			
* 850,000,000 Equity Shares fully paid up	1	85.00	85.00

* 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	30.26		32.60	
Less: Adjustment towards assets sold/discarded	1.43		0.68	
Less: Transfer to Depreciation Account	1.63		1.66	
		27.20		30.26
Securities Premium Account				
Balance as per Last Account	738.07		213.16	
Add: Amount received on issue of shares	–		534.50	
Less: Share Issue Expenses adjusted	0.19		9.59	
		737.88		738.07
General Reserve				
Balance as per Last Account	850.00		600.00	
Add: Transfer from Profit & Loss Account	75.00		250.00	
		925.00		850.00
Profit & Loss Account Balance		967.37		516.44
		2,657.45		2,134.77

	31.3.2011 Rs. in Crores	31.3.2011 Rs.in Crores	31.3.2010 Rs.in Crores	31.3.2010 Rs.in Crores
3. LOAN FUNDS				
SECURED				
Overdraft from Scheduled banks (Secured by hypothecation of stocks & book debts, both present and future).		0.06		0.17
UNSECURED				
Sales Tax Loan from Small Industries Promotion Council of Tamilnadu (refer note no III 'w' on Schedule 24)	–		64.82	
Term Loan from Bank of America NA	2.09		25.00	
		2.09*		89.82
		2.15		89.99
* Includes repayable within one year Rs. 2.09 crs (Rs. 23.44 crs)				
4. DEFERRED TAX LIABILITY (NET)				
Balance as per Last Account		59.00		41.20
Add : Deferred Tax Liability for the year		8.50		17.80
		67.50		59.00
(Refer note no III 'j' on Schedule 24)				

5. FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET VALUE	
	Cost/Valuation as at 1.4.2010 Rs. in Crores	Additions Rs. in Crores	Deductions Rs. in Crores	Cost/Valuation as at 31.3.2011 Rs. in Crores	As at 1.4.2010 Rs. in Crores	Depreciation/ Amortisation Rs. in Crores.	Less: On Sales/ Adjustments Rs. in Crores	As at 31.3.2011 Rs. in Crores	As at 31.3.2011 Rs. in Crores	As at 31.3.2010 Rs. in Crores
Tangible Assets										
Land										
Freehold	36.49	1.56	11.98	26.07	–	–	–	–	26.07	36.49
Leasehold	17.87	–	–	17.87	2.57	0.22	–	2.79	15.08	15.30
Buildings	203.91	38.83	3.94	238.80 (c)	54.79	6.03	3.20	57.62	181.18	149.12
Plant & Machinery	931.13	194.02	9.18	1,115.97	510.06	66.80	8.34	568.52	547.45	421.07
Moulds	110.67	17.62	5.65	122.64	65.66	8.52	5.44	68.74	53.90	45.01
Furniture & Fittings	12.48	1.81	0.66	13.63	8.42	0.74	0.61	8.55	5.08	4.06
Motor Vehicles	2.79	0.48	0.62	2.65	1.72	0.31	0.52	1.51	1.14	1.07
Computers	20.12	3.15	1.48	21.79	15.56	2.35	1.44	16.47	5.32	4.56
Intangible Assets										
Goodwill	1.00 (a)	–	–	1.00	1.00	–	–	1.00	–	–
Softwares	–	0.73	–	0.73	–	0.11	–	0.11	0.62	–
Total	1,336.46	258.20	33.51	1,561.15	659.78	85.08	19.55	725.31	835.84	676.68
Previous year's Total	1,256.70	92.29	12.53	1,336.46	588.70	82.31	11.23	659.78		
Capital Work-in-progress (e)									65.97	37.76
									901.81	714.44

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. 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.

e. Includes assets in transit.

6. INVESTMENTS

	No.	Face Value per Share/Debenture	31.3.2011 Rs. in Crores	31.3.2010 Rs. in Crores
Long Term (at cost) (refer note no III 'f' on Schedule 24)				
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	46,80,000 (23,86,800)	Rs. 10	54.05	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 –				
ING VYSYA Life Insurance Company Limited	73,24,41,500 (61,37,41,500)	Rs. 10	744.43	625.73
Fearing Capital	30,000	Rs. 1000	3.00	–
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	26.22
Current - Quoted				
Units in Mutual Funds (Refer Note no III 't' on Schedule 24)			503.19*@	602.93
			1,377.97	1,335.37

Aggregate Value of Investments	31.3.2011 Cost	31.3.2011 Market Value	31.3.2010 Cost	31.3.2010 Market Value
Quoted	529.41	513.86	629.15	625.60
Unquoted	848.56		706.22	

Note: All the above investments, except those marked with an asterisk, are trade investments

@ Includes Rs. 65 crores, units where against were pending allotments as at Balance Sheet date – Since alloted.

^ Figures being less than Rs 50,000 in each case, has not been disclosed

7. INVENTORIES

	31.3.2011 Rs. in Crores	31.3.2011 Rs. in Crores	31.3.2010 Rs. in Crores	31.3.2010 Rs. in Crores
(At Lower of Cost or Net Realisable Value)				
Stores, Spare parts, Loose Tools etc.		18.26		13.52
Raw Materials and Components @		308.73		262.16
Work-in-Progress		269.39		152.02
Finished Goods @	221.11		153.93	
Add: Excise Duty	31.66		22.52	
		252.77		176.45
Trading Goods		9.80		2.62
		858.95		606.77

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

		31.3.2011 Rs. in Crores		31.3.2010 Rs. in Crores
8. SUNDRY DEBTORS				
(Unsecured, considered good)				
Debts over six months		6.03 *		4.37
Other Debts		360.50		250.21
		366.53 #		254.58
* Net of doubtful debts fully provided for		1.74		2.33
# (Refer Note no III 'h' on Schedule 24)				
9. CASH AND BANK BALANCES				
Cash and Cheques in hand (including Remittances in transit)		0.18		0.18
Balances with Scheduled banks on:				
Current Account	11.90		0.64	
Unclaimed Dividend Account	2.70		2.06	
		14.60		2.70
		14.78		2.88
10. LOANS AND ADVANCES				
(Unsecured, Considered good)				
Dividend Receivable				
– From Subsidiary Companies		10.82		4.75
Loans				
– To a Subsidiary Company	0.07		0.07	
– Others	0.01	0.08	0.01	0.08
Advances recoverable in cash or in kind or for value to be received or pending adjustments		27.49		15.96
Advance Tax, Refunds receivable and Tax deducted at source (net of provisions)		29.20		13.51
Balances with Customs, Sales Tax & Excise Authorities		7.24		2.27
Deposits – Others		13.65		11.02
		88.48*#		47.59
* Net of Provision for Doubtful Loans and Advances Rs nil (Rs. 1.08 crs)				
# (Refer Note no III 'h' on Schedule 24)				
11. CURRENT LIABILITIES				
Sundry Creditors				
– Due to Micro and Small enterprises (Refer note no III 'e' on Schedule 24)		5.29		5.44
– Due to others		522.30		385.68
Acceptances		79.36		47.08
Other Liabilities		41.63		38.66
Advances from Customers		8.90		14.97
Investor Education and Protection Fund (Refer note no III 'g' on Schedule 24)		2.70		2.06
Interest accrued but not due on Loans		0.08		0.44
		660.26		494.33
12. PROVISIONS				
Employee Benefits		20.22		13.96
Product related Warranty/Guarantees (Refer note no III 'k' on Schedule 24)		64.59		45.50
Proposed Dividend		51.00		34.00
Tax on Proposed Dividend		0.35		5.08
		136.16		98.54

		2010-11 Rs. in Crores		2009-10 Rs. in Crores
13. SALES				
Storage Batteries		5,496.05		4,532.00
Trading Items		61.98		9.60
Others		0.08		0.14
		5,558.11 *		4,541.74
* Includes Exchange Gain Rs. 6.27 crs (Rs. 1.38 crs).				
14. OTHER INCOME				
Dividend from Long Term Trade Investments (from subsidiary companies)		49.47		4.98
Dividend from Current Non Trade Investments		30.47		3.78
Technical Assistance Fees		0.32		0.32
Profit on Fixed assets sold		0.26		0.05
Bad debts recovered		0.05		1.25
Gain on prepayment of Sales Tax Loan (refer note no III 'w' on schedule 24)		20.65		–
Sundry Income		2.62		1.73
		103.84		12.11
15. (INCREASE) / DECREASE IN STOCKS				
Opening Stocks				
Work-in-progress	152.02		117.45	
Finished goods	153.93		141.26	
Trading Goods	2.62		2.77	
		308.57		261.48
Closing Stocks				
Work-in-progress	269.39		152.02	
Finished goods	221.11		153.93	
Trading Goods	9.80		2.62	
		500.30		308.57
Excise Duty		(9.14)*		(2.18)
		(200.87)		(49.27)
* Represents Excise duty on (Increase)/ decrease of Finished goods inventory				
16. MATERIALS CONSUMED				
Raw Materials, Components etc:				
Opening Stock	262.16		144.42	
Add: Purchases (including Processing charges, Procurement expenses etc. and after adjusting Cenvat Credits)	2,993.47		2,319.31	
	3,255.63		2,463.73	
Less: Closing Stock	308.73	2,946.90	262.16	2,201.57
		2,946.90		2,201.57

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

	2010-2011		2009-2010	
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
17. PERSONNEL COSTS				
Salaries, Wages & Bonus		226.36		188.69
Contribution to Provident & Other Funds (net)		24.68		20.26
Welfare Expenses		31.81		27.18
		282.85		236.13
18. EXPENSES				
Stores & Spare Parts consumed		45.97		39.10
Power & Fuel		164.04		135.78
Battery Charging / Battery Assembly expenses		43.00		24.31
Repairs & Maintenance				
Buildings	5.91		5.58	
Plant & Machinery	18.92		19.41	
Computers & Softwares	3.82		3.83	
Others	1.69	30.34	2.49	31.31
Rent & Hire Charges		12.86		10.35
Rates & Taxes		1.41		1.14
Insurance		1.34		1.12
Commission		3.71		4.33
Royalty and Technical Aid Fees		7.02		4.46
Publicity and Sales Promotion		23.74		43.11
Freight & Forwarding (net)		126.78		104.65
Selling Expenses (Schedule 22)		76.34		66.24
Travelling & Conveyance		13.79		12.02
Bank Charges		2.66		2.90
Communication Costs		5.64		5.67
Donations		0.11		0.27
Auditors' Remuneration (refer note no III 'u' on schedule 24)		0.71		0.65
Directors' Sitting Fees		0.03		0.03
Loss on Fixed Assets sold/discarded		0.46		0.40
Bad Debts written off	–		0.19	
Less: Adjusted against provision	–	–	(0.19)	–
Loans and Advances written off	–		2.54	
Less: Adjusted against provision	–	–	(2.54)	–
Loss on Disposal of Long term Trade Investment	–		1.01	
Less: Adjusted against provision	–	–	(1.01)	–
Miscellaneous Expenses (Schedule 23)		24.50		22.27
		584.45		510.11
19. INTEREST AND FINANCE COST				
Interest on:				
Term Loans		1.38		5.10
Working Capital Borrowings		4.57*		5.44
		5.95		10.54
Fund Mobilisation Costs		0.07		0.07
		6.02		10.61
Less: Interest received on loans, deposits etc. [including Tax deducted at source Rs. 0.03 crs (Rs. 0.07 crs)]		0.29		0.32
		5.73		10.29

*Net of exchange Gain Rs. Nil (Rs 3.57 crs).

	2010-2011 Rs. in Crores	2009-2010 Rs.in Crores
20. DEPRECIATION/AMORTISATION		
Charge for the year	85.08	82.31
Less: Transfer from Revaluation Reserve	1.63	1.66
	83.45	80.65
21. TAXATION		
Provision for Income Tax	273.80*	273.30
Provision for Wealth Tax	0.20	0.20
	274.00	273.50
*Includes Deferred Tax Liability Rs 8.50 crs (Rs 0.53 crs), and provision for earlier years Rs 6.35 crs (Rs 1.41 crs). (Refer Note no III 'j' on Schedule 24)		
22. SELLING EXPENSES		
Testing Charges	0.58	0.86
Liquidated Damages	0.45	0.45
Cash Discounts	40.18	33.51
After Sales Services	17.01	14.86
C & F Expenses	17.58	16.17
Installation Costs	0.54	0.39
	76.34	66.24
23. MISCELLANEOUS EXPENSES		
Motor Vehicle Running Expenses	3.78	3.59
Consultancy & Services outsourced	6.86	6.50
Security Service Charges	4.41	3.57
General Expenses	0.79	0.55
Legal Expenses	1.39	1.52
Printing & Stationery	4.58	3.76
TQM Expenses	0.29	0.27
CSR Expenses	0.91	1.18
Pollution Control Expenses	1.49	1.33
	24.50	22.27
24. NOTES TO ACCOUNTS		
I. CONTINGENCIES & CAPITAL COMMITMENTS		
a) CONTINGENCIES		
Contingent liabilities not provided for in respect of		
– Outstanding Bank Guarentees/Indemnity Bonds	13.34	10.09
– Sales Tax demands	1.98	1.03
– Excise Duty demands	0.88	0.77
– Income Tax demands	2.50	–
– Other claims being disputed by the Company	0.45	0.50
– Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not ascertainable	Not ascertainable
B) CAPITAL COMMITMENTS		
Estimated amount of Contracts remaining to be executed on Capital account and not provided for:		
– Commitment for Fixed Assets	100.40	57.45
– Commitment for Investment	17.00	–

24. NOTES TO ACCOUNTS (Contd.)

	2010-2011		2009-2010	
	Rs. in Crores	Rs. in Crores	Rs.in Crores	Rs.in Crores
II. DIRECTORS' REMUNERATION				
a. Computation of Directors' commission				
Profit before taxation		940.36		810.59
Add: Depreciation		83.45		80.65
: Net Loss on sale of Fixed assets as per section 349		0.20		0.35
Less: Exceptional Item on Sale of Property		(46.93)		–
		977.08		891.59
Less: Depreciation as per Section 350		(83.45)		(80.65)
Profit as per section 349 of the Companies Act, 1956		893.63		810.94
Add: Commission payable to Directors	0.38		1.65	
Directors' remuneration & fees, excluding commission	4.72		4.72	
		5.10		6.37
Profit as per Section 198		898.73		817.31
Maximum Commission permissible to Managing and Whole-time Directors @10% of the net profit as calculated above		89.87		81.73
Actual amount payable in terms of service agreements		0.38		1.65
b. Directors' Remuneration and Fees		5.10*		6.37

*Comprising of salary and performance bonus Rs 3.41 crs (Rs. 3.31 crs), contribution to provident, gratuity & other funds Rs 0.74 crs (Rs. 0.81 crs), estimated cost of other benefits Rs. 0.54 crs (Rs. 0.58 crs) and commission Rs. 0.38crs (Rs. 1.65 crs) to the Whole-time directors (including Managing Director) and Sitting Fees Rs. 0.03 crs (Rs. 0.02 crs) to Non-Executive Directors.

III. OTHERS

a. Sales are net of price adjustments for earlier years, settled during the year by the Company and discounts, trade incentives etc.

b. Excise duty includes Rs. 18.82 crs. (Rs. 8.83 crs) paid on batteries issued towards warranty claims.

c. The Company has a full-fledged Research and Development Center and it has thereby been able to considerably further its efficiency. During the year, a sum of Rs. 9.76 crs. (Rs. 11.55 crs), including capital expenditure Rs. 1.09 crs. (Rs. 2.73 crs), was spent on Research and Development work.

d. Stores and Spares consumed is exclusive of Rs. 0.45 crs (Rs. 0.37 crs) being the amounts allocated to other heads of expenses.

e. The amounts due to Micro and Small enterprises are as follows:-

1. Principal Amount	Rs. 5.29 crs	(Rs. 5.44 crs)
Interest due on above	Rs. 0.01 crs	(Rs. 0.02 crs)
2. Amount of interest paid in terms of Sec. 16 of the Micro, Small and Medium Enterprise Development Act 2006	Rs. nil	(Rs. nil)
3. Amount of interest due and payable for the period of delay	Rs. 0.01 crs	(Rs. 0.02 crs)
4. Amount of interest accrued and remaining unpaid as at 31st March 2011	Rs. 0.03 crs	(Rs. 0.02 crs)
5. Amount of further interest remaining due and payable in the succeeding year	Rs. nil	(Rs. nil)

f. 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.

24. NOTES TO ACCOUNTS (Contd.)

g. Details of amount payable (when due) to Investor Education & Protection Fund are as follows (Schedule -11):

	31.3.2011 Rs. in crs	31.3.2010 Rs. in crs
Unclaimed Dividend	2.70	2.06
Total	**2.70**	**2.06**

h. The particulars of amounts due from Subsidiary Companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 are as follows:

Rs. in crs

Name of the Subsidiary	Amounts Due	
A-Sundry Debtors (Schedule-8)	**31/3/2011**	**31/3/2010**
Chloride Batteries S.E. Asia Pte Limited	8.57	8.43
Caldyne Automatics Limited	6.72	5.32
Chloride International Ltd.	0.40	–
Espex Batteries Limited	15.76	11.77
Leadage Alloys India Limited	17.50	–
Chloride Metals Limited	18.88	–

B-Loans & Advances (Schedule-10)	Amounts Due		Maximum Amount outstanding during the year	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
Espex Batteries Limited*	0.07	0.11	0.07	0.11
Associated Battery Manufacturers (Ceylon) Ltd.**	0.08	0.68	0.78	0.68
Caldyne Automatics Limited***	0.79	0.30	0.79	0.30
Chloride International Ltd.***	–	0.09	–	0.09
Leadage Alloys India Limited ***	4.68	2.39	4.68	2.39
Chloride Metals Limited***	5.35	1.34	5.35	1.34

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

** Represents dividend and Technical Assistance fees receivable.

*** Represents dividend receivable.

i. Materials consumed (Schedule 16) includes warranty costs Rs. 77.27 crs (Rs. 28.81 crs) and is net of exchange fluctuation Gain Rs. 15.48 crs. (Rs. 18.52 crs.), export incentives Rs. 6.63 crs. (Rs. 5.10 crs.), and purchase tax set-off Rs. Nil. (Rs. 0.64 crs).

j. The Break-up of Deferred Tax liability as on 31 March 2011 is as follows:

	31.03.2011 Rs. in crs.	31.03.2010 Rs. in crs.
A. Deferred Tax Liability		
i) Timing Difference in depreciable assets.	69.04	58.01
ii) Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year.	12.62	8.36
Sub-Total	81.66	66.37

24. NOTES TO ACCOUNTS (Contd.)

	31.03.2011 Rs. in crs.	31.03.2010 Rs. in crs.
B. Deferred Tax Asset		
i) Expenses allowable against taxable income in future years	3.22	2.91
ii) Expenses disallowed in earlier assessments which are being contested	10.94	4.46
Sub-Total	14.16	7.37
Net Deferred Tax Liability (A-B)	67.50	59.00

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

	2010-11 Rs. in crs.	2009-10 Rs. in crs.
Opening Balance:-	45.50	51.34
Add: Provision created during the year	96.09	37.64
Less: Product related warranties issued for the year	77.00	43.48
Closing Balance	**64.59**	**45.50**

l. During the last year, the Company had raised Rs. 529.91 crores (net) by issuing shares to Qualified Institutional Buyers to generate funds for its capital expenditure, acquisitions and for general corporate purposes. Out of above Rs. 295.88 crores have been used for the stated purpose and balance of Rs. 234.03 crores remain temporarily invested in mutual funds as at 31st March, 2011.

m. Details for calculation of basic and diluted earning per share are as under:

		2010-11	2009-10
Profit after taxation as per Profit & Loss Account	(Rs. crs.)	666.36	537.09
Weighted Average number of equity shares	(No.)	85,00,00,000	80,27,39,806
Basic and diluted earning per share	(Rs.)	7.84	6.69

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

	2010-11 Rs. in crs.	2009-10 Rs. in crs.
India	5412.83	4434.18
Overseas	145.28	107.56

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	
	31.3.2011	31.3.2010	2010-11	2009-10
India	2193.31	1601.57	286.41	112.73
Overseas	37.24	24.69	–	–
	2230.55	**1626.26**	**286.41**	**112.73**

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	31.3.2011	31.3.2010
(i)	Trade Receivables	37.09	23.90
(ii)	Loans given to an overseas subsidiary	0.07	0.07
(iii)	Investments in overseas subsidiaries	18.43	18.43
(iv)	Dividend and Technical fees receivable	0.08	0.72
(v)	Trade Payables	113.60	94.66

The company also has a rupee swap to fully hedge the foreign currency borrowing of Rs. 2.09 crs (Rs. 25.00 crs).

q. The Company has paid Rs. 0.62 crs (Rs. 0.49 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 summaries 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. Rs. in Crs.

	For the year ended 31st March 2011			For the year ended 31st March 20010		
	GRATUITY	PENSION Plan (Benefit)	PRMB	GRATUITY	PENSION Plan (Benefit)	PRMB
I. Expenses recognised in the Statement of Profit & Loss Account						
1. Current / Past Service Cost	6.29	–	0.07	1.95	–	0.06
2. Interest Cost	2.58	0.62	0.23	1.81	0.59	0.16
3. Expected Return on plan assets	3.12	0.94	–	2.51	0.97	–
4. Actuarial (Gains)/Losses	6.54	(0.67)	0.29	6.48	0.09	0.53
5. Total Expense	12.29	(0.99)	0.59	7.73	(0.29)	0.75
II. Net Asset/(Liability) recognised in the Balance Sheet						
1. Present Value of Defined Benefit Obligation	47.30	7.17	3.59	37.12	9.59	3.11
2. Fair Value of Plan Assets	44.91	9.51	–	36.52	13.01	–
3. Net Asset/(Liability)	(2.39)	2.34	(3.59)	(0.60)	3.42	(3.11)
III. Change in Obligation during the year						
1. Present Value of Defined Benefit Obligation at the beginning of the year	37.12	9.59	3.11	29.24	9.42	2.47
2. Current Service Cost/Plan amendments	6.29	–	0.07	1.95	–	0.06
3. Interest Cost	2.58	0.62	0.23	1.81	0.59	0.16
4. Benefits Paid	5.52	2.46	0.11	2.86	0.84	0.11
5. Actuarial (Gains)/Losses	6.83	(0.58)	0.29	6.98	0.42	0.53
6. Present Value of Defined Benefit Obligation at the end of the year	47.30	7.17	3.59	37.12	9.59	3.11

24. NOTES TO ACCOUNTS (Contd.)

	For the year ended 31st March 2011 GRATUITY (Rs. Crs.)	PENSION Plan (Benefit)	PRMB	For the year ended 31st March 2010 GRATUITY (Rs. Crs.)	PENSION Plan (Benefit)	PRMB
IV. Change in the Fair Value of Plan Assets during the year						
1. Plan assets at the beginning of the year	36.52	13.01	–	29.36	12.53	–
2. Expected return on plan assets	3.12	0.94	–	2.51	0.97	–
3. Contribution by employer	10.49	(2.07)	0.11	7.01	0.02	0.11
4. Actual Benefits Paid	5.52	2.46	0.11	2.86	0.84	0.11
5. Actuarial Gains / (Losses)	0.30	0.09	–	0.50	0.33	–
6. Plan assets at the end of the year	44.91	9.51	–	36.52	13.01	–
7. Actual return on Plan Assets	3.42	1.03	–	3.01	1.30	–

V. In 2011-12 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%	–

VII. Actuarial Assumptions

1. Discount Rate	8.00% p.a (7.50%)	
2. Expected rate of return on plan assets	9.00% 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	10.00%	(10.00%)

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. 13.60 crs (Rs. 12.51 crs) paid towards Defined Contribution Plans

Rs Crs.

Amount for the current and previous four periods are as follows :	Year ended March 11	Year ended March 10	Year ended March 09	Year ended March 08	Year ended March 07
Gratuity					
Defined Benefit Obligation	47.30	37.12	29.24	23.49	22.82
Plan Assets	44.91	36.52	29.36	24.37	23.20
Surplus / (deficit)	(2.39)	(0.60)	0.12	0.88	0.38
Experience Gain/(loss) adjustments on plan liabilities	(2.87)	(11.15)	(0.57)	0.66	2.44
Experience Gain/(loss) adjustments on plan assets	0.30	0.49	0.17	0.22	0.10
Pension					
Defined Benefit Obligation	7.17	9.59	9.42	8.67	11.91
Plan Assets	9.51	13.01	12.53	12.35	14.53
Surplus / (deficit)	2.34	3.42	3.11	3.68	2.62
Experience Gain/(loss) adjustments on plan liabilities	0.61	(0.03)	(0.39)	(2.43)	(2.92)
Experience Gain/(loss) adjustments on plan assets	0.09	0.33	0.20	0.14	0.22
Post Retirement Medical Benefit					
Defined Benefit Obligation	3.59	3.11	2.47	2.11	2.15
Experience Gain/(loss) adjustments on plan liabilities	(0.55)	(0.75)	(0.01)	0.05	(0.70)

24. NOTES TO ACCOUNTS (Contd.)

s. 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)
2. Associate Companies : ING VYSYA Life Insurance Company Limited (IVL)
3. Enterprise/Individuals having a direct or indirect controls over the company : Chloride Eastern Limited, UK. (CEL)
Chloride Eastern Industries Pte Limited, Singapore (CEIL)
LIEC Holdings SA, Switzerland
Mr. S B Raheja
4. Key Management Personnel (As on 31st March, 2011) : Mr. T V Ramanathan
Mr. G Chatterjee
Mr. P K Kataky
Dr. S K Mittal (upto 30 April, 2010)
Mr. A K Mukherjee
Mr. Nadeem Kazim
Mr. Supriya Coomer
5. Name of the Companies/firms/ in which Directors/Key Management Personnel have significant influence with whom transactions have happened during the year. : Nil

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 31-03-2011	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Transaction Value	Balance Outstanding as on 31-03-2011
Purchases of goods	– CIL	0.03 –	– –	– –	– –	– –	– –	– –	0.03 –	– –
	– ABML	0.24 (1.68)	– –	– –	– –	– –	– –	– –	0.24 (1.68)	– –
	– Chloride Metals	437.64 (266.03)	– –	– –	– –	– –	– –	– –	437.64 (266.03)	– –
	– Leadage Alloys	830.89 (603.12)	5.12 –	– –	– –	– –	– –	– –	830.89 (603.12)	5.12 –
	– C B S E A	0.01 (0.01)	– –	– –	– –	– –	– –	– –	0.01 (0.01)	– –
	– Caldyne	3.66 (1.07)	0.15 –	– –	– –	– –	– –	– –	3.66 (1.07)	0.15 –
	– Total	**1,272.47 (871.91)**	**5.27 –**	**– –**	**– –**	**– –**	**– –**	**– –**	**1,272.47 (871.91)**	**5.27 –**
Sale of goods	– CBSEA	43.96 (41.64)	8.57 (8.43)	– –	– –	– –	– –	– –	43.96 (41.64)	8.57 (8.43)
	– Caldyne	22.37 (18.59)	6.88 (5.32)	– –	– –	– –	– –	– –	22.37 (18.59)	6.88 (5.32)
	– Espex	32.53 (19.00)	15.76 (11.77)	– –	– –	– –	– –	– –	32.53 (19.00)	15.76 11.77
	– Chloride Metals	126.17 (80.37)	18.88 –	– –	– –	– –	– –	– –	126.17 (80.37)	18.88 –
	– Leadage Alloys	144.52 (79.11)	17.50 –	– –	– –	– –	– –	– –	144.52 (79.11)	17.50 –
	– CIL	6.11 (7.52)	0.40 –	– –	– –	– –	– –	– –	6.11 (7.52)	0.40 –
	– Total	**375.66 (246.23)**	**67.99 (25.52)**	**– –**	**– –**	**– –**	**– –**	**– –**	**375.66 (246.23)**	**67.99 (25.52)**

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 31-03-2011	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Transaction Value	Balance Outstanding as on 31-03-2011
Cost of management services recovered	– CIL	0.04 (0.04)	0.01 –	– –	– –	– –	– –	– –	0.04 (0.04)	0.01 –
Rent and Maintenance Costs	– CIL	0.33 (0.22)	– –	– –	– –	– –	– –	– –	0.33 (0.22)	– –
Employee Welfare Expenses	– IVL	– –	– –	0.45 (0.36)	– –	– –	– –	– –	0.45 (0.36)	– –
Rights Issue of Shares	– IVL	– –	– –	118.70 (93.74)	– –	– –	– –	– –	118.70 (93.74)	– –
Dividend Income	– CIL	0.23 (0.09)	– (0.09)	– –	– –	– –	– –	– –	0.23 (0.09)	– (0.09)
	– ABML	1.32 (0.83)	– (0.60)	– –	– –	– –	– –	– –	1.32 (0.83)	– (0.60)
	– Leadage Alloys	28.31 (2.39)	4.68 (2.39)	– –	– –	– –	– –	– –	28.31 (2.39)	4.68 (2.39)
	– Chloride Metals	18.71 (1.34)	5.35 (1.34)	– –	– –	– –	– –	– –	18.71 (1.34)	5.35 (1.34)
	– Espex	0.11 (0.03)	– (0.03)	– –	– –	– –	– –	– –	0.11 (0.03)	– (0.03)
	– Caldyne	0.79 (0.30)	0.79 (0.30)	– –	– –	– –	– –	– –	0.79 (0.30)	0.79 (0.30)
	– Total	**49.47** **(4.98)**	**10.82** **(4.75)**	**–** **–**	**–** **–**	**–** **–**	**–** **–**	**–** **–**	**49.47** **(4.98)**	**10.82** **(4.75)**
Technical Assistance Expenses	– CEIL	– –	– –	– –	– –	0.05 (0.08)	– (0.04)	– –	0.05 (0.08)	– (0.04)
Technical Assistance Income	– ABML	0.32 (0.32)	0.08 (0.08)	– –	– –	– –	– –	– –	0.32 (0.32)	0.08 (0.08)
Loans Given	– ESPEX	– –	0.07 (0.07)	– –	– –	– –	– –	– –	– –	0.07 (0.07)
Interest Costs	– ESPEX	– (0.01)	– (0.01)	– –	– –	– –	– –	– –	– (0.01)	– (0.01)
Interest Income	– ESPEX	0.01 (0.01)	– –	– –	– –	– –	– –	– –	0.01 (0.01)	– –
Remuneration	to Directors	–	–	–	–	–	–	5.10*	5.10	1.75
(Refer note no. II of Schedule 24)		–	–	–	–	–	–	(6.37)	(6.37)	(3.31)
	to Others	– –	– –	– –	– –	– –	– –	0.76 (0.56)	0.76 (0.56)	– –
	Total	– –	– –	– –	– –	– –	– –	5.86 (6.93)	5.86 (6.93)	1.75 (3.31)

Note: (1) Dividend amounting to Rs. 15.64 crs was paid for the year 2009-10 final (Rs. 7.82 crs for the year 2008-09 final) and Rs. 35.18 crs for Interim Dividend 2010-11 (Rs. 23.46 crs for Interim Dividend 2009-10) to Chloride Eastern Limited, Uk.

* Details furnished in Corporate Governance Report.

24. NOTES TO ACCOUNTS (Contd.)

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	1,00,788.70 (4,50,592.26)	1,00,788.70 (4,50,592.26)
HDFC Mutual Fund	12,14,17,136.68 (5,00,02,584.50)	12,14,17,136.68 (5,00,02,584.50)
ING Vysya Mutual Fund	80,91,77,130.90 (21,00,88,401.17)	80,91,77,130.90 (21,00,88,401.17)
IDFC Mutual Fund	3,70,37,768.77 (1,40,30,895.74)	3,70,37,768.77 (1,40,30,895.74)
ICICI Prudential Mutual Fund	– (28,46,775.33)	– (28,46,775.33)
Kotak Liquid Plus	9,21,84,189.97 (99,94,859.04)	9,21,84,189.97 (99,94,859.04)
Can Rebeco Mutual Fund	80,94,382.33 (40,60,529.66)	80,94,382.33 (40,60,529.66)
Tata Mutual Fund	– (34,971,817.45)	– (34,971,817.45)
Bharti Axa Mutual Fund	– (50,039.49)	– (50,039.49)
SBI Mutual Fund	4,09,16,791.74 (50,01,846.16)	4,09,16,791.74 (50,01,846.16)
Birla Mutual Fund	3,62,35,969.83 (2,50,68,502.31)	3,62,35,969.83 (2,50,68,502.31)
DSP Mutual Fund	6,30,033.63 (49,994.28)	6,30,033.63 (49,994.28)
Templeton Mutual Fund	9,93,72,064.76 (–)	9,93,72,064.76 (–)
UTI Mutual Fund	1,00,356.69 (–)	1,00,356.69 (–)
LIC Mutual Fund	1,00,43,351.86 (–)	1,00,43,351.86 (–)
IDBI Mutual Fund	52,05,894.52 (–)	52,05,894.52 (–)

u. Details of Auditor's remuneration:-

	2010-11 (Rs. in crs.)	2009-10 (Rs. in crs)
Statutory Audit	0.33	0.33
Limited Reviews	0.22	0.22
Tax Audit	0.05	0.05
In other capacity for certificates etc	0.08	0.03
Out of Pocket Expenses	0.03	0.02
Total	0.71	0.65

v. Exceptional item of Rs. 46.93 crores represents gain on transfer of land which was no longer in use.

w. Other income in Schedule 14 includes Rs. 20.65 crores being gain arising on account of premature payment of deferred sales tax loan in terms of Net Present Value (NPV) Scheme of the Government of Tamilnadu. The Company has been granted the above in terms of order no. 743/2011/A8 dated 29th March, 2011 issued by Joint Commissioner (CT), Chennai (East) Division.

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 (as amended) 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.

a. **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. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. **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.

d. **Fixed Assets**

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and impairment losses, if any. Cost comprises of Purchase price 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.

e. **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.

f. **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 and Softwares are amortised over a period of five years.

24. NOTES TO ACCOUNTS (Contd.)

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.

g. **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.

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.

Acquired computer software and licenses are capitalised on the basis of costs incurred to bring the specific intangibles to its intented use. These cost are amortized on a straight-line basis over their estimated useful life of five years.

h. **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.

i. **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.

j. **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.

k. **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.

24. NOTES TO ACCOUNTS (Contd.)

l. **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.

m. **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.

n. **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.

o. **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.

p. **Taxation**

Tax expense comprises of current and deferred tax. Current income 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 reflects 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.

q. **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.

r. **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.

s. **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.

t. **Contingent Liabilities**

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

24. NOTES TO ACCOUNTS (Contd.)

V. **STATISTICAL DATA**

a. **CAPACITIES, PRODUCTION & STOCKS**

	Unit	Installed Capacity		Actual Production	
		2010-2011	2009-2010	2010-2011	2009-2010
Storage Batteries	Nos.	27,992,068	24,235,970	24,215,775	21,689,011

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

b. **STOCK OF FINISHED GOODS**

	2010-2011		2009-2010	
	Quantity Nos.	Value Rs.in Crores	Quantity Nos.	Value Rs.in Crores
Storage Batteries				
: Opening Stock	843,518	176.45	1,053,536	161.60
: Closing Stock	1,256,130	252.77	843,518	176.45

c. **SALE OF FINISHED GOODS**

	2010 - 2011			2009 - 2010		
	Quantity		Value	Quantity		Value
	Nos.	Mah*	Rs. in Crores	Nos.	Mah	Rs. in Crores
Storage Batteries	23,803,163	4,498	5,496.05	21,899,029	3,949	4,532.00
* Mah denotes Million Ampere Hours						
Trading Items	1,653,630	–	61.98	54,506	–	9.60

d. **TRADING ITEMS**

	2010-2011		2009-2010	
	Quantity	Value Rs. in Crores	Quantity	Value Rs. in Crores
Storage Batteries				
: Opening Stock	21,651	2.62	16,733	2.77
: Purchase	1,871,005	61.50	59,424	6.04
: Closing Stock	239,026	9.80	21,651	2.62

e. **Consumption of Raw Materials and components**

		2010-2011		2009-2010	
		Quantity	Value Rs. in Crores	Quantity	Value Rs. in Crores
Lead and Lead Alloy	Tonnes	203,121	2,341.43	174,519	1,753.86
Others			605.47		447.71
			2,946.90		2,201.57

f. **Value of Raw Materials consumed :**

	2010-2011		2009-2010	
	Percentage	Value Rs.	Percentage	Value Rs.
Imported	18.3	539.71	25.5	562.32
Indigenous	81.7	2,407.19	74.5	1,639.25
	100.0	2,946.90	100.0	2,201.57

g. **Value of Stores and Spares consumed :**
(excluding amounts charged to other heads)

	2010-2011		2009-2010	
	Percentage	Value Rs.	Percentage	Value Rs.
Imported	14.5	6.67	13.9	5.45
Indigenous	85.5	39.30	86.1	33.65
	100.0	45.97	100.0	39.10

24. NOTES TO ACCOUNTS (Contd.)

		2010-11 Rs.	2009-10 Rs.
h.	**Value of Imports (C.I.F. basis)**		
	Raw Materials and Components	539.42	515.00
	Trading Items	46.69	6.25
	Spare Parts	15.91	8.82
	Capital Goods	93.05	25.34
		695.07	555.41
i.	**Income & Expenditure in Foreign Currency**		
	Income (on accrual basis)		
	– Export (f.o.b. value)	145.28	107.56
	– Dividend	1.43	0.86
	– Technical Assistance Fee	0.32	0.32
	Expenditure (on actual remittance basis)		
	– Royalty	3.44	3.75
	– Technical Assistance Fee	0.37	0.30
	– Others	5.21	5.56
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.)	50.82	31.28
	(iv) Amount remitted for	2009-10 and 2010-11 (interim)	2008-09 and 2009-10 (interim)

The above information exclude 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 Sanjoy K. Gupta
Partner
Membership Number : 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

For and on behalf of the Board of Directors

R. G. Kapadia
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 31.03.2011	For the Subsidiary Company's Financial previous years	For the Subsidiary Company's Financial period ended 31.03.2011	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. 7,112)	* Rs. 52,162,806	* Rs. 2,250,000	* Rs. 54,404,218
Caldyne Automatics Limited	Holder of entire issued Share Capital of 19,80,000 Equity Shares of Rs. 10/- each	* Rs. 6,195,181	* Rs. 12,134,459	* Rs. 7,920,000	* Rs. 8,195,400
Chloride Metals Limited (Formerly Tandon Metals Limited)	Holder of entire issued Share Capital of 5,346,100 Equity Shares of Rs. 10/- each	* (Rs. 86,240,382)	* Rs. 181,872,576	* Rs. 187,113,500	* Rs. 13,365,250
Leadage Alloys India Limited	Holder of entire issued Share Capital of 4,680,000 Equity Shares of Rs. 10/- each	* (Rs. 249,830,621)	* Rs. 441,654,260	* Rs. 283,140,000	* Rs. 23,868,000
Chloride Batteries S.E. Asia Pte Limited	Holder of entire issued Share Capital of 7,000,000 Ordinary Shares	** S$ 10,77,264	** S$ 588,703	** 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 66,183	*** GBP 40,243	*** GBP 15,300	*** GBP 5,100
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 Rs10 each	****SLR 34,607,713	****SLR 180,794,146	**** SLR 37,018,080	****SLR 108,250,560

* In India rupee
** In Singapore dollars
*** In GBP
**** In Sri Lankan Rupee

Notes:

(i) On 31 March 2011, 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.

(ii) On 31 March 2011, all the 1,980,000 Equity Shares issued by Caldyne Automatics Limited were held by Exide Industries Limited and its nominees.Out of this 91,800 shares were acquired effective 12 July, 1999, 88,200 Equity Shares were acquired effective 25 July, 2007 and the balance 1,800,000 Equity Shares were alloted as bonus effective 14 July, 2008.

(iii) On 31 March 2011, 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.

(iv) On 31 March 2011, all the 4,680,000 Equity Shares issued by Leadage Alloys India Limited were held by Exide Industries Limited and its nominees. Out of this 2,386,800 shares were acquired effective 1 April, 2008, and balance 2,293,200 Equity Shares were acquired effective 12 August, 2010.

(v) On 31 March 2011, 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.

(vi) On 31 March 2011, all 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.

(vii) On 31 March 2011, all 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
T. V. Ramanathan
A. K. Mukherjee
Directors

S. Coomer
Secretary

Mumbai, 27 April, 2011

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	310311
II.	**CAPITAL RAISED DURING THE YEAR** (Amount in Rs. crs.)	
	Public Issue	NIL
	Rights Issue (including premium)	NIL
	Private Placement of Equity Shares (including premium)	NIL
	Bonus Issue	NIL
III.	**POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS** (Amount in Rs. crs.)	
	Total Liabilities	3608.52
	Total Assets	3608.52
	SOURCES OF FUNDS	
	Paid up Capital	85.00
	Reserves & Surplus	2657.45
	Secured Loans	0.06
	Unsecured Loans	2.09
	Deferred Tax Liability	67.50
	APPLICATION OF FUNDS	
	Net Fixed Assets	901.81
	Investments	1377.97
	Net Current Assets	532.32
	Misc. Expenditure	NIL
	Accumulated Losses	NIL
IV.	**PERFORMANCE OF THE COMPANY** (Amount in Rs. crs.)	
	Turnover including other income and Exceptional Items	4704.37
	Total Expenditure	3764.01
	Profit Before Tax	940.36
	Earnings per share (Rs.) (Basic and diluted)	7.84
	Dividend rate (%)	60%
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

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

S. Coomer
Secretary

Mumbai, 27 April, 2011

AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS EXIDE INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES

We have audited the attached consolidated balance sheet of Exide Industries Limited and its subsidiaries (the Group), as at 31st March 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Exide Industries Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. 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.

We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 519.38 crores as at 31st March 2011, total revenue of Rs. 1421.88 crores and cash flows amounting to Rs.19.17 crores for the year then ended. We also did not audit the financial statements of the associate Company for the year ended March 31, 2011 whose share of loss attributable to the Group is Rs. 35.04 crores for the year. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by the Exide Industries Limited's management in accordance with the requirements of Accounting Standard 21-Consolidated financial statements and Accounting Standard 23-Accounting for Investments in Associates in Consolidated Financial Statements notified pursuant to the Companies (Accounting Standards) Rules, 2006 (As amended).

Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the consolidated balance sheet, of the state of affairs of the Group as at 31st March 2011;

(b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and

(c) in the case of the consolidated 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 Sanjoy K. Gupta
Partner
Membership No. 54968

Place : Mumbai
Date : 27 April 2011

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH 2011

	SCHEDULE	31.03.2011		31.03.2010	
SOURCES OF FUNDS		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Shareholders' Funds					
Share Capital	1	85.00		85.00	
Reserves & Surplus	2	2,300.08		1,831.50	
			2,385.08		1,916.50
Loan Funds	3				
Secured		98.85		81.60	
Unsecured		4.78		92.53	
			103.63		174.13
Minority Interest	4		10.71		36.62
Deferred Tax Liability (net)	5		70.88		60.62
			2,570.30		2,187.87
APPLICATION OF FUNDS					
Fixed Assets	6				
Gross Block		1,732.13		1,487.31	
Less: Accumulated Depreciation/ Amortisation		764.58		693.52	
Net Block		967.55		793.79	
Add: Capital Work-in-Progress including Capital Advances		70.30		42.93	
			1,037.85		836.72
Investments	7		861.32		876.79
Deferred Tax Asset (Refer Note no III 'm' 'ii' on Schedule 25)			0.39		0.30
Current Assets, Loans & Advances					
Inventories	8	1,134.32		796.86	
Sundry Debtors	9	373.76		298.05	
Cash and Bank Balances	10	22.87		30.14	
Loans & Advances	11	134.31		85.62	
		1,665.26		1,210.67	
Less:					
Current Liabilities & Provisions					
Current Liabilities	12	847.46		624.68	
Provisions	13	147.06		111.93	
		994.52		736.61	
Net Current Assets			670.74		474.06
			2,570.30		2,187.87
Notes to Accounts and Significant Accounting Policies	25				

Schedules 1 to 13 and 25 referred to above form an integral part of the Consolidated Balance Sheet.

As per our report of even date.

S. R. Batliboi & Co.
Firm Registration No. 301003E
Chartered Accountants

per Sanjoy K. Gupta
Partner
Membership Number: 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

For and on behalf of the Board of Directors

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

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st MARCH 2011

	SCHEDULE	2010-2011 Rs. in Crores	2010-2011 Rs. in Crores	2009-2010 Rs. in Crores	2009-2010 Rs. in Crores
INCOME					
Gross Sales	14	5,774.10		4,729.66	
Less:Excise Duty (refer note no III 'd' on schedule 25)		494.98		329.80	
: Sales Tax, Value Added Tax & Octroi		513.04		421.01	
Net Sales			4,766.08		3,978.85
Other Income	15		55.28		8.18
			4,821.36		3,987.03
EXPENDITURE					
(Increase)/Decrease in Stocks	16		(181.10)		(81.44)
Materials Consumed	17		2,810.67		2,110.34
Purchase of Trading Goods			211.89		132.38
Personnel Costs	18		320.97		272.17
Expenses	19		647.76		568.22
Interest and Finance Costs	20		11.26		16.10
Depreciation/Amortisation	21		89.59		87.53
			3,911.04		3,105.30
BALANCE			910.32		881.73
Exceptional Items (refer note no III 'h' on schedule 25)			46.93		—
PROFIT BEFORE TAX			957.25		881.73
Taxation (net)	22		297.73		300.85
PROFIT AFTER TAX			659.52		580.88
Less: Share of Loss of Associate Company			35.04		68.38
Less: Minority Interest			5.66		18.98
NET PROFIT			618.82		493.52
Balance brought forward			168.13		28.85
PROFIT AVAILABLE FOR APPROPRIATION			786.95		522.37
APPROPRIATIONS					
General Reserve			79.00		255.18
Interim Dividend			76.50		48.00
Tax on Interim Dividend			20.65		8.16
Proposed Dividend			51.00		36.73
Tax on above Dividend			2.11		6.17
Balance Carried Forward			557.69		168.13
			786.95		522.37
Earning per share - Basic & Diluted -(Nominal Value Per Share Re 1) (refer note no III 'p' on Schedule 25)			7.28		6.15
Notes to Accounts and Significant Accounting Policies	25				

Schedules 14 to 25 referred to above
form an integral part of the Consolidated Profit & Loss Account.

As per our report of even date.

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

per Sanjoy K. Gupta
Partner
Membership No. 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

For and on behalf of the Board of Directors

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

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH 2011

		2010-2011		2009-2010	
		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
(A)	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax		957.25		881.72
	Adjustment for :				
	Depreciation	89.59		87.53	
	Exceptional Items	(46.93)		—	
	Profit on Fixed Assets sold / discarded	(0.35)		(0.63)	
	Loss on Fixed Assets sold / discarded	0.94		0.51	
	Profit on sale of Investments	—		0.02	
	Provision for Doubtful Debts	—		5.97	
	Gain on Prepayment of Sales Tax Loan	(20.65)		—	
	Provision/(Recovery) for Diminution in Value in Investments	—		(0.01)	
	Provision /(Recovery) for Doubtful Loans and Advances	—		0.32	
	Dividend Income	(30.48)		(3.78)	
	Interest Expense	11.68		16.79	
	Interest Income	(0.42)		(0.68)	
			3.38		106.04
	Operating profit before working capital changes		960.63		987.76
	(Increase)/Decrease in Sundry Debtors (net of provision)	(75.86)		(38.46)	
	(Increase)/Decrease in Inventories	(337.46)		(272.62)	
	(Increase)/Decrease in Loans & Advances	(32.96)		(24.79)	
	Increase/(Decrease) in Trade Payables	236.49	(209.79)	201.31	(134.56)
	Cash generation from operations		750.84		853.20
	Direct Taxes Paid (net of refund)		(303.12)		(319.12)
	Net Cash from operating activities		447.72		534.08
(B)	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(294.88)		(130.30)	
	Sale of Fixed Assets	59.74		1.03	
	Sale of Shares	2.40		0.75	
	Acquisition of Shares	(142.34)		(122.36)	
	Purchase of Mutual Funds	(1,405.00)		(989.00)	
	Sale of Mutual Funds	1,505.00		444.00	
	Interest Received	0.39		0.75	
	Dividend received	30.20		1.15	
	Net Cash used in investing activities		(244.49)		(793.98)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds from Long Term Borrowings	51.32		4.96	
	Repayment of Long Term Borrowings	(67.10)		(147.74)	
	Net increase/(decrease) in other borrowings	(34.07)		(44.13)	
	Issue of Shares (including Share Premium)	—		539.50	
	Shares Issue expenses	(0.19)		(9.59)	
	Dividends Paid (including tax)	(152.77)		(75.12)	
	Interest Paid	(11.55)		(19.59)	
	Net Cash used in financing activities		(214.36)		248.29
	Net Increase/(decrease) in cash and cash equivalents		(11.13)		(11.61)
	Effect of Foreign Currency Translation		3.86		2.79
	Cash and cash equivalents as at 1 April 2010#		30.14		38.96
	Cash and cash equivalents as at 31 March 2011#		22.87*		30.14*
	# as disclosed in Schedule 10				

* Includes Rs. 2.70 crs (Rs. 2.06 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 Sanjoy K. Gupta
Partner
Membership No. 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

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

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

AS AT 31st MARCH 2011

	Par Value Rs.	31.3.2011 Rs. in Crores	31.3.2010 Rs. in Crores
1. SHARE CAPITAL			
Authorised			
1,000,000,000 Equity Shares	1	100.00	100.00
		100.00	100.00
Issued, Subscribed and paid up			
* 850,000,000 Equity Shares fully paid up	1	85.00	85.00
* 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.			

		31.3.2011		31.3.2010	
2. RESERVES & SURPLUS		Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
Revaluation Reserve –					
Balance as per Last Account		48.16		51.71	
Less: Adjustment towards assets sold/discarded		1.32		0.81	
Less: Transfer to Depreciation Account		2.33		2.74	
			44.51		48.16
Securities Premium Account					
Balance as per Last Account		738.07		213.16	
Add: Amount received on issue of shares		–		534.50	
Less: Share Issue Expenses adjusted (Refer Note no III 'o' on Schedule 25)		0.19	737.88	9.59	738.07
General Reserve					
Balance as per Last Account		864.95		609.77	
Add: Transfer from Profit & Loss Account		79.00		255.18	
			943.95		864.95
Capital Reserve-balance as per Last Account			5.35		5.35
Foreign Currency Translation Reserve			10.70		6.84
Profit & Loss Account Balance			557.69		168.13
			2,300.08		1,831.50
3. LOAN FUNDS					
SECURED					
Term Loans –					
DFCC Vardhana Bank Limited, Srilanka	(a)	1.12		2.23	
HDFC Bank	(b)	56.28		4.82	
Kotak Mahindra bank	(c)	–	57.40	0.14	7.19
Bank Overdraft	(d)		41.45		74.41
			98.85		81.60
UNSECURED					
Sales Tax Loan from Small Industries Promotion Council of Tamil Nadu (refer note no III 's' on schedule 25)		–		64.82	
Sales tax loan, under scheme of incentive, Govt. of Maharashtra		2.69		2.71	
Term Loan from Bank of America NA		2.09	4.78*	25.00	92.53
			103.63		174.13

* Includes repayable within one year Rs. 2.63 crs (Rs. 23.98 crs)

Securities

(a) Secured by hypothecation of Immovable Property at Rathmalana of Associated Battery Manufacturers(CEYLON) Limited
(b) Secured by hypothecation of battery breaking machine of Chloride Metals Limited
(c) Secured by vehicle/equipment purchased under the facility
(d) Secured by hypothecation of stocks & book debts, both present and future. The borrowings of Rs. 93.70 crs (Rs. 76.47 crs) in case of certain subsidiaries are further secured by a charge on their respective immovable properties.

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

AS AT 31st MARCH 2011

	Rs.in Crores	Rs.in Crores
4. MINORITY INTEREST		
Balance of equity as on acquisition date	11.61	11.61
Add : Movement in equity from acquisition date to 31.03.2011	6.10	25.01
Less: Adjustment on acquisition of remaining 49% Shares in Leadage Alloys India Limited	(7.00)	–
	10.71	36.62

Note: Minority interest represent 49% (49%) of equity of Espex Batteries Ltd., 38.50% (38.50%) of equity of Associated Battery Manufacturers (Ceylon) Limited and nil (49%) in Leadage Alloys India Ltd.

	Rs.in Crores	Rs.in Crores
5. DEFERRED TAX LIABILITY (NET)		
Balance as per Last Account	60.62	43.49
Add : Deferred Tax Liability for the year	10.26	17.13
	70.88	60.62

(Refer note no III 'm' i on Schedule 25)

6. FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET VALUE	
	Cost/Valuation as at 1.4.2010	Additions	Deductions	Cost/Valuation as at 31.3.2011	As at 1.4.2010	Amortisation	Less: On Sales/ Adjustments	As at 31.3.2011	As at 31.3.2011	As at 31.3.2010
	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
Tangible Assets										
Land										
Freehold	47.08	3.69	11.98	38.79	–	–	–	–	38.79	47.08
Leasehold	20.16	–	–	20.16	2.67	0.25	–	2.92	17.24	17.49
Buildings	223.89	43.41	3.93	263.37 (c)	57.19	6.72	3.20	60.71	202.66	166.71
Leasehold Buildings	10.97	–	–	10.97	5.32	0.38	–	5.70	5.27	5.64
Plant & Machinery	981.81	206.05	10.09	1,177.77	527.89	71.56	8.74	590.71	587.06	453.92
Moulds	110.68	17.62	5.65	122.65	65.66	8.52	5.44	68.74	53.91	45.02
Furniture & Fittings	17.01	2.34	0.70	18.65	11.72	1.11	0.64	12.19	6.46	5.19
Motor Vehicles	6.58	0.87	1.45	6.00	3.69	0.74	1.30	3.13	2.87	2.99
Computers	21.00	3.22	1.58	22.64	16.01	2.47	1.54	16.94	5.70	5.00
Intangible Assets										
Goodwill	47.85 (a)	2.20	–	50.05	3.35	–	–	3.35	46.70	44.50
Softwares	0.28	0.80	–	1.08	0.02	0.17	–	0.19	0.89	0.25
Total	1,487.31	280.20	35.38	1,732.13	693.52	91.92	20.86	764.58	967.55	793.79
Previous year's Total	1,391.78	112.14	16.61	1,487.31	618.14	90.27	14.89	693.52		
Capital Work-in-progress (e)									70.30	42.93
									1,037.85	836.72

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 being the cost of shares in Co-operative Housing Societies.

d. The details of fixed assets revalued have been given below:

Name of the Company	Year of Revaluation	Assets revalued
Exide Industries Limited (EIL)	1991 and 1999	Land, Building and Plant & Machinery
Caldyne Automatics Limited (Caldyne)	2006	Land, Building and Plant & Machinery
Leadage Alloys India Limited (LAIL)	2008	Land, Building and Plant & Machinery
Chloride Batteries S.E. Asia Pte Ltd. (CBSEA)	1992	Land,Building and Plant & Machinery
Associated Battery Manufacturers (Ceylon) Ltd. (ABML)	1990/1991	Land and Building
Chloride Metals Limited (CML)	2008	Land, Building and Plant & Machinery

The revaluation was carried out by approved valuers and surplus arising thereon, has been transferred to Revaluation Reserve. As in the previous years, additional depreciation for the year on revalued assets has been appropriated from the Revaluation Reserve.

e. Includes assets in transit

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

AS AT 31st MARCH 2011

7. INVESTMENTS	No.	Face Value per Share/ Debenture		31.3.2011 Rs. in Crores		31.3.2010 Rs. in Crores
Long Term (at cost) (refer note no III 'f' on Schedule 25)						
Unquoted						
Government Securities (Lodged as Security Deposit with various authorities)				0.01*		0.01
ING VYSYA Life Insurance Company Ltd.	73,24,41,500 (613,741,500)	Rs. 10	744.43		625.73	
Less : Post Acquisition loss			416.49		381.46	
				327.94		244.27
Others :						
Fearing Capital	30,000	Rs. 1000		3.00		–
Haldia Integrated Development Agency Ltd.	500,000	Rs. 10		0.50		0.50
Browns Group Motels Limited	20,000			0.01		0.01
Fully paid up Debentures						
Woodlands Hospital and Medical Research Centre Ltd.						
1/2% Debentures	45	100		– *^		–
5% Non-redeemable Registered Debentures	1	6,000		– *^		–
5% Non-redeemable Registered Debentures	1	6,500		– *^		–
61/2% Debentures	2	1,000		– *^		–
Investment in Property				0.45*		0.45
Treasury Bill				–		2.40
Quoted						
Hathway Cable and Datacom Limited	10,92,566	Rs. 10		26.22		26.22
Current - Quoted						
Units of Mutual Fund (Refer Note no III 'r' on Schedule 25)				503.19*@		602.93
				861.32		876.79

Aggregate Value of Investments	31.3.2011 Cost	31.3.2011 Market Value	31.3.2010 Cost	31.3.2010 Market Value
Quoted	529.41	513.86	629.15	625.60
Unquoted	331.91		247.64	

Note: All the above investments, except those marked with an asterisk, are trade investments.

@ Includes Rs. 65 crores, units where against were pending allotment as at Balance Sheet date-Since alloted.

^ Figures being less than Rs. 50,000 in each case, has not been disclosed.

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

AS AT 31st MARCH 2011

	31.3.2011		31.3.2010	
	Rs. in Crores	Rs.in Crores	Rs.in Crores	Rs.in Crores
8. INVENTORIES				
(At Lower of Cost or Net Realisable Value)				
Stores, Spare parts, Loose Tools etc.		19.64		14.30
Raw Materials and Components @		520.07		369.05
Work-in-Progress		297.64		190.34
Finished Goods @	223.05		175.05	
Add: Excise Duty on Finished Goods Inventory	31.66	254.71	22.52	197.57
Trading Goods		42.26		25.60
		1,134.32		796.86
@ Includes materials in transit/Bonded warehouse or lying with third parties				
9. SUNDRY DEBTORS				
(Unsecured, considered good)				
Debts over six months		8.28 *		7.52
Other Debts		365.48		290.53
		373.76		298.05
* Net of doubtful debts fully provided for		1.89		3.23
10. CASH AND BANK BALANCES				
Cash and Cheques in hand (including Remittances in transit)		0.20		12.91
Balances with banks on:				
Current Account	19.96		10.50	
Fixed Deposit	0.01		4.67	
Unpaid Dividend Account	2.70		2.06	
		22.67		17.23
		22.87		30.14
11. LOANS AND ADVANCES				
(Unsecured, Considered good)				
Loans		0.01		0.01
Advances recoverable in cash or in kind or for value to be received or pending adjustments		65.74		43.12
Advance Tax, Refunds receivables and Tax deducted at source (net of provisions)		30.70		14.46
Balances with Customs, Sales Tax & Excise Authorities		23.18		16.13
Deposits – Others		14.68		11.90
		134.31*		85.62
* Net of Provision for Doubtful Loans and Advances Rs. nil (Rs. 1.08 crs.)				
12. CURRENT LIABILITIES				
Sundry Creditors				
– Due to Micro, Small and Medium enterprises		8.77		8.48
– Due to others		669.09		484.81
Others Liabilities		76.54		65.30
Acceptances		79.36		47.08
Advances from Customers		10.92		16.51
Investor Education and Protection Fund (Refer note no III 'l' on Schedule 25)		2.70		2.06
Interest accrued but not due on Loans		0.08		0.44
		847.46		624.68
13. PROVISIONS				
Employee Benefits		23.57		16.92
Product related Warranty/Guarantees (Refer note no III 'n' on Schedule 25)		66.12		48.36
Taxation (net of Advance Tax, refund receivable and Tax deducted at Source)		4.26		3.75
Proposed Dividend		51.00		36.73
Tax on Proposed Dividend		2.11		6.17
		147.06		111.93

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2011

	2010-11		2009-10	
	Rs. in Crores	Rs. in Crores	Rs in Crores	Rs. in Crores
14. SALES				
Storage Batteries		5,642.94		4,682.53
Lead and Lead Alloys		27.80		7.03
Trading Items				
Batteries	61.98		9.59	
Battery chargers, UPS, etc.	14.99		11.79	
Solar Lanterns and Homelights	21.31		12.63	
		98.28		34.01
Others		5.08		6.09
		5,774.10*		4,729.66
* Net of Exchange Gain Rs. 6.27 crs. (Loss Rs. 1.38 crs.)				
15. OTHER INCOME				
Dividend from Current Non-Trade Investments		30.48		3.78
Profit on Sale of Investments		–		0.02
Profit on assets sold / discarded		0.35		0.63
Bad debts recovered		0.05		1.25
Gain on prepayment of Sales Tax Loan (refer note no III 's' on schedule 25)		20.65		–
Sundry Income		3.75		2.50
		55.28		8.18
16. (INCREASE) / DECREASE IN STOCKS				
Opening Stocks				
Work-in-progress	190.34		140.91	
Finished goods	175.05		141.41	
Trading goods	25.60		29.41	
		390.99		311.73
Closing Stocks				
Work-in-progress	297.64		190.34	
Finished goods	223.05		175.05	
Trading goods	42.26		25.60	
		562.95		390.99
Excise Duty		(9.14)*		(2.18)
		(181.10)		(81.44)
* Represents Excise duty on (Increase)/ decrease of Finished goods inventory				
17. MATERIALS CONSUMED				
Raw Materials, Components etc:				
Opening Stock	369.05		178.83	
Add: Purchases (including Processing charges, Procurement expenses etc. and after adjusting Cenvat Credits)	2,961.69		2,300.56	
	3,330.74		2,479.39	
Less: Closing Stock	520.07	2,810.67	369.05	2,110.34
		2,810.67		2,110.34

(Refer note no III 'j' on Schedule 25)

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2011

	2010-2011		2009-2010	
	Rs. in Crores	Rs. in Crores	Rs. in Crores	Rs. in Crores
18. PERSONNEL COSTS				
Salaries, Wages & Bonus		259.05		220.09
Contribution to Provident & Other Funds (net)		27.35		22.41
Welfare Expenses		34.57		29.67
		320.97		272.17
19. EXPENSES				
Stores & Spare Parts consumed		50.71		42.61
Power & Fuel		188.24		152.14
Battery Charging / Battery Assembly expenses		43.00		24.31
Repairs & Maintenance				
Buildings	7.47		6.12	
Plant & Machinery	23.15		22.82	
Computers & Softwares	3.83		3.86	
Others	2.29	36.74	2.85	35.65
Rent & Hire Charges (net)		14.45		11.25
Rates & Taxes		2.59		1.98
Insurance		1.99		1.65
Commission		4.30		5.64
Royalty and Technical Aid Fees		7.12		4.63
Publicity and Sales Promotion		24.40		43.99
Freight & Forwarding (net)		138.05		119.77
Selling Expenses (Schedule 23)		77.00		66.44
Travelling & Conveyance		16.47		13.83
Bank Charges		4.04		4.28
Communication Costs		6.15		6.20
Donations		0.12		0.29
Auditors' Remuneration		1.02		0.94
(refer note no III 'k' on schedule 25)				
Directors' Fees		0.03		0.03
Loss on Assets sold/discarded		0.94		0.51
Bad Debts written off	0.05		10.14	
Less: Adjusted against provision	–	0.05	(5.05)	5.09
Provision for Doubtful Debts		0.84		0.88
Loans and Advances written off	–		2.89	
Less: Adjusted against provision	–	–	(2.54)	0.35
Provision for Loans and Advances		0.32		–
Miscelliances Expenses (Schedule 24)		29.19		25.76
		647.76		568.22
20. INTEREST AND FINANCE COST				
Interest on:				
Term Loans		1.76		5.10
Working Capital Borrowings		9.84*		11.56
		11.60		16.66
Fund Mobilisation Costs		0.08		0.12
		11.68		16.78
Less: Interest received on loans, deposits etc. [including Tax deducted at source Rs. 0.03 crs. (Rs. 0.07 crs.)]		0.42		0.68
		11.26		16.10

*Net of exchange Gain Rs nil (Rs 3.57crs.)

EXIDE INDUSTRIES LIMITED AND ITS SUBSIDIARIES
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 2011

	2010-2011 Rs. in Crores	2009-2010 Rs. in Crores
21. DEPRECIATION/AMORTISATION		
Charge for the year	91.92	90.27
Less: Transfer from Revaluation Reserve	2.33	2.74
	89.59	87.53
22. TAXATION		
Provision for Income Tax	297.50*	300.62
Provision for Wealth Tax	0.23	0.23
	297.73	300.85

*Includes Deferred Tax Liability Rs 10.16 crs (release Rs 0.14 crs) and provision of earlier years Rs 6.35 crs (Rs 1.41 crs) (Refer Note no III 'm' on Schedule 25)

	2010-2011 Rs. in Crores	2009-2010 Rs. in Crores
23. SELLING EXPENSES		
Testing Charges	0.86	1.02
Liquidated Damages, Claims and Breakages	0.84	0.49
Cash Discounts	40.18	33.51
After Sales Services	17.01	14.85
C & F Expenses	17.58	16.17
Installation Costs	0.53	0.40
	77.00	66.44
24. MISCELLANEOUS EXPENSES		
Motor Vehicle Running Expenses	4.41	4.21
Consultancy & Services outsourced	7.65	6.91
Security Service Charges	5.52	4.41
General Expenses	1.65	1.18
Legal Expenses	1.60	1.92
Printing & Stationery	4.93	4.03
TQM Expenses	0.30	0.27
CSR Expenses	0.93	1.32
Pollution Control Expenses	2.20	1.51
	29.19	25.76

25. NOTES TO ACCOUNTS

I. CONTINGENCIES & CAPITAL COMMITTMENTS	**Rs. in Crores**	**Rs. in Crores**
a. CONTINGENCIES		
Contingent liabilities not provided for in respect of		
– Outstanding Bank Guarantees/Indemnity Bonds	13.40	10.16
– Sales Tax demands	2.16	19.47
– Excise Duty demands	0.88	0.77
– Income Tax demands	2.53	0.03
– Other claims being disputed by the Company	0.45	0.50
– Other Contractual Obligation	4.70	–
– Share of contingent liabilities of Associate Company	87.67	43.38
– Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not ascertainable	Not ascertainable

25. NOTES TO ACCOUNTS (Contd.)

	2010-2011 Rs. in Crores	2010-2011 Rs. in Crores	2009-2010 Rs.in Crores	2009-2010 Rs.in Crores
b) CAPITAL COMMITMENTS Estimated amount of Contracts remaining to be executed on Capital account and not provided for:				
– Commitment for Fixed Assets		103.25		69.86
– Commitment for Investment		17.00		–
II. DIRECTORS' REMUNERATION		**Rs. in Crores**		**Rs. in Crores**
Salary		4.69		6.89
Contribution to Provident and other Funds		0.74		0.81
Cost of other benefits		0.54		0.64
Commission		0.38		1.65
Sitting fees		0.03		0.03
		6.38		10.02

III. OTHERS

a. Principles of consolidation of financial statements:

The consolidated financial statements which relate to Exide Industries Ltd. (EIL) and its subsidiary companies have been prepared on the following basis –

i. The financial statements of the company and its subsidiaries are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit/loss included therein.

ii. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and are presented to the extent possible in the same manner as the company's separate financial statements.

iii. The excess/shortfall of cost to the company of its investents in the subsidiary companies is recognized in the financial statements as goodwill/capital reserve, as the case may be. The goodwill amount so arisen is tested for impairment at each year-end.

iv. During the year, EIL has acquired balance 49% shares of Leadage Alloys India Limited for Rs. 20.64 crs.

v. The subsidiary companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of Voting power as on March 31, 2011
Chloride International Limited (CIL)	India	100
Caldyne Automatics Ltd (CALDYNE)	India	100
Chloride Batteries S.E. Asia Pte Ltd. (CBSEA) & its wholly owned subsidiary (Exide Batteries Pvt. Ltd.)	Singapore	100
Espex Batteries Limited (ESPEX)	UK	51
Associated Battery Manufacturers (Ceylon) Ltd. (ABML)	Srilanka	61.50
Chloride Metals Ltd. (CML) (formerly Tandon Metals Ltd.)	India	100
Leadage Alloys India Ltd. (LAIL)	India	100

vi. Foreign Exchange fluctuations on conversion of the accounts of (EIL's foreign subsidiaries have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

Minority Interest

In terms of Accounting Standard 21, the minority interest has been computed in respect of Espex Batteries Limited and Associated Battery Manufacturers (Ceylon) Limited, both non-fully owned subsidiaries.

25. NOTES TO ACCOUNTS (Contd.)

b. **Investments in Associates**

Accounting Standard – 23 - "Accounting for investments in Associates in Consolidated Financial Statements" notified by the Companies Accounting Standard Rules, 2006 has been followed by the group as below–

i. An associate company is a company, not being a subsidiary, in which EIL holds, directly or indirectly through subsidiaries, 20% or more of the voting power of the investee.

ii. The investments in associates are accounted for under the 'Equity Method'.

iii. The excess/shortfall of cost to the company of its investments in the associates is disclosed in the financial statements as goodwill/capital reserve.

iv. The 'associate' considered in the financial statements is as follows:

Name	Country of Incorporation	% of Voting Power as on March 31, 2011
ING Vysya Life Insurance Company Ltd.	India	50

c. Sales are net of price adjustments for earlier years, settled during the year by the Company and discounts, trade incentives etc.

d. Excise duty includes Rs. 18.82 crs. (Rs. 8.83 crs.) paid on batteries issued towards warranty claims.

e. Stores and Spares consumed is exclusive of Rs. 0.45 crs. (Rs. 0.37 crs.) being the amounts allocated to other heads of expenses.

f. 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.

g. **Operating Lease Commitments**

EIL has paid Rs. 0.62 crs. (Rs. 0.49 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.

The future minimum lease amounts under non-cancellable operating lease in case of CBSEA, CML, LAIL and ESPEX are payable as follows:

Rs. in crs.

	2010-11	2009-10
Not later than one financial year	1.06	0.49
Later than one financial year but not later than five financial years	4.35	1.96
Later than five financial years	7.47	7.07

h. Exceptional item of Rs. 46.93 crs. represents gain on transfer of land which was no longer in use.

i. The following assets and liabilities of EIL in foreign currencies as at the Balance Sheet Date are not hedged:

Rs. in crs.

Sr. No.	Particulars	31.3.2011	31.3.2010
(i)	Trade Receivable	12.16	4.60
(ii)	Trade Payables	113.60	94.66

EIL also has a rupee swap to fully hedge the foreign currency borrowing of Rs. 2.09 crs. (Rs. 25.00 crs.).

j. Materials consumed (Schedule 17) includes warranty costs Rs. 79.32 crs. (Rs. 30.81 crs.) and is net of exchange fluctuation Gain Rs. 15.48 crs. (Rs. 18.52 crs.), export incentives Rs. 6.63 crs. (Rs. 5.10 crs.), and purchase tax set-off Rs. nil. (Rs. 0.64 Crs.).

25. NOTES TO ACCOUNTS (Contd.)

k. **Details of Auditor's remuneration**

	2010-11 Rs. in crs	2009-10 Rs. in crs
Statutory Audit	0.60	0.58
Limited Reviews	0.22	0.22
Tax Audit	0.07	0.07
In other capacity for certificates etc.	0.08	0.03
Out of Pocket Expenses	0.05	0.04
Total	**1.02**	**0.94**

l. Details of amount payable (when due) to Investor Education & Protection Fund are as follows (Schedule – 12):

	2010-11 Rs. in crs	2009-10 Rs. in crs
Unclaimed Dividend	2.70	2.06

m. i) The break-up of Consolidated Deferred Tax liability of EIL, CALDYNE, CML, CBSEA and LAIL as on 31 March 2011 is as follows:

	31.03.2011 Rs. in crs	31.03.2010 Rs. in crs
A. Deferred Tax Liability		
i) Timing Difference in depreciable assets	73.15	65.29
ii) Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year	12.62	7.87
Total	85.77	73.16
B. Deferred Tax Assets		
i) Expenses allowable against taxable income In future years	3.74	8.08
ii) Expenses disallowed in earlier assessments which are being contested	11.15	4.46
Total	14.89	12.54
Net Deferred Tax Liability	**70.88**	**60.62**

ii) The Break-up of Deferred Tax Asset of ABML as on 31 March 2011 is as follows:

	31.03.2011 Rs. in crs.	31.03.2010 Rs. in crs.
A. Deferred Tax Liability on Timing Difference in depreciable assets	0.38	0.58
B. Deferred Tax Assets on Expenses allowable against taxable income in future years	0.77	0.88
Net Deferred Tax (Asset)	**(0.39)**	**(0.30)**

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

Rs. in crs.

	2010-2011	2009-2010
Balance as on 1st April 2010	48.36	53.61
Add: Amount created during the year	98.14	39.64
Less : Product related warranties issued for the year	80.62	44.77
Effect of Foreign Exchange Movements	0.24	(0.12)
Balance as on 31st march 2011	**66.12**	**48.36**

25. NOTES TO ACCOUNTS (Contd.)

o. During the last year, EIL had raised Rs. 529.91 crores (net) by issuing shares to Qualified Institutional Buyers to generate funds for its capital expenditure, acquisitions and for general corporate purposes. Out of above Rs. 295.88 crores have been used for the stated purpose and balance of Rs. 234.03 crores remain temporarily invested in mutual funds as at 31st March, 2011.

p. **Details for calculation of basic and diluted earning per share are as under :**

		2010-2011	2009-2010
Net Profit as per Profit & Loss Account	(Rs. crs.)	618.82	493.52
Weighted average number of Equity Shares	(No.)	85,00,00,000	80,27,39,806
Face Value of Shares	(Re.)	1.00	1.00
Basic and diluted earning per share	(Rs.)	7.28	6.15

q. **BUSINESS SEGMENT**

The group's business is organized in two primary business segments, 'Lead Acid Storage Batteries' and Solar Lantern & Homelights. Lead Acid Storage batteries being the only reportable segment, segment information for the group is as under:

Rs. in crs

Business segment	Lead acid Storage Batteries		Others		Unallocated		Consolidated Total	
	2010-11	2009-10	2010-11	2009-10	2010-2011	2009-10	2010-11	2009-10
REVENUE External Sales (Net) and Other income	4,801.00	3,975.02	20.36	12.02	–	–	4,821.36	3,987.03
RESULT Profit before Interest, Depreciation, Income Tax & Exceptional item	1,010.65	984.93	0.52	0.43	–	–	1,011.17	985.36
Depreciation	89.55	87.49	0.04	0.04	–	–	89.59	87.53
Exceptional Item	46.93	–	–	–	–	–	46.93	–
Interest expense	–	–	–	–	11.68	16.78	11.68	16.78
Interest Income	–	–	–	–	0.42	0.68	0.42	0.68
Income taxes	–	–	–	–	297.73	300.85	297.73	300.85
Net profit after tax and before minority interest and share of loss of Associate Company	–	–	–	–	–	–	659.52	580.88
OTHER INFORMATION								
Total Segment assets	3,556.78	2,917.69	8.04	6.79	–	–	3,564.82	2,924.48
Total Segment liabilities	1,011.80	796.20	2.37	1.02	103.63	174.13	1,117.80	971.35
Capital expenditure	307.58	135.30	–	–	–	–	307.58	135.30

GEOGRAPHICAL SEGMENTS

EIL and its subsidiaries primarily operate in India and therefore, the analysis of geographical segments is demarcated into its Indian and Overseas operations as under:

Revenue – Gross Sales

	2010-2011 Rs. in crs.	2009-2010 Rs. in crs.
India	5,475.83	4,466.84
Overseas	298.27	262.82

25. NOTES TO ACCOUNTS (Contd.)

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

	Carrying amount of segment assets		Addition to fixed assets and intangible assets	
	31.3.2011	31.3.2010	2010-2011	2009-2010
India	2558.71	1928.30	306.41	134.13
Overseas	144.40	119.09	1.17	1.17
	2703.11	**2047.39**	**307.58**	**135.30**

r. In additions to the details furnished in Schedule 7, the following investments in Mutual funds units were purchased and sold during the year by EIL:

Name of the fund	Units Purchased	Units Sold
Reliance Mutual Fund	1,00,788.70 (4,50,592.26)	1,00,788.70 (4,50,592.26)
HDFC Mutual Fund	12,14,17,136.68 (5,00,02,584.50)	12,14,17,136.68 (5,00,02,584.50)
ING Vysya Mutual Fund	80,91,77,130.90 (21,00,88,401.17)	80,91,77,130.90 (21,00,88,401.17)
IDFC Mutual Fund	3,70,37,768.77 (1,40,30,895.74)	3,70,37,768.77 (1,40,30,895.74)
ICICI Prudential Mutual Fund	– (28,46,775.33)	– (28,46,775.33)
Kotak Liquid Plus	9,21,84,189.97 (99,94,859.04)	9,21,84,189.97 (99,94,859.04)
Can Rebeco Mutual Fund	80,94,382.33 (40,60,529.66)	80,94,382.33 (40,60,529.66)
Tata Mutual Fund	– (34,971,817.45)	– (34,971,817.45)
Bharti Axa Mutual Fund	– (50,039.49)	– (50,039.49)
SBI Mutual Fund	4,09,16,791.74 (50,01,846.16)	4,09,16,791.74 (50,01,846.16)
Birla Mutual Fund	3,62,35,969.83 (2,50,68,502.31)	3,62,35,969.83 (2,50,68,502.31)
DSP Mutual Fund	6,30,033.63 (49,994.28)	6,30,033.63 (49,994.28)
Templeton Mutual Fund	9,93,72,064.76 (–)	9,93,72,064.76 (–)
UTI Mutual Fund	1,00,356.69 (–)	1,00,356.69 (–)
LIC Mutual Fund	1,00,43,351.86 (–)	1,00,43,351.86 (–)
IDBI Mutual Fund	52,05,894.52 (–)	52,05,894.52 (–)

s. Other income in Schedule 15 includes Rs. 20.65 crores being gain arising on account of premature payment of deferred sales tax loan in terms of Net Present Value (NPV) Scheme of the Government of Tamilnadu. EIL has been granted the above in terms of order no. 743/2011/A8 dated 29th March, 2011 issued by Joint Commissioner (CT), Chennai (East) Division.

25. NOTES TO ACCOUNTS (Contd.)

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

EIL 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 favorable than the provisions of the Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

EIL provides certain Post-Retirement Medical benefits (PRMB) to the employees qualifying for such benefits under the scheme as at 31st March 2006, and accordingly the number of beneficiaries is frozen on that date. These benefits are unfunded.

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

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

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

	Rs. in Crs.			Rs. in Crs.		
	For the year ended 31st March 2011			For the year ended 31st March 2010		
	GRATUITY	PENSION Plan (Benefit)	PRMB	GRATUITY	PENSION Plan (Benefit)	PRMB
I. Expenses recognised in the Statement of Profit & Loss Account						
1. Current / Past Service Cost	6.48	–	0.07	2.02	–	0.06
2. Interest Cost	2.61	0.62	0.23	1.83	0.59	0.16
3. Expected Return on plan assets	3.14	0.94	–	2.52	0.97	–
4. Actuarial (Gains)/Losses	6.68	(0.67)	0.29	6.55	0.09	0.53
5. Total Expense	12.63	(0.99)	0.59	7.88	(0.29)	0.75
II. Net Asset/(Liability) recognised in the Balance Sheet						
1. Present Value of Defined Benefit Obligation	48.05	7.17	3.59	37.54	9.59	3.11
2. Fair Value of Plan Assets	45.28	9.51	–	36.66	13.01	–
3. Net Asset/(Liability)	(2.77)	2.34	(3.59)	(0.88)	3.42	(3.11)
III. Change in Obligation during the year						
1. Present Value of Defined Benefit Obligation at the beginning of the year	37.54	9.59	3.11	29.51	9.42	2.47
2. Current Service Cost / Plan Amendments	6.48	–	0.07	2.02	–	0.06
3. Interest Cost	2.61	0.62	0.23	1.83	0.59	0.16
4. Benefits Paid	5.52	2.46	0.11	2.87	0.84	0.11
5. Actuarial (Gains)/Losses	6.96	(0.58)	0.29	7.05	0.42	0.53
6. Present Value of Defined Benefit Obligation at the end of the year	48.07	7.17	3.59	37.54	9.59	3.11
IV. Change in the Fair Value of Plan Assets during the year						
1. Plan assets at the beginning of the year	36.66	13.01	–	29.50	12.53	–
2. Expected return on plan assets	3.14	0.94	–	2.52	0.97	–
3. Contribution by employer	10.70	(2.07)	0.11	7.01	0.02	0.11
4. Actual Benefits Paid	5.52	2.46	0.11	2.87	0.84	0.11
5. Actuarial (Gains)/Losses	0.30	0.09	–	0.50	0.33	–
6. Plan assets at the end of the year	45.28	9.51	–	36.66	13.01	–
7. Actual return on Plan Assets	3.42	1.03	–	3.02	1.30	–

24. NOTES TO ACCOUNTS (Contd.)

V. In 2011-12 EIL 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%	–

VII. Actuarial Assumptions

	EIL	CML	Caldyne	Leadage
1. Discount Rate	8.00% p.a. (7.50%)	8.25% p.a. (8.25%)	8.35%p.a. (8.00%)	8.20% p.a. (7.00%)
2. Expected rate of return on plan assets	9.00% p.a. (8.00%)	–	8.35% p.a. (8.50%)	–
3. Mortality pre retirement	Standard Table LIC (1994-96) Ultimate	–	Standard Table LIC (1994-96) Ultimate	–
4. Mortality post retirement	Mortality for annuitants LIC (1996-98) Ultimate	–	–	–
5. Employee Turnover Rate	10.00% (10.00%)	2.00% (2.00%)	–	–

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. 13.60 crs (Rs. 12.51 crs) paid towards Defined Contribution Plans.

XI. The above disclosures are made for all the Indian companies within the Group.

Rs in Crs.

Amount for the current and previous four periods are as follows :	Year ended March 11	Year ended March 10	Year ended March 09	Year ended March 08	Year ended March 07
Gratuity					
Defined Benefit Obligation	47.30	37.12	29.24	23.49	22.82
Plan Assets	44.91	36.52	29.36	24.37	23.20
Surplus / (deficit)	(2.39)	(0.60)	0.12	0.88	0.38
Experience Gain/(loss) adjustments on plan liabilities	(2.87)	(11.15)	(0.57)	0.66	2.44
Experience Gain/(loss) adjustmnts on plan assets	0.30	0.49	0.17	0.22	0.10
Pension					
Defined Benefit Obligation	7.17	9.59	9.42	8.67	11.91
Plan Assets	9.51	13.01	12.53	12.35	14.53
Surplus / (deficit)	2.34	3.42	3.11	3.68	2.62
Experience Gain/(loss) adjustments on plan liabilities	0.61	(0.03)	(0.39)	(2.43)	(2.92)
Experience Gain/(loss) adjustments on plan assets	0.09	0.33	0.20	0.14	0.22
Post Retirement Medical Benefit					
Defined Benefit Obligation	3.59	3.11	2.47	2.11	2.15
Experience Gain/(loss) adjustments on plan liabilities	(0.55)	(0.75)	(0.01)	0.05	(0.70)

25. NOTES TO ACCOUNTS (Contd.)

u. Related Party Disclosure:

i) Particulars of related parties :

1. Associated Companies : ING VYSYA Life Insurance Company Limited (IVL)

2. Enterprise/Individuals having a direct or indirect control over the Company : Chloride Eastern Limited, UK. (CEL)
Chloride Eastern industries Pte Limited, Singapore (CEIL)
LIEC Holdings SA, Switzerland
Mr. S B Raheja
Brown & Company PLC

3. Key Management Personnel : Mr. T V Ramanathan
Mr. G Chatterjee
Mr. P K Kataky
Dr. S K Mittal (upto 30 April, 2010)
Mr. A K Mukherjee
Mr. Nadeem Kazim
Mr. Supriya Coomer
Mr. Chng Hee Teck (upto 30 September, 2010)
Mr. Samyajit Chaudhury
Mr. R M D Bandara
Mr. T. W. Atkins
Mr. Partha Sen (upto 31 October, 2010)
Mr. Raja Choudhury (wef 1 November, 2010)
Mr. T. Arunkumar (upto 18 August, 2010)
Mr. A. B. Oke
Mr. Pulak Pramanik (wef 1 May, 2010)
Mr. E Narayanan (upto 18 August, 2010)

5. Name of the Companies/firms/ in which Directors/Key Management Personnel have significant influence with whom transactions have happened during the year : Global Lead alloys
Klevenberg (Pvt) Limited
Browns Group Industries Limited
SM Vaieram

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

(Rs. in Crs)

	Associated Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel	Companies/firms in which directors/their relatives are interested		Total	
	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Transaction Value	Balance Outstanding as on 31-03.2011	Transaction Value	Balance Outstanding as on 31-03-2011
Purchases of goods									
– Global Lead alloys	–	–	–	–	–	0.11	–	0.11	–
					–	(1.31)	(0.01)	(1.31)	(0.01)
– Brown & company PLC	–	–	0.73	0.43	–	–	–	0.73	0.43
		–	(0.61)	(0.80)	–	–	–	(0.61)	(0.80)
– Browns Group Industries Limited	–	–	–	–	–	4.72	0.44	4.72	0.44
	–	–	–	–	–	(3.34)	(0.43)	(3.34)	(0.43)
Sale of goods									
– Brown & company PLC	–	–	67.23	10.47	–	–	–	67.23	10.47
	–	–	(57.70)	(10.63)	–	–	–	(57.70)	(10.63)
– Klevenberg (Pvt) Limited	–	–	–	–	–	21.37	4.55	21.37	4.55
	–	–	–	–	–	(12.21)	(3.56)	(12.21)	(3.56)
Job Work charges Paid									
– Global Lead Alloys	–	–	–	–	–	0.04	–	0.04	–
	–	–	–	–	–	(0.25)	–	(0.25)	–

25. NOTES TO ACCOUNTS (Contd.)

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

(Rs. in Crores.)

	Associated Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel	Companies/firms in which directors/their relatives are interested		Total	
	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Balance Outstanding as on 31-03-2011	Transaction Value	Transaction Value	Balance Outstanding as on 31-03.2011	Transaction Value	Balance Outstanding as on 31-03-2011
Transportation Charges Paid – SM Vaieram	– –	– –	– –	– –	– –	0.03 (0.04)	– –	0.03 (0.04)	– –
Interest Paid – CEIL	– –	– –	0.01 –	– –	– –	– –	– –	0.01 –	– –
Technical Assistance Expenses – CEIL	– –	– –	0.05 (0.08)	– (0.04)	– –	– –	– –	0.05 (0.08)	– (0.04)
Trade Mark Expenses – CEIL	– –	– –	0.04 (0.02)	– –	– –	– –	– –	0.04 (0.02)	– –
Employee Welfare Expenses – IVL	0.45 (0.36)	– –	– –	– –	– –	– –	– –	0.45 (0.36)	– –
Rights Issue of Shares – IVL	118.70 (93.74)	– –	– –	– –	– –	– –	– –	118.70 (93.74)	– –
Rental Income – CEIL	– –	– –	0.04 (0.04)	– –	– –	– –	– –	0.04 (0.04)	– –
Remuneration to Directors (Refer note no II of Schedule 25)	– –	– –	– –	– –	6.38 (10.02)	– –	– –	6.38 (10.02)	1.75 (3.31)
to Others	– –	– –	– –	– –	2.19 (1.68)	– –	– –	2.19 (1.68)	– –
– Total	– –	– –	– –	– –	8.57 (11.70)	– –	– –	8.57 (11.70)	1.75 (3.31)

IV. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The consolidated accounts have been prepared under the Historical Cost Convention modified by revaluation of fixed assets in accordance with the applicable accounting standards in India, except for the foreign subsidiaries CBSEA, ESPEX and ABML whose accounts have been prepared under ‘Singapore Financial Reporting Standards’, ‘Financial Reporting Standards for smaller entities, UK’, and Sri Lanka Accounting Standards respectively, but suitably modified to conform to the uniform accounting policies, except where disclosed otherwise. For recognition of Income and expenses, Mercantile System of Accounting is followed. The accounting policies have been consistently applied by the Company.

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. Although these estimates are based upon management’s best knowledge of current events and actions, actual results could differ from these estimates.

c. Revenue Recognition

Revenue from sale of goods including manufactured products is recognized 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.

24. NOTES TO ACCOUNTS (Contd.)

Interest

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

Dividend

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

d. **Fixed Assets**

Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and impairment losses, if any. Cost comprises of Purchase price 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.

e. **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. Unquoted and Long Term Investments are considered at cost, except when there is a decline, other than temporary 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.

f. **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 certain assets of EIL and the entire assets of foreign subsidiaries (CBSEA, ESPEX and ABML), where depreciation is provided with reference to the useful economic lives of the respective assets. Further, in respect of certain assets at EIL 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.

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:

a)

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%

25. NOTES TO ACCOUNTS (Contd.)

b) At ABML, the useful life of the assets is estimated as follows:

Building	30 years
Plant & machinery	10 years
Motor Vehicles	04 years
Furniture, Fittings, Office Equipment and Tools & Moulds	05 years

c) At CBSEA, the useful life of the assets is estimated as follows:

Plant & Machinery	10 years
Motor Vehicles	05 years
Furniture, Fittings, Office Equipment	03 to 10 years

d) The Company has estimated the residual value of Plant & Machinery, moulds and computer 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.

e) Acquired Goodwill and Softwares are amortised over a period of five years. However, the amount of goodwill arising on consolidation is tested for impairment at each year-end.

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.

g. **Intangible Assets**

Research & 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.

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.

Acquired computer software and licenses are capitalised on the basis of costs incurred to bring the specific intangibles to its intented use. These cost are amortized on a straight-line basis over their estimated useful life of five years.

h. **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.

i. **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 & Loss Account.

25. NOTES TO ACCOUNTS (Contd.)

j. **Leases**

i. Finance lease:

a) Assets given under a finance lease are recognized as receivables 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 capitalized 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 represents assets where the lessor effectively retains substantially all the risks and benefits of their ownership. Operating lease payments are recognized 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.

k. **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 as 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 recognised as income or as expense for the year.

(v) **Translation of Non-Integral Foreign Currency Operations**

The translation of the financial statements of a non-integral foreign operation results in the recognition of exchange differences arising from (a) translating income and expense items at the exchange rates at the dates of transactions and assets and liabilities at the closing rate (b) translating the opening net investment in the non-integral foreign operation at an exchange rate different from that at which it was previously valued.

All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

25. NOTES TO ACCOUNTS (Contd.)

l. **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.

m. **Trade & Other Payables**

Trade and other payables are recognized at historical costs. At CBSEA and ABML, Long Term Trade and other payables including the amounts payable to related Companies are initially recognized at fair values and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit & loss account when the liabilities are derecognized as well as through the amortisation process.

n. **Earning Per Share**

Earnings per share is calculated by dividing the net profit or loss for the period 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.

o. **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.

p. **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.

q. **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.

CBSEA participates in the national pension schemes as defined by the laws of Singapore and makes contributions to the Central Provident fund scheme in Singapore.

ii) At EIL, 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.

At ABML, in order to meet the Gratuity liability, a provision is carried forward in the balance sheet, equivalent to an amount calculated based on the half month’s salary of the last month of the financial year of all employees for each completed year of service, commencing from the first year of service. The gratuity liability is neither funded nor actuarially valued.

For Caldyne, CIL and Chloride Metals, Gratuity liability is accounted for on the basis of annual premium determined by the insurance company.

iii) Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year, while Short term compensated absences are provided for based on management estimates.

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. ‘III (s)’ above. 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.

25. NOTES TO ACCOUNTS (Contd.)

r. **Segment Reporting**

The Company's operating business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which customers of the Company are located.

s. **Taxation**

Tax expenses comprises of current and deferred tax charge or release. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Laws as applicable. In case of foreign subsidiaries/associates the tax liability is provided as per the Income Tax Laws prevailing in the respective countries.

Deferred income taxes reflect the impact of current year timing difference 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 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 realized. However, in case of foreign subsidiaries/associates, Deferred Income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 realized 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 and in case of foreign entities, if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred Tax Assets and Liabilities across various countries of operations are not set-off against each other as EIL does not have a legal right to do so.

t. **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, and the relevant pronouncements in case of the foreign subsidiaries, 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.

At CBSEA, if the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as finance costs.

u. **Contingent Liabilities**

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

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

Signatures to Schedules 1 to 25

In terms of our attached report of even date.

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

Per Sanjoy K. Gupta
Partner
Membership No. 54968
Mumbai, 27 April, 2011

S. Coomer
Secretary

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

INFORMATION REGARDING SUBSIDIARY COMPANIES

(Rs. In Crores)

Name of the Subsidiary	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments			Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Interim Dividend	Proposed Dividend
					Long Term	Current	Total						
Caldyne Automatics Ltd.	1.98	5.02	20.53	13.53	–	–	–	44.22	2.33	0.79	1.54	–	0.79
Chloride Metals Ltd. (Formerly Tandon Metals Ltd.)	5.34	14.60	79.04	59.10	–	–	–	381.49	19.79	6.62	13.17	13.37	5.35
Leadage Alloys India Ltd.	4.68	29.29	279.06	245.09	–	–	–	744.94	32.57	11.20	21.37	35.10	4.68
Chloride International Ltd.	0.45	5.22	8.04	2.37	– **	–	– **	20.72	0.46	0.20	0.26	0.23	–
Chloride Batteries S.E. Asia Pte. Ltd.*	34.51	9.62	69.67	25.54	–	–	–	105.85	4.54	0.83	3.71	–	–
Associated Battery Manufacturers (Ceylon) Ltd. @	2.53	16.51	38.29	19.25	0.46	–	0.46	80.75	8.55	3.78	4.77	2.46	–
Espex Batteries Ltd. #	1.44	1.45	25.14	22.25	–	–	–	44.14	1.44	0.31	1.13	0.21	–

* Converted into Indian Rupees at the Exchange Rate, 1 Singapore Dollar = Rs 35.45 as on 31st March, 2011

@ Converted into Indian Rupees at the Exchange Rate, 1 Srilankan Rupees = Re 0.40 as on 31st March, 2011

\# Converted into Indian Rupees at the Exchange Rate, 1 Great Britain Pound = Rs 71.93 as on 31st March, 2011

** Figures being less than Rs 50,000 in each case, have not been disclosed.

Notes

Notes

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ANNUAL REPORT 2010-2011

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