Placement Document
Not for circulation
Serial No.: [●]

EXIDE INDUSTRIES LIMITED

(Incorporated in the Republic of India as a limited liability company under the Companies Act, 1913)

EXIDE INDUSTRIES LIMITED (the "**Issuer**" or the "**Company**") is issuing up to 50,000,000 equity shares of face value of Re. 1 each (the "**Equity Shares**") at a price of Rs. 107.90 per Equity Share, including a premium of Rs. 106.90 per Equity Share, aggregating Rs. 5,395 million (the "**Issue**").

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING DONE IN RELIANCE ON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "**SEBI REGULATIONS**"). THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA.

THIS ISSUE IS A QUALIFIED INSTITUTIONS PLACEMENT PURSUANT TO CHAPTER VIII OF THE SEBI REGULATIONS

Invitations, offers and sales of Equity Shares shall only be made pursuant to this Placement Document, application form, and confirmation of allocation note ("**CAN**"). See "*Issue Procedure*" on page 120 of this Placement Document. The distribution of this Placement Document or the disclosure of its contents without the Company's prior consent, to any person, other than Qualified Institutional Buyers (as defined in the SEBI Regulations) ("**QIBs**"), and persons retained by QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

This Placement Document has not been reviewed by the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**"), the Bombay Stock Exchange Limited (the "**BSE**"), the National Stock Exchange of India Limited (the "**NSE**"), Calcutta Stock Exchange Association Limited (the "**CSE**") or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has not been and will not be registered as a prospectus with the Registrar of Companies in India, and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction.

Investments in equity shares involve a degree of risk and prospective investors should not invest any funds in this Issue unless they are prepared to take the risk of losing all or part of their investment. Prospective investors are advised to read "*Risk Factors*" beginning on page 27 of this Placement Document carefully before taking an investment decision in this Issue. Each prospective investor is advised to consult its advisors about the particular consequences to it of an investment in the Equity Shares being issued pursuant to this Placement Document.

The information on the Company's website or any website directly or indirectly linked to the Company's website does not form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, such websites.

The outstanding equity shares of the Company are listed on the NSE, the BSE and the CSE (collectively, the "**Stock Exchanges**"). On March 5, 2010, the closing price of outstanding equity shares reported on the NSE and the BSE was Rs. 109.50 and Rs. 109.20, respectively. Applications shall be made for the listing of the Equity Shares offered through this Placement Document on each of the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the Company or the Equity Shares.

THE FOLLOWING PLACEMENT DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE SEBI REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

A copy of this Placement Document will be delivered to the Stock Exchanges. A copy of the Placement Document will also be delivered to SEBI for record purposes.

THIS PLACEMENT DOCUMENT HAS BEEN PREPARED BY THE COMPANY SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE OF THE EQUITY SHARES DESCRIBED IN THIS PLACEMENT DOCUMENT.

The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Nothing in this Placement Document constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction and the Equity Shares may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

Joint Global Coordinators and Book Running Lead Managers

DSP Merrill Lynch Limited	**Enam Securities Private Limited**	**Morgan Stanley India Company Private Limited**	**UBS Securities India Private Limited**

This Placement Document is dated March 10, 2010.

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NOTICE TO INVESTORS

The Company accepts full responsibility for the information contained in this Placement Document and to the best of its knowledge and belief, having made all reasonable enquiries, confirms that this Placement Document contains all information with respect to the Company, its subsidiaries and the Equity Shares, which is material in the context of this Issue. The statements contained in this Placement Document relating to the Company, its subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading, the opinions and intentions expressed in this Placement Document with regard to the Company, its subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to the Company, its subsidiaries and are based on reasonable assumptions. There are no other facts in relation to the Company, its subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

Accordingly, neither the Joint Global Coordinators and Book Running Lead Managers nor any of their respective members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted, by the Joint Global Coordinators and Book Running Lead Managers, as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has neither relied on the Joint Global Coordinators and Book Running Lead Managers, nor on any person affiliated with the Joint Global Coordinators and Book Running Lead Managers in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Company and its subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Company or the Joint Global Coordinators and Book Running Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction. No authority has passed on or endorsed the merits of this offering or the accuracy or adequacy of this Placement Document.

The distribution of this Placement Document and the Issue may be restricted by law in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any other offering materials in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, investors must rely on their own examination of the Company, its subsidiaries and the terms of this Issue, including the merits and risks involved. Investors should not construe the contents of this Placement Document as legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting, and related matters concerning this Issue. In addition, neither the Company nor the Joint Global Coordinators and Book Running Lead Managers are making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under applicable legal, investment or similar laws or regulations. Each purchaser of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in the Company under Indian law, including Chapter VIII of the SEBI Regulations, and that it is not prohibited by the SEBI or any other statutory authority from buying, selling, or dealing in securities. Each purchaser of Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from the Company and review information relating to the Company and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

By subscribing to any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged and agreed to the Company and the Joint Global Coordinators and Book Running Lead Managers as follows:

- you are a Qualified Institutional Buyer as defined in regulation 2(1)(zd) of the SEBI Regulations and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with Chapter VIII of the SEBI Regulations;

- if you are a resident in any other country other than India you are permitted by all applicable laws to acquire the Equity Shares in such country;

- if you are allotted Equity Shares pursuant to the Issue, you shall, for a period of one year from the date of Allotment, sell the Equity Shares so acquired only on the floor of the Stock Exchanges;

- you are aware that the Equity Shares have not been and will not be registered under the SEBI regulations or under any other law in force in India. This Placement Document has not been verified or affirmed by the SEBI or the Stock Exchanges and will not be filed with the Registrar of Companies. This Placement Document has been filed with the Stock Exchanges for record purposes only and has been displayed on the websites of the Company and the Stock Exchanges;

- you are entitled to subscribe for the Equity Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other consents in each case which may be required thereunder and complied with all necessary formalities;

- you are entitled to acquire Equity Shares under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents and authorities to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in the Placement Document) and will honour such obligations;

- that: (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents (**"Company Presentations"**) with regard to the Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Joint Global Coordinators and Book Running Lead Managers may not have knowledge of the statements that the Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Joint Global Coordinators and Book Running Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- neither the Company nor the Joint Global Coordinators and Book Running Lead Managers are making any recommendations to you, advising you regarding the suitability of any transactions they may enter into in connection with the Issue. Your participation in the Issue is on the basis that you are not and will not be a client of the Joint Global Coordinators and Book Running Lead Managers and that the Joint Global Coordinators and Book Running Lead Managers have no duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity;

- all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. The Company assumes no responsibility to update any of the forward-looking statements contained in the Placement Document;

- you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public and the Allotment of the Equity Shares shall be on a discretionary basis;

- you have made, or been deemed to have made, as applicable, the representations set forth in the section "*Transfer Restrictions*" on page 135 of this Placement Document;

- you are purchasing the Equity Shares in reliance on Regulation S under the Securities Act;

- you have been provided a serially numbered copy of this Placement Document and have read the Placement Document in its entirety;

- that in making your investment decision, (i) you have relied on your own examination of the Company, its subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) you have made your own assessment of the Company, its subsidiaries, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) you have consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) you have relied solely on the information contained in the Placement Document and no other disclosure or representation by the Company or any other party and (v) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of the Company and the Equity Shares;

- you have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company and/or any of the Joint Global Coordinators and Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares;

- that where you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity

Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- you are not a Promoter and are not a person related to the Promoter, either directly or indirectly and your Bid does not directly or indirectly represent the Promoter or the promoter group of the Company or person related to the Promoter or the promoter group of the Company;

- you have no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of Directors of the Company other than the rights acquired, if any, in the capacity of a lender not holding any shares of the Company, which shall not be deemed to be a person related to the Promoter;

- you have no right to withdraw your Bid after the Bid Closing Date;

- you are eligible to apply for and hold Equity Shares so allotted together with any equity shares held by you prior to the Issue. You further confirm that your holding upon the issue of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- the Bid submitted by you would not eventually result in triggering a tender offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended (the "**Takeover Code**");

- to the best of your knowledge and belief together with other QIBs in the Issue that belong to the same group or are under common control as you, the Allotment under the Issue shall not exceed 50 per cent of the Issue. For the purposes of this representation:

    a. the expression 'belongs to the same group' shall be interpreted by applying the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act; and

    b. 'control' shall have the same meaning as is assigned to it by clause (c) of Regulation 2 of the Takeover Code.

- you shall not undertake any trade in the Equity Shares credited to your Depository Participant account until such time that the final listing and trading approval for the Equity Shares is issued by the Stock Exchanges;

- you are aware that applications will be made to the Stock Exchanges for in-principle approval for listing and admission of the Equity Shares to trading on the Stock Exchanges' market for listed securities and that the application for the final listing and trading approval will be made only after Allotment of the Equity Shares in the Issue, and there can be no assurance that such final approval will be obtained on time or at all;

- you are aware and understand that the Joint Global Coordinators and Book Running Lead Managers will have entered into a placement agreement with the Company whereby the Joint Global Coordinators and Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, undertaken to use their reasonable endeavours as agents of the Company to seek to procure subscription for the Equity Shares;

- that the contents of this Placement Document are exclusively the responsibility of the Company, and that neither the Joint Global Coordinators and Book Running Lead Managers nor any person acting on their behalf has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement, including any view, statement, opinion or representation expressed in any research published or distributed by any of the Joint Global Coordinators and Book Running Lead Managers or their respective affiliates or any view, statement, opinion or representation expressed by any staff, including research staff, made by or on behalf of the Joint Global Coordinators and Book Running Lead Managers or the Company or any other person, and neither of the Joint Global Coordinators and Book Running Lead Managers nor the Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- that the only information you are entitled to rely on, and on which you have relied on in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Joint Global Coordinators and Book Running Lead Managers or the Company, and neither the Joint Global Coordinators and Book Running Lead Managers nor the Company will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

- you agree to indemnify and hold the Company and the Joint Global Coordinators and Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements and agreements in this section. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- that the Company, the Joint Global Coordinators and Book Running Lead Managers, their affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to the Joint Global Coordinators and Book Running Lead Managers on their own behalf and on behalf of the Company and are irrevocable;

- you understand that the Joint Global Coordinators and Book Running Lead Managers have no obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by the Company of any of its respective obligations or any breach of any representations or warranties by the Company, whether to you or otherwise;

- that you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time, and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- that you are a sophisticated investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. In particular, you acknowledge that (i) an investment in the Shares involves a high degree of risk and that the Shares are, therefore, a speculative investment, (ii) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Shares, and (iii) you are experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions and have such knowledge and experience in financial, business and investments matters that you are capable of evaluating the merits and risks of your investment in the Shares; and

- that each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment of the Equity Shares in the Issue.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII may issue or otherwise deal in offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities (all such offshore derivative instruments are referred to herein as "**P-Notes**") listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by an appropriate foreign regulatory authorities in the countries of their incorporation or establishment subject to compliance with "know your client" requirements. An FII shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes, including, without limitation, any information regarding any risk factors relating thereto. In terms of the FII Regulations, as amended with effect from May 22, 2008, no sub-account of an FII is permitted to directly or indirectly issue P-Notes.

Offshore derivative instruments have not been and are not being offered or sold pursuant to this Placement Document. Neither this document nor the Placement Document contains or will contain any information concerning offshore derivative instruments or the issuer(s) of any offshore derivative instruments, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. The Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to the P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to the Company. The Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with the P-Notes. Any P-Notes that may be issued are not securities of the Joint Global Coordinators and Book Running Lead Managers and do not constitute any obligations or claims on the Joint Global Coordinators and Book Running Lead Managers. FII affiliates of the Joint Global Coordinators and Book Running Lead Managers may purchase, to the extent permissible under law, Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Placement Document has been submitted to the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Placement Document;

2. warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of the Company, its Promoter, its management or any scheme or project of the Company; and

it should not for any reason be deemed or construed to mean that the Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity

Shares of the Company may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a company incorporated with limited liability under the laws of India. The Company has four subsidiaries incorporated in India and three other subsidiaries incorporated in Singapore, United Kingdom and Sri Lanka.

A substantial majority of the Company's directors and executive officers are residents of India and all or a substantial portion of the assets of the Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside India.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Code on a statutory basis. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards.

The United States has not been declared by the Indian Government to be a reciprocating territory for the purposes of Section 44A of the Civil Code. However, the United Kingdom, Singapore and Hong Kong have been declared by the Indian Government to be reciprocating territories. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a new suit upon the judgement and not by proceedings in execution. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution.

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where it has not been pronounced by a court of competent jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India.

The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Company cannot predict whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

The Company publishes its financial statements in Rupees. The Company's financial statements are prepared in accordance with Indian GAAP and the Companies Act. Unless otherwise indicated, all financial data in this Placement Document are derived from the Company's financial statements prepared in accordance with Indian GAAP. Indian GAAP differs in certain significant respects from IFRS and U.S. GAAP. The Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. The Company has not attempted to explain those differences or quantify their impact on the financial information included herein, and we urge you to consult your own advisors regarding such differences and their impact on the Company's financial information. Accordingly, the degree to which the financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with the respective accounting practices. See "*Risk Factors – Risks relating to investments in India and Indian companies - Differences exist between Indian GAAP and other accounting principles, such as IFRS. These differences may be material to investors' assessments of the Company's financial condition*" on page 38 of this Placement Document.

The Company's consolidated reformatted financial statements as of and for the years ended March 31, 2009, March 31, 2008 and March 31, 2007 included in this Placement Document (the "**Reformatted Financial Statements**") are extracted from the Company's consolidated audited financial statements as of and for the years ended March 31, 2009, 2008 and 2007 audited by S. R. Batliboi & Co., the Company's independent auditors. The examination report of S. R. Batliboi & Co. on the Reformatted Financial Statements is included in this Placement Document.

The Company's unaudited non consolidated financial statements as of and for the nine months ended December 31, 2008 and 2009 (the "**Unaudited Interim Non – Consolidated Financial Statements**") and the review reports of S. R. Batliboi & Co. thereon under Standard on Review Engagement SRE 2400 "Engagements to Review Financial Statements" issued by the ICAI are included in this Placement Document.

The Company's Fiscal Year commences on April 1 of each year and ends on March 31 of the succeeding year, so all references to a particular Fiscal Year of the Company are to the twelve-month period ended on March 31 of that year.

In this Placement Document, certain monetary amounts have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures which precede them.

All references to "you", "offeree", "purchasers", "subscribers", "recipient" and "investors" are to prospective investors in the Equity Shares. References in this Placement Document to "India" are to the Republic of India and the "Government" are to the governments in India, central or state, as applicable.

Market data and certain industry forecasts used throughout this Placement Document have been obtained from market research, publicly available information and industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified. Neither the Company or the Joint Global Coordinators and Book Running Lead Managers make any representation as to the accuracy and completeness of that information, nor do they take responsibility for such data.

EXCHANGE RATES

The Company prepares and publishes its financial statements in Rupees. All references to "Rupees" and "Rs." are to Indian Rupees and all references to "U.S. Dollars" and "US$" are to United States Dollars. Fluctuations in the exchange rate between the Rupee and the U.S. Dollar will affect the U.S. Dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. Dollars of any cash dividends paid in Rupees on the Equity Shares. The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the U.S. Dollar (in Rupees per U.S. Dollar) based on the reference rates released by the RBI. The exchange rate as at March 31, 2009 was Rs. 50.95 = US$ 1.00 and as at December 31, 2009 was Rs. 46.68 = US$ 1.00. (*Source: Reference rate as released by the RBI*).

Exchange rate (Rs. per US$ 1.00)				
FY ended March 31,	**Period End**	**Average**	**High**	**Low**
Year ended 2007	43.59	45.29	46.95	43.14
Year ended 2008	39.97	40.24	43.15	39.27
Year ended 2009	50.95	45.91	52.06	39.89
First Quarter FY2010	47.87	48.67	50.53	46.84
Second Quarter FY2010	48.04	48.42	49.40	47.54
Third Quarter FY2010	46.68	46.64	47.86	45.91

Source: Reference rate available on the RBI website, www.rbi.org.in.

No representation is made that the Rupee amounts actually represent such amounts in U.S. Dollars or could have been or could be converted into U.S. Dollars at the rates indicated, any other rates or at all.

FORWARD LOOKING STATEMENTS

All statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import.

All statements regarding the Company's expected financial condition and results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Company's business strategy, revenue and profitability and other matters discussed in this Placement Document that are not historical facts. They appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of the Company and the industries in which it operates. These forward-looking statements and any other projections contained in this Placement Document (whether made by the Company or any third-party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*". The Company and each of the Joint Global Co-ordinators and Book Running Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events, and depend on circumstances, that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this Placement Document. Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with management's expectations with respect to, but not limited to, the actual growth in demand for the Company's products, the management's ability to successfully implement its strategy, future levels of impaired loans, the Company's growth and expansion, the adequacy of the Company's allowance for credit and investment losses, technological changes, investment income, the Company's ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings the Company is or may become a party to, the future impact of new accounting standards, management's ability to implement its dividend policy, the Company's exposure to market risks. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Company and the development of the industries in which it operates are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

The forward-looking statements contained in this Placement Document are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the Company's underlying assumptions prove to be incorrect, the Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Company are expressly qualified in their entirety by reference to these cautionary statements.

DEFINITIONS AND ABBREVIATIONS

Definitions of certain capitalised terms used in this Placement Document are set forth below:

Term	Description
The "Company" or the Issuer"	Exide Industries Limited, a public limited company incorporated under the Companies Act, 1913 and having its registered office at Exide House, 59E, Chowringhee Road, Kolkata 700 020
AGM	Annual General Meeting
Allocated, Allocation	The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by them, in consultation with the Joint Global Coordinators and Book Running Lead Managers in compliance with Chapter VIII of the SEBI Regulations
Allot, Allotment, and other grammatical variations	Unless the context otherwise requires, the allotment of Equity Shares pursuant to this Issue
Allottees	QIBs to whom Equity Shares of the Company are issued pursuant to the Issue
Application Form	The form (including revision thereof) pursuant to which the QIBs shall submit a bid in this Issue
Articles/Articles of Association	The Articles of Association of the Company
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
Auditors	S.R. Batliboi & Co., Chartered Accountants, the statutory auditors of the Company
Bid	An indication of QIBs' interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares in the Issue
Bid Closing Date	March 9, 2010
Bid Opening Date	March 8, 2010
Bidding Period	The period between the Bid Opening Date and Bid Closing Date, inclusive of both dates, during which prospective QIBs can submit their Bids
Board of Directors/Board	The board of directors of the Company or a committee constituted thereof
BSE	The Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CAN/Confirmation of Allocation Note	Note or advice or intimation to not more than 49 QIBs confirming the Allocation of Equity Shares to such QIBs after discovery of the Issue Price and to pay the entire Issue Price for all the Equity Shares allocated to such QIBs
CDSL	Central Depository Services (India) Limited
Civil Code	The Code of Civil Procedure, 1908, as amended from time to time
CLB	The Company Law Board
Companies Act	The Companies Act, 1956, as amended from time to time
CSE	Calcutta Stock Exchange Association Limited
Cut-off Price	The Issue Price of the Equity Shares which shall be finalised by the Company in consultation with the Joint Global Coordinators and Book Running Lead Managers
Delisting Regulations	SEBI (Delisting of Equity Shares) Regulations, 2009, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	A body corporate registered under SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time

Term	Description
Depository Participant/ DP	A depository participant as defined under the Depositories Act
DIPP	Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, GoI
Director(s)	Director(s) of the Company, unless otherwise specified
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share, i.e., profit after tax for a Fiscal Year divided by the weighted average outstanding number of Shares during that Fiscal Year
Equity Shares	Equity shares of the Company of face value of Re. 1 each
Escrow Bank	Bank with which the escrow account for the Issue is opened, in this case being, HDFC Bank Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 and the regulations framed thereunder, as amended from time to time
FII	Foreign Institutional Investor (as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
Financial Year/Fiscal Year/ FY	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated
Floor Price	The floor price of Rs. 107.86 for the Equity Shares, which has been calculated in accordance with Regulation 85 of the SEBI Regulations
FVCI	Foreign Venture Capital Investor (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under the applicable laws in India
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI/Government	Government of India, unless otherwise specified
Group	Company along with all its subsidiaries and associates
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IEA	The International Energy Agency
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income Tax Act	The Income Tax Act, 1961, as amended from time to time
India	The Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time
IRDA	Insurance Regulatory and Development Authority
Issue	The offer and sale of the Equity Shares to Qualified Institutional Buyers, pursuant to Chapter VIII of the SEBI Regulations
Issue Price	A price per Equity Share of Rs. 107.90
Issue Size	The issue of 50,000,000 Equity Shares aggregating to Rs. 5,395 million
Joint Global Coordinators and Book Running Lead Managers	Joint Global Coordinators and Book Running Lead Managers to the Issue, in this case being DSP Merrill Lynch Limited, Enam Securities Private Limited, Morgan Stanley India Company Private

Term	Description
	Limited and UBS Securities India Private Limited
Listing Agreements	The agreements entered into between the Company and the Stock Exchanges in relation to listing of the Equity Shares on the Stock Exchanges
Memorandum/Memorandum of Association	The Memorandum of Association of the Company
Mn./Mil.	Million
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NCLT	The National Company Law Tribunal
NSDL	The National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
No.	Number
PAN	Permanent Account Number
PAT	Profit After Tax
Pay-in Date	The last date specified in the CAN sent to the QIBs
PBT	Profit Before Tax
Placement Document	The Placement Document dated March 10, 2010 issued in accordance with Chapter VIII of the SEBI Regulations
Preliminary Placement Document	Preliminary Placement Document dated March 8, 2010 issued in accordance with Chapter VIII of the SEBI Regulations
Promoter	The Promoter of the Company, being Chloride Eastern Limited
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
QIP	Qualified Institutions Placement under Chapter VIII of the SEBI Regulations
RBI	Reserve Bank of India
Registered Office	The registered office of the Company at Exide House, 59E, Chowringhee Road, Kolkata 700 020
Regulation S	Regulation S under the Securities Act
RoC	Registrar of Companies, Kolkata
Rs. /Rupees/INR	Rupees, being the lawful currency for the time being of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
Securities Act	The U.S. Securities Act of 1933, as amended
SENSEX	An Index based on a basket of 30 constituent stocks traded on BSE representing a sample of large, liquid and representative companies
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
State Governments	State governments of India
Stock Exchanges	NSE, BSE and CSE
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
United States/ USA	The United States of America

Term	Description
U.S. GAAP	Generally accepted accounting principles in the United States of America
US$/ USD/ U.S. Dollars	US dollars, the lawful currency of the United States of America
w.e.f	With effect from

GENERAL INDUSTRY TERMS

Term	Description
Ah	Ampere per hour
CII	Confederation of Indian Industries
HRD	Human Resource Development
ISO	International Organization for Standardization
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
PPM	Parts per million
SMF	Sealed Maintenance Free
TQM	Total Quality Management
VRLA	Valve Regulated Lead Acid

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed terms appearing elsewhere in this Placement Document, including under "Issue Procedure" and "Description of Shares" on pages 120 and 145, respectively of this Placement Document.

Issuer	Exide Industries Limited
Face Value	Re. 1
Issue Price per Equity Share	Rs. 107.90
Issue Size	50,000,000 Equity shares aggregating to Rs. 5,395 million. A minimum of 10% of the Issue Size i.e. up to 5,000,000 Equity Shares shall be available for Allocation to Mutual Funds only. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other eligible QIBs.
Floor Price	Rs. 107.86 per Equity Share.
Equity Shares issued immediately prior to the Issue	800,000,000 Equity Shares, aggregating Rs. 800,000,000.
Equity Shares issued and outstanding immediately after the Issue	850,000,000 Equity Shares.
Eligible Investors	QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations, 2009.
Listing	The Company has made applications to each of the Stock Exchanges to obtain in-principle approvals for listing of the Equity Shares issued pursuant to the Issue.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges.
Closing	The Allotment of the Equity Shares offered pursuant to this Issue shall be made on or about March 17, 2010 (the "**Closing Date**").
Ranking	The Equity Shares being issued shall be subject to the provisions of the Company's Memorandum of Association and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares including rights in respect of dividends. The Equity Shareholders will be entitled to participate in dividends and other corporate benefits, if any, declared by the Company after the Closing Date, in compliance with the Companies Act. The Equity Shareholders may attend and vote in shareholders' meetings on the basis of one vote for every Share held. See the "*Description of Shares*" at page 145 of this Placement Document.
Voting Rights of Equity Shareholders	For details, see "*Description of Shares – Voting Rights*" on page 148 of this Placement Document.
Dividends	For details, see "*Description of Shares – Dividends*" on page 145 of this Placement Document.
Use of Proceeds	The net proceeds of the Issue (after deduction of fees, commissions and expenses)

	are expected to be approximately Rs. 5,289 million. For details of the use of proceeds, see "*Use of Proceeds*" on page 45 of this Placement Document.
Lock-in	The Company has undertaken that it will not for a period of one hundred and eighty days (180) days from the date of Allotment, without the prior written consent of the Joint Global Coordinators and Book Running Lead Managers, directly or indirectly, (*a*) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act of 1933, as amended, with respect to any of the foregoing, or (*b*) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (*c*) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (*d*) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above; provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares pursuant to the Issue. The Company acknowledges that the Promoter has also entered into a lock-up agreement for a period of one hundred and eighty (180) days from the date of Allotment on the terms as set out above.
Risk Factors	Prior to making an investment decision, prospective investors should carefully consider the matters discussed under "*Risk Factors*" on page 27 of this Placement Document.

Security Codes:	ISIN	INE302A01020
	BSE Code	500086
	NSE Code	EXIDEIND
	CSE Codes	15060 and 10015060

SUMMARY OF BUSINESS

Overview

The Company is a leading battery producer in India and one of the largest power storage producers in South Asia. The Company manufactures a wide range of storage batteries ranging from 2.5 Ah to 15,000 Ah capacity, covering a broad spectrum of applications. The Company operates six battery manufacturing facilities strategically located across India, including two in Maharashtra, two in West Bengal, one in Tamil Nadu, and one in Haryana. In addition, through its subsidiaries, the Company operates two lead smeltering facilities that supply a significant amount of the Company's lead requirements. The Company supplies batteries to the automotive, industrial, infrastructure development, information technology and defence sectors in India. In the automotive sector, the Company is a leading supplier of batteries for motorcycles, passenger vehicles, commercial trucks and farm equipment. The Company is also a leading supplier of batteries for industrial applications relating to railroads, telecom, power back-up systems and materials handling.

With the Company's leading position in the Indian battery market and its strong product research and development capabilities, the Company believes it is well positioned to capture additional business opportunities in India's automotive, infrastructure, power, telecom and information technology sectors. In light of the clear trend towards developing more environmentally-friendly power alternatives, the Company intends to continue exploring new opportunities such as electric and hybrid batteries for electric-powered motorcycles and cars as well as industrial solar power applications. The Company believes that its existing relationships with automotive OEMs will allow it to benefit from the incumbent advantage for hybrid technology vehicles in India.

The Company sells its battery products principally to OEMs, dealers and directly to end consumers. The Company has established an extensive sales and distribution network that includes a dedicated in-house sales force for OEMs and approximately 38,500 retail outlets for aftermarket sales that include 12,500 dealers spread across 202 cities in India. With the growing retail market for branded battery products in the country's rural areas, the Company has recently strengthened its sales and distribution efforts in rural India to serve this growing demand.

The Company continuously looks to modernize and upgrade its manufacturing facilities and processes as part of its growth strategy. Further, the Company's innovations have helped it to produce one of the world's widest ranges of industrial batteries covering various technology configurations.

The Company also has a 50% stake in ING Vysya Life Insurance Company Limited (**"IVL"**), a joint venture with ING Group, Netherlands, a significant player in the global life insurance industry. Under the terms of the joint venture agreement, the Company may not divest its stake in IVL until October 2010. IVL began its operations in September 2001 and currently services more than one million customers.

IVL offers a variety of insurance products including term insurance, traditional endowment, unit-linked and retirement plans, among others. IVL distributes its products through multiple channels including tied agents, in-house sales personnel based in more than 250 offices across India as well as through its bancassurance partner, ING Vysya Bank Ltd. See "*The Life Insurance Business*."

The Company's equity shares are listed on the NSE, the BSE and the CSE. The NSE and the BSE account for nearly all of the Company's trading volume. As of December 31, 2009, the Company's market capitalization on the NSE was Rs. 92.7 billion.

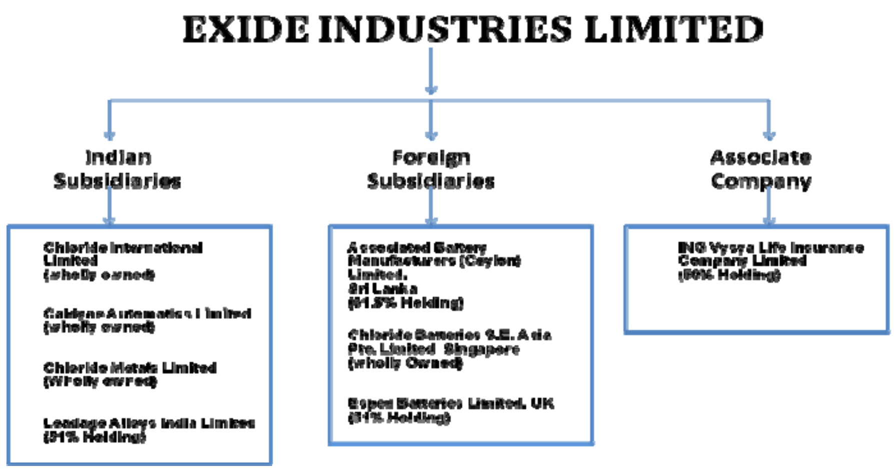
In Fiscal Year 2009, the Group had gross sales of Rs. 43,440.1 million and a net profit of Rs. 1,914.9 million compared to gross sales of Rs. 37,575.5 million and a net profit of Rs. 1,643.6 million in 2008. For the nine month period ended December 31, 2009, on a non-consolidated basis the Company had gross sales of Rs. 33,082.2 million and a net profit of Rs. 4,025.4 million compared to gross sales of Rs. 32,580.7 million and net profit of Rs. 2,136.0 million for the nine month period ended December 31, 2008. The non-consolidated figures for the nine month periods ended December 31 are not directly comparable to the consolidated figures for the Fiscal Years ended March 31.

History

The Company began its operations in 1920 as an import house under the name Chloride Electrical Storage Company. In 1947, it was incorporated as Associated Battery Makers (Eastern) Ltd., to undertake the battery business of its parent company, Chloride Group Plc. The Company's name was changed to Exide Industries Limited in 1995. In 1998, the Company acquired the battery business of Standard Batteries Limited, which included all of its production facilities at the time as well as the "Standard Furukawa" brand.

In November 2007, the Company acquired a 100% stake in the Pune-based smelter, Tandon Metals Limited, which has since been renamed to Chloride Metals Limited. The Company also acquired a 51% stake in the Bangalore-based smelter, Leadage Alloys India Limited in April 2008. Together, these two subsidiary smelters currently provide a significant portion of the Company's lead raw material requirements.

Corporate Structure



Competitive Strengths

The Company believes it is well-positioned to maintain its status as a leader in the Indian battery market as well as to exploit significant growth opportunities. The Company has identified the following sources of strength that are relevant for its business.

Leading manufacturer of automotive and industrial storage batteries in India with a diversified customer base

The Company is a leading storage battery manufacturer in India, with an annual production capacity of 8.0 million passenger vehicle batteries, 9.6 million motorcycle batteries, and 1,750 million Ah of industrial batteries as of December 31, 2009. In Fiscal Year 2009, the combined capacity utilization at the Company's manufacturing facilities was approximately 86%. The Company believes it commands a high market share in the automotive OEM segment. The Company's position as a market leader in the OEM segment also helps to drive sales in the Company's retail aftermarket segment as customers tend to replace their batteries with a brand they already know and trust. The Company believes that its size and diversified customer base in the industrial battery market helps it to benefit from strong brand awareness, economies of scale, and maintain an advantageous position to capitalize on the continued growth in the Indian storage battery market.

Strong relationships with customers and partners

The Company believes that its strong relationships with key customers and partners, which it has built over nine decades, provides it with significant competitive advantages. The Company has established relationships with market leaders in the OEM automotive segment both among domestic players such as Tata, Mahindra, Maruti Suzuki and Hero Honda, as well as international automotive OEMs with Indian operations such as Hyundai, Toyota and General Motors. In the industrial sector, the Company has long standing relationships with large and reputable companies such as Lucent Technologies, Motorola and ABB. The Company also has a well-established collaborative relationship with the Furukawa Battery Company Limited (Japan) one of the world's leading battery manufacturers. The Company believes its long-standing relationships with the aforementioned companies coupled with its track record of successfully designing customized automotive and industrial battery solutions for its customers enables it to ensure consistent demand for its products.

Strong sales and distribution network with quality after-sales service

India's geographic spread and market size makes it imperative to have a strong and efficient distribution system in order to maximize marketing and sales efforts. The Company has established an extensive automotive sales and distribution network that includes a dedicated in-house sales force for OEMs and approximately 38,500 retail outlets for aftermarket sales that include 12,500 dealers spread across 202 cities in India. These dealer outlets are managed through 10 regional offices, 40 branch offices, and 202 area offices, where the Company is able to oversee local efforts to market, sell and service its products to both urban and rural sectors of the country. The Company's comprehensive after-sales service includes its "Exide Care" customer service program, encompassing more than 3,000 authorized dealers for both automotive and industrial products. The Company's Bat Mobile service offers free road-side assistance to both customers and non-customers alike thereby helping to build brand awareness and loyalty. The Company distributes its industrial products through a wide reaching network of 187 in-house sales staff who primarily sell to OEMs and institutional clients as well as 1,000 authorized dealers who sell to retail customers. The Company believes its strong and geographically diverse sales and distribution force coupled with its superior after-sales service program gives it a clear competitive advantage in the market.

Reduced dependence on imported lead

With the acquisition of two smelter facilities in 2007 and 2008, the Company has taken significant steps towards reducing its dependence on imported lead, which can be volatile and unpredictable. As of December 31, 2009, the Company procured approximately 40.8% of its lead and lead alloy requirements from its smelter subsidiaries, as compared to approximately 23% as of December 31, 2008. The Company believes this backwards integration minimizes the impact of changes in the global price for lead and the variability of its supply on the open market, allowing the Company to decrease its lead inventory carrying costs.

Geographically diverse manufacturing facilities employing innovative technologies

The Company operates six battery manufacturing plants located in Maharashtra, Haryana, Tamil Nadu and West Bengal. The Company believes it has exhibited a proven ability to manage large-scale operations, quality control mechanisms and employ innovative technologies across its six facilities. The Company believes the cost and complexity involved in establishing such a platform represents significant barriers to entry from potential competitors. Each of the Company's plants has in place an exhaustive quality management system with dedicated on-site quality assurance teams. This focus on quality control has resulted in all of its plants being awarded prestigious certifications such as ISO-9001 and TS – 16949. The Company's plants are strategically located across India which reduces logistical costs and minimizes the risk of business interruption resulting from natural disasters and local political or labor issues. The Company believes the overall capacity of its plants provides it with significant economies of scale and that its state-of-the-art equipment enables it to produce high quality products that meet the varying expectations of its diverse customer base.

Well-established brands

The Company believes the "Exide" name is well-established and enjoys a strong reputation for quality in the Indian battery market. In 2006, the Exide brand was labelled a "Top 100 Super Brand" according to Super Brands Council, UK. In addition, the Company believes its "Standard Furukawa" brand, manufactured in association with the Furukawa Battery Company Limited (Japan), has earned a reputation for high quality products at an affordable price. The Company continually invests in building its brands through targeted advertising campaigns and promotions that focus on its corporate identity and reinforce its key strengths. The Company also believes its dealers and customers associate the "Exide" brand with reliability and dedicated customer service.

Strong research and development capabilities

The Company has undertaken significant steps to strengthen its research and development capabilities. The Company has worked directly in conjunction with global battery manufacturers and OEM companies, to design, develop and modify new and existing products and to improve existing manufacturing processes. The Company's research and development team has several achievements to its credit, including the development of a high-tech storage battery for Tata Motors' "Nano" passenger car, motorcycle batteries based on advanced calcium technology and long-life batteries for inverters and solar devices. The Company has recently reorganized its research and development division in an effort to focus on product improvement and innovation and to remain a technological leader for research and development of storage batteries in India. The Company's research and development centres at Kolkata and Taloja have been approved by the Ministry of Science & Technology.

Experienced management team

The Company's senior management team has an average of more than 20 years experience in the battery industry. The Company's CEO, Mr. T V Ramanathan, has more than 41 years of management experience. The Company believes its management team possesses a deep understanding of the Indian storage battery industry, including an understanding of customer requirements, structuring of customer contracts, and brand exploitation strategies, and is well-positioned to focus on the continued growth of its business by capitalizing on its competitive advantages.

Strategies

The Company intends to grow its business by implementing the following key strategies.

Maintain a leading position in the storage battery market through continued innovation

The Company is a leading player in the storage battery market in India with high brand recognition associated with quality and reliability. The Company intends to expand its product portfolio in a manner that will enable it to benefit from the expected growth in the Indian economy, most notably in the automotive, power and telecom sectors. The Company believes that an increase in passenger car and commercial vehicle sales, construction of new power projects and the entry of several new telecom service providers will help to contribute to a growing demand for storage batteries. The Company intends to maintain a leading position in this expanding market by capitalizing on its strong brand name and nationwide distribution network and by leveraging its strong research and development capabilities to manufacture and supply high quality batteries that utilize the latest innovative technologies. The Company will continue to invest significant resources in developing customized products and services that differentiate it from the competition and generate repeat business. The Company continuously evaluates capacity expansion as needed and intends to stay ahead of anticipated demand. The Company will continue its focus on emerging trends and new technologies to develop market-leading solutions for its customers.

Focus on growing exports of industrial batteries

Exports of industrial batteries constitute a small but increasing portion of the Company’s consolidated revenues. The Company's key export markets include Singapore, Australia and Europe. The Company's exports are focused primarily on serving the solar, heavy industrial equipment and traction markets. In an effort to better serve its export markets, the Company built a modern traction battery manufacturing unit at its Haldia plant in 2008. The Company also intends to design and launch a range of customized automotive and industrial storage batteries that it believes will provide increased export opportunities. The Company plans to implement its export initiatives by increasing its marketing focus and leveraging existing relationships and distribution networks to increase its overseas customer base.

Strategic raw material sourcing

In Fiscal Year 2009, materials consumed (which also includes increase/decrease in stock and purchase of trading goods) constituted 75.9% of the Company's total costs, as compared to 75.7% and 69.1% in Fiscal Years 2008 and 2007, respectively. Lead and lead alloys are the primary raw materials required for production of storage batteries. With a view to reduce the Company's dependence on imported lead, the Company acquired a 100% interest in Chloride Metals Limited (formerly Tandon Metals Limited) in 2007 and a 51% interest in Leadage Alloys India Limited in 2008. The Company intends to seek out additional ways to strengthen its backward integration strategy. Strategies include adding capacity and increasing productivity at its existing smelters, seeking out additional inorganic growth opportunities and increasing the number of battery recycling collection points, most notably in the rural parts of the country. The Company intends to meet a higher percentage of its raw material requirements from recycled sources, which the Company believes will result in more stable lead supplies and a price advantage over its competitors.

Further build the "Exide" brand

The Company intends to continue to build the "Exide" brand among existing customers, as well as in underserved markets, across its various businesses as a name associated with high quality products and strong after-sales service. To achieve this objective, the Company intends to expand its nationwide marketing efforts through advertising campaigns, promotional efforts and investor relations. The Company also intends to increase its brand equity by expanding its customer care services by adding help lines and through its Bat Mobile and Tracmobile initiatives. The Company's Project Kisan, a free service for tractors and trucks, is intended to increase the Company's brand awareness in rural parts of the country. The Company believes these brand building initiatives will lead to better volumes, wider geographic reach and more repeat orders from existing customers.

Make further investments in the life insurance business

The Company believes its investment in IVL is a critical component of its future profitability. The Company believes the life insurance industry in India is in a nascent stage with significant room for growth. The Company intends to take advantage of this growth opportunity with the ING Group, Netherlands.

RISK FACTORS

Investors should consider carefully all of the information set out in this Placement Document and, in particular, should evaluate the following risks in connection with the Company's operations and an investment in the Equity Shares. They can be broadly categorised into: (i) risks relating to the Company's business; (ii) risks relating to the industry in which the Company operates; (iii) risks relating to the Issue and (iv) risks associated with forward-looking statements, information quoted from official governmental publication and other information not contained in this Placement Document.

Risks relating to the Company's business

The Company relies heavily on the sales of lead-acid battery products and will continue to rely on such sales in the near future.

For each of the three Financial Years 2007, 2008, and 2009 and the nine month period ended December 31, 2009, 98.9%, 99.3%, 99.6% and 99.7% of revenue, respectively, was derived from the sales of lead-acid batteries manufactured by the Company. The reliance on the sales of lead-acid battery products rendered the Company's business and financial performance susceptible to factors affecting the sales performance of and the demand for lead-acid battery products. Any unanticipated major fluctuation in the market condition for lead-acid battery products including increased price competition and a decrease in demand for lead-acid batteries caused by advances in replacement technologies, could adversely affect the Company's performance. As such, there can be no assurance that the Company will be able to respond properly to these changes and respond to the changing market condition in an appropriate way to maintain the Company's comparative advantages.

The Company has experienced significant fluctuations in raw material prices, particularly lead, and further changes in the prices of raw materials or in energy costs could have a material adverse effect on the Company's business, financial condition, cash flows and result of operations.

Lead and lead alloy are the primary materials consumed in the manufacture of batteries, representing 80.3% of all of the Company's materials consumed (which also includes increase/decrease in stock and purchase of trading goods) in the nine month period ended December 31, 2009. The Company procured approximately 36% of its lead through imports or at import parity pricing for the nine month period ended December 31, 2009. Average lead prices quoted on the London Metal Exchange (**"LME"**) have fluctuated dramatically, from a low of US$ 1,945 per metric ton to a high of US$ 3,980 per metric ton for the Fiscal Year 2008 and a low of US$ 880 per metric ton to a high of US$ 2,955 per metric ton for the Fiscal Year 2009. As of January 28, 2010, the price of lead as quoted on the LME was US$ 2,089 per metric ton. If the Company is unable to effectively pass on the impact of variations in raw material prices, its gross margins may be affected. The Company does not use derivative instruments for hedging its raw material costs. Fluctuations in the Company's sales prices could also cause customer demand for the Company's products to be reduced and net sales to decline. Rising lead costs require the Company to make significant investments in inventory and accounts receivable, which has an impact on its working capital requirements and affects its liquidity position.

Because the Company generally does not have long-term contracts with its customers, it is subject to uncertainties and variability in demand and product mix, which could decrease net sales and negatively affect its operating results.

As is common in the battery industry, the Company does not have long-term contracts with its customers, and, consequently, its revenue is subject to short-term variability because of fluctuations in demand for its products. The Company's customers have no obligation to order from them and may cancel, reduce or delay orders for a variety of reasons. The level and timing of orders placed by the Company's customers may vary due to:

- customer satisfaction with the level of service that the Company provides;

- fluctuation in demand for the Company's customer's products, for example in its OEM sales;
- customers' inventory management;
- changes in customers' manufacturing strategies, such as a decision by a customer to either diversify or consolidate the number of battery suppliers; and
- changes in customers' requirements for batteries.

The Company has experienced terminations, reductions and delays in its customers' orders in the past. Further, termination reductions or delays in the Company's customers' orders or its inability to substitute new orders for cancelled ones, could lower its facilities' utilisation rates which would decrease its revenue and negatively affect the Company's results of operations and financial condition.

A slowdown in the sale of two-wheeler and four-wheeler vehicles could decrease net sales and negatively affect the Company's operating results.

Sales to OEMs are driven in large part by new vehicle manufacturing rates, which are primarily determined by consumer demand for new vehicles. Any slowdown in the sale of two-wheeler and four-wheeler vehicles due to overall economic conditions, changes in consumer preferences or other factors would likely result in a decrease in the Company's net sales and negatively affect its operating results.

The Company may be subject to civil claims or administrative sanctions for the Company's past, present and future operations and may not be able to meet increasingly stringent environmental protection requirements imposed by the Indian government.

Solid waste, sewage and fumes are generated during the production process of battery products. The Company is required to comply with the environmental laws, rules and regulations promulgated by the Government such as the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, Hazardous Wastes (Management & Handling) Rules, 1989, the Batteries (Management & Handling) Rules, 2001, the Indian Explosives Act, 1884, Fire Services laws and the Indian Boilers Act, 1923. These laws, rules and regulations govern, among other things, the level of fees payable to the government entities providing environmental services and setting out the requirements in relation to the installation of ventilation equipment to ensure the appropriate treatment of lead dust and particles generated during production of lead-acid battery products. They also prescribe the standards for the discharge of solid waste, sewage and fumes. In addition, these laws, rules, and regulations empower local governments to impose sanctions on enterprises failing to comply with such laws, rules and regulations. Despite the complexity of these laws, rules and regulations, the Company relies on its own environmental compliance procedures and does not employ third party experts to advise them on their environmental compliance requirements nor does it conduct third party audits to confirm compliance with all applicable environmental requirements. The Company is also required by the laws and regulations governing health and safety at work to provide the Company's employees exposed to lead dust or particles with protective clothing and accessories, such as gloves, goggles and masks. The Company arranges for medical checks, at least twice a year, for all its employees engaged in the lead-related production process. The medical checks include measurement of blood lead levels.

Despite the implementation of the above protective measures, it may not be possible to eliminate the risks associated with exposure to lead dust or particles. As the Company's production may cause pollution to the environment and may affect the health of the Company's employees and the residents nearby, the Company may be subject to civil claims for compensation or administrative sanctions such as fines or directives to discontinue production activities. If there is any legal action initiated against the Company on any alleged violation of environmental protection laws and regulations, or that the Company's production discharge results in any harm to any person, the Company's business could be materially and adversely affected.
There can be no assurance that relevant governmental authorities or others will not take action against the Company for its past, present and future business operations as they relate to the environment.

Furthermore, there can be no assurance that the Company's production facilities will be able to satisfy the increasingly stringent environmental protection requirements in India or that the costs of compliance are commercially viable. Government authorities may impose additional requirements or obligations on the Company which would require further expenditure to be spent on environmental protection, and to the extent that those costs are high, they could materially and adversely affect the Company's business and results of operations.

The Company's sales are dominated by sales in India to a limited number of large customers.

Of the Company's income for each of the three Fiscal Years 2007, 2008, and 2009 and the nine month period ended December 31, 2009, 95.6%, 95.3%, 96.5% and 97.0%, respectively, was derived from sales to customers in India. The Company expects that the domestic market in India will continue to be its primary market. Automotive battery sales to the Company's top ten customers constituted 21.4% of total automotive battery sales for the nine month period ended December 31, 2009. Industrial battery sales to the Company's top ten customers constituted 32.8% of total industrial battery sales for the nine month period ended December 31, 2009. The Company's business is therefore heavily dependant on the demand for automotive and industrial battery products in India and the domestic market prices of such products. In the event that there is any material adverse change in the level of the demand for these battery products in India or that there is a significant price fluctuation in India, the Company's performance could be adversely affected.

The Company relies on certain major suppliers.

The Company relies on selected suppliers to supply the Company with a wide range of raw materials, such as polypropylene copolymers, antimony, separators and other materials and there are not any long-term supply contracts between the Company's suppliers and the Company. The ability to obtain quality raw materials at competitive prices in a timely fashion is crucial to the Company's production.

The Company's five major third-party suppliers accounted for approximately, 45%, 50%, 33% and 30% of the Company's total purchases for each of the three Financial Years 2007, 2008, and 2009 and the nine month period ended December 31, 2009, respectively, on a standalone basis. The Company's largest third-party supplier accounted for approximately 17%, 20%, 14% and 8% of the Company's total purchase for the same periods.

If the Company is unable to maintain business relationships with the its major suppliers or if its suppliers are unable or unwilling to continue to supply raw materials to the Company, or the quality of their supplies deteriorate or their prices increase substantially, the Company will have to locate alternative sources of supply which could affect the Company's future performance and results of operations.

If the Company is unable to develop new products or improve upon its existing products at the rate that the market requires, the Company's business and financial condition could be adversely affected.

The Company believes that its future success depends, in part, on the ability to develop new technologically advanced products or improve on the Company's existing products in innovative ways that meet or exceed its competitors' product offerings. Maintaining the Company's market position will require continued monitoring of technological advances that come from global research and development efforts and sales and marketing. Industry standards, customer expectations, or other products may emerge that could render one or more of the Company's products less desirable or obsolete. The Company may be unsuccessful in making the technological advances necessary to develop new products or improve its existing products to maintain its market position. If any of these events occur, it could cause decreases in sales and have an adverse effect on the Company's business, financial position, results of operations and cash flow.

The Company faces increasing competition including from small companies that charge significantly lower prices and from larger competitors that have formed ties with global producers.

The Company competes with a number of major domestic and international manufacturers and distributors of lead acid batteries, as well as a large number of smaller, regional competitors. These small competitors come from the unorganized sector which is unofficially defined as private enterprises having less than ten total workers operating on a proprietary or partnership basis. The Company estimates the total domestic market for automotive and industrial batteries in India as of December 2009 was Rs. 110 billion and further estimates that the unorganized sector’s market share is approximately 42%. The unorganized sector sells products at substantially lower prices than companies in the organized sector, including the Company. The Company has a risk of losing business due to this substantial price difference. Furthermore, several of the Company’s domestic competitors have entered into technical collaboration agreements with global players for both automotive and industrial batteries. These competitors have approximately 20% of the domestic market based on their latest publicly available audited accounts. Continued technical collaboration with global players could give the Company’s domestic competitors access to newer technologies that could lead to an increase in their market share and a decrease in the Company’s performance.

The Company competes against imports from China and relies on tariffs to help it compete against such imports.

The Company competes against less expensive imports predominantly originating from China. Currently, there are Indian tariffs in place which make imported batteries less able to compete in the Indian marketplace. There can be no assurance that these tariffs will continue to exist in the future. If the tariffs are removed and the Company is unable to effectively compete with relatively less expensive Chinese imports, the Company's performance could be adversely affected.

Some automotive OEMs may enter the battery manufacturing business which could impact demand for the Company's products and adversely affect its business and results of operations.

Certain automotive OEMs, including some of the Company's customers, may decide to manufacture their own line of battery products. If these manufacturers were to pursue this strategy of backward integration, it could impact demand for the Company's products in the market and adversely affect its business and results of operations.

The loss of or shutdown of operations at the Company’s manufacturing facilities will have a material adverse effect on its business, financial condition and results of operations.

The Company’s facilities are subject to operating risks, such as the breakdown or failure of equipment, or processes, performance below expected levels of output or efficiency, obsolescence, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect its operating results.

Although the Company takes precautions to minimize the risk of any significant operational problems at its facilities, its business, financial condition and results of operations may be adversely affected by any disruption of operations at its facilities, including due to any of the factors mentioned above.

Any accident at the Company’s facilities could lead to property damage, production loss and accident claims.

Any accident at the Company's manufacturing facilities could result in damages. The Company could suffer a decline in production, receive adverse publicity and could be forced to invest resources in addressing such damages, both in terms of time and money. Although the accidents at the Company's facilities have been few in number, there can be no assurance that there will not be any work related or other accidents in the future. Furthermore, while issues arising from previous accidents, such as compensation and liability, have been amicably settled without any adverse impact on production or damage to the Company's facilities, there can be no guarantee that such settlements will take place at all times in the future or that accidents may not result in litigation and regulatory action against the Company.

The Company may be subject to labour unrest, slowdowns and increased wage costs.

As of December 31, 2009, the Company had approximately 4,228 employees, including 2,139 employees who are members of various labour unions. While currently the Company considers its labour relations to be good, there can be no assurance that it will not experience future disruptions to its operations due to disputes or other problems with its employees, which may adversely affect its business and results of operations.

The Company is dependent on third-party contractors to provide certain services and any disruption in their operations or a decrease in the quality of their services could affect the Company's reputation and results of operations.

The Company currently outsources some of its after-sales services, including its Batmobile, Trac Mobile and industrial batteries call centre, to third-party contractors. While the Company believes it has implemented proper procedures to monitor and control its third-party contractors, any disruption in their availability or a decline in the quality of their services is likely to have a negative impact on the Company's reputation and results of operations.

The Company relies on its senior management team.

The Company relies on its key senior management team and its ability to attract and retain personnel of suitable calibre. The Company's future success relies to a significant extent on the efforts, performance and abilities of the Company's key senior management team including all the executive Directors and senior management as set out under the section titled "*Board of Directors and Senior Management*" of this Placement Document. In particular, the loss of services of the executive Directors would deprive the Company of the strategic and business direction they contribute to the Company's business, which could adversely affect the Company's performance.

The Company is dependent on third-party transportation providers for the supply of raw materials and the delivery of its products.

The Company typically uses third-party transportation providers for the supply of most of its raw materials and for deliveries of its products to customers. Transportation strikes by members of various Indian truckers' unions as well as transportation standard quality issues, have had in the past, and could in the future, have an adverse effect on receipt of supplies and the Company's ability to deliver its products in a timely and cost-effective manner. Increases in transportation costs may have an adverse effect on the Company's results of operations.

The Company may not have sufficient insurance coverage on the risks involved in the Company's business operations.

The Company faces the possibility of major accidents in its production process which could cause significant property damage and personal injuries. While the Company believes its insurance coverage is consistent with industry standards, there can be no assurance that its insurance will be sufficient to cover all claims against it. If there is a major incident at one of the Company's facilities and its insurance fails to cover all claims against it, the Company's financial condition and results of operations could be adversely affected.

Widespread lead exposure could disrupt the Company's operations.

The Company is required by laws and regulations governing health and safety at work in India to provide the Company's employees exposed to lead dust or particles in the performance of their duties at work with protective clothing and accessories such as gloves, goggles and masks. The Company requires that all of its employees engaged in the lead-related production process to receive medical checks at least twice a year.

The medical checks include measurement of blood lead level. If any employee is found to have his blood lead level exceeding the prescribed national standard, he or she will be removed from the lead exposed areas of the facility and will be provided with the necessary medical treatment. As it is not possible to eliminate the entire risk of exposing to lead dust or particles, employees may be found to have medium elevated blood lead level during routine medical checks arranged by the Company. Losses incurred or compensation or medical expenses paid could have a material adverse impact on the Company's result of operations. If a significant number of employees are found to have elevated blood lead levels, the Company's production process and business could also be adversely affected.

Exchange rate instability may adversely affect the Company's results from operations.

A portion of the Company's revenue is denominated in foreign currency. In the nine month period ended December 31, 2009, exports accounted for 3% of the Company's total revenue. Exchange rates have been in the past and may continue to be volatile in the future. The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British Pound, the Euro, the Emirati Dirham, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future.

Although a depreciation of the Rupee versus the U.S. Dollar would likely have a positive impact on the Company's export related revenue denominated in Rupees, the Company's results from operations may be negatively impacted if the Rupee depreciates against the U.S. Dollar due to increases in the Rupee cost for lead. The price the Company pays its supplier of lead imports is directly tied to fluctuations in the value of the Rupee. A significant decrease in the value of the Rupee could have a material adverse effect on the Company's raw material costs and its results of operations.

The Company's business could be adversely affected by the unauthorized use of trademark and brand and the sale of counterfeit products.

There are products in the market not manufactured by the Company which are being sold under the brand of EXIDE. The unauthorized and undetected use of the Company's trademark and brand and the inferiority of counterfeit products could damage the Company's reputation and affect the Company's performance.

The Company's overseas subsidiaries are subject to risks related to trade barriers and high levels of competition.

The Company has invested in its overseas subsidiaries including a 100% stake in Chloride Batteries S.E. Asia Pte. Limited, Singapore, a 61.5% stake in Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka and a 51% stake in Espex Batteries Limited, UK. Revenue from these subsidiaries accounted for 7.7%, 6.7% and 6.3% of the Company's total revenues for each of the three Financial Years 2007, 2008, and 2009, respectively. Any negative change in the import and tariff policies in the respective countries may affect the sale of the Company's products by its overseas subsidiaries. In addition, overseas markets are driven by technologically advanced products and good cosmetics including product packaging. The inability of the Company's overseas subsidiaries to react to respond to these market forces and to produce income for the Company could have a negative impact on operations and cash flow.

The Company is involved in various legal and other proceedings in India and may face certain liabilities as a result.

The Company is involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and other competent authorities. The Company can provide no assurance that these legal proceedings will be decided in its favour. Any adverse decision may have a significant effect on the Company's reputation, business, results of operations and financial condition. For more information regarding these legal proceedings, please refer to the section titled "*Legal Proceedings*" in this Placement Document.

Risks relating to the life insurance business

The Company's results of operations may be adversely affected if there are continued losses from its associate insurance company, ING Vysya Life Insurance Company Limited.

In 2005, the Company acquired a 50% stake in IVL as a strategic investment intended to diversify the use of its available capital. ING Group, Netherlands, a significant player in the global life insurance industry, is also a stakeholder in the joint venture. The Company's Rs. 5,319.9 million investment in IVL as of March 31, 2009 is equivalent to 12.6% of the Company's revenue for the Fiscal Year 2009. Under the terms of the IVL joint venture agreement, the Company cannot divest its stake in IVL until October 2010. If IVL's losses continue, the value of the Company's investment in IVL may decrease and it will have a negative impact on the Company's profitability.

IVL's growth is dependent on its ability to attract and retain individual agents.

A substantial portion of IVL's business is conducted and obtained through its individual agents. If IVL is unable to attract new agents who generate new business, its growth and expansion plans could be adversely affected. In addition, if IVL is unable to retain its current group of well trained agents, its business could be materially and adversely affected. IVL makes heavy investments in the recruitment and training of its agents. The departure of a significant number of agents could have an adverse impact on IVL. Although there is significant competition for agents from other insurance companies and other business institutions in India, IVL may be unable to increase the compensation of, or provide additional incentives to, its agents and sales representatives beyond certain maximum amounts specified under IRDA regulations. Increased compensation rates paid to IVL agents from current levels to enhance sales will also increase its operating costs and could reduce IVL's profitability. There can be no assurance that IVL will succeed in attracting and retaining agents in the future.

Changes in interest rates may affect IVL's profitability.

The life insurance business has a long term focus. As such, many of IVL's products have a long term guarantee, including an assured sum and declared bonuses. The sustainability of these products is dependent on interest rates. As a result, these products expose IVL to the risk that changes in interest rates may reduce its "spread" or the difference between the rates that it is required to pay under the policies and the rate of return it is able to earn on its investments intended to support its insurance obligations. There can be no assurance that a significant change in interest rates in India will not have a material adverse effect on IVL's business and results of operations. Any adverse impact on IVL's results of operations will negatively affect the Company's profitability.

Volatility in the Indian securities market has an impact on IVL's investment portfolio and a decline in the Indian securities market could adversely affect IVL's results of operations.

IVL has a material amount of its capital invested in equity securities, including securities investment funds and shares traded on the securities markets in India. These securities investment funds are invested in equity securities that are issued by Indian companies and traded on India's securities exchanges, as prescribed by India's insurance regulator, the IRDA. Indian securities markets are characterized by companies with relatively small market capitalisations and low trading volumes, and by evolving regulatory, accounting and disclosure requirements. This has, from time-to-time resulted in significant price volatility, unexpected losses and a lack of liquidity. If market conditions were to deteriorate, IVL's investment portfolio would likely incur losses. Such losses would likely lead to a reduction in IVL's fund management charges and have an adverse impact on its results from operations, which in turn will have a negative impact on the Company's profitability.

Changes in regulations in the Indian life insurance industry may impose additional costs and restrictions on IVL's activities.

The life insurance industry in India is still in a nascent stage of development and is heavily regulated. The IRDA has brought about significant changes and introduced guidelines over a period of time in the areas of product development, solvency margins, expense levels, investment management, audits and foreign direct investment in Indian life insurance companies. The recent guidelines on capping product margins has also impacted the profitability of Indian life insurance companies. Delays in relaxing the foreign direct investment limits could give rise to capital strains which may hinder growth in the industry. Further, the results stemming from recent discussions regarding the scope of authority among SEBI and the IRDA could have a significant impact on the industry. Any future changes in the regulations applicable to Indian life insurance companies may impose additional costs and restrictions on IVL's activities and have an adverse impact on its results of operations, which in turn will have a negative impact on the Company's profitability.

Risks relating to the industry in which the Company operates

Lead-acid battery products may be substituted by other battery products.

A general market trend in the battery industry is to develop storage battery products which are more environmentally-friendly with increased power output and less weight. There can be no assurance that manufacturers of automobiles and other users of the Company's products will continue to use lead-acid battery products. In the event that the market prefers to use other forms of battery products and if the Company is not able to develop new battery products to meet the future demand, the Company's business could be adversely affected.

Any delay or inability to renew, maintain or obtain statutory and regulatory permits and licenses as required to operate the Company's business may have an adverse impact on the Company's business.

Being in the manufacturing business, the Company requires multiple statutory and regulatory permits, licenses and approvals to operate its business. Many of these approvals are granted for fixed periods of time and the Company is required to renew such permits, licenses and approvals from time to time. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions and the Company cannot assure investors that it will be able to continuously meet such conditions or be able to prove compliance with such conditions to governmental authorities and this may lead to cancellation, revocation or suspension of relevant permits, licenses or approvals. Failure by the Company to renew, maintain or obtain the required permits, licenses or approvals or cancellation, suspension or revocation of any of the permits, licenses or approvals which may result in the interruption of the Company's operations and may have a material adverse effect on the business.

Legal and regulatory changes could have a material adverse effect on the Company's financial condition and results of operations.

The Company's business is subject to extensive regulation in India and the other markets where its products are sold. Any changes to existing rules and regulations or other newly enacted rules and regulations governing the battery industry in India or in the markets where the Company's products are sold could have a material adverse effect on the Company's financial condition and results of operations.

Risks associated with forward-looking statements, information quoted from official governmental publication and other information not contained in this Placement Document.

Prospective investors in the Company's Equity Shares are cautioned not to place undue reliance on any forward-looking statements contained in this Placement Document.

This Placement Document contains certain forward-looking statements and information and uses forward-looking terminology such as "anticipate", "believe", "expect", "may", "ought to", "should", "could" or "will". These statements cover, but are not limited to, the discussion of the Company's growth strategy and expectations concerning the Company's future operations, liquidity and capital resources. Prospective investors are cautioned that reliance on any forward-looking statements involves risk and uncertainties and that, although the Company believes that assumptions on which the forward-looking statements are based are reasonable, any or all of those assumptions could prove to be incorrect and as a result, the forward-looking statements based on those assumptions could also be incorrect. In the light of these and other uncertainties, the inclusion of forward-looking statements in this Placement Document should not be regarded as representations by the Company that the Company's plans or objectives will be achieved and prospective investors should not place undue reliance on such forward-looking statements.

The industry information from official governmental publications contained in this Placement Document should not be unduly relied upon.

Certain information in the section "*Industry Overview*" in this Placement Document relating to the storage battery industry is derived from official governmental publications. While the Company has taken all reasonable care to ensure that the information is accurately reproduced from such publications, such information has not been independently verified by the Company and may be inconsistent, inaccurate, incomplete or not updated. Neither the Company, the Joint Global Coordinators and Book Running Lead Managers nor their respective directors and advisers or any other parties involved in the Issue make any representation as to the accuracy or completeness of such information and, accordingly, such information should not be unduly relied upon.

Prospective investors are cautioned not to place any reliance on any information not prepared or approved by the Company.

Prospective investors are cautioned that the Company does not accept any responsibility for the accuracy or completeness of any reports or articles in the press or other media regarding the Company or the Issue including, in particular, any financial projections, valuations or other forward looking information, as such reports or articles have not been prepared or approved by the Company. The Company makes no representations as to the appropriateness, accuracy, completeness or reliability of any information including any projections, valuations or other forward-looking information, or any assumptions underlying such projections, valuations or other forward-looking information included in or referred to by the media. To the extent that such statements, if any, are inconsistent with, or conflict with, the information contained in this Placement Document, the Company disclaims them.

Accordingly, prospective investors are cautioned not to place any reliance on any such information.

Risks relating to investments in India and Indian companies

If regional hostilities, terrorist attacks or social unrest in India and South Asia increase, the Company's business could be adversely affected and the trading price of the Equity Shares could decrease.

Terrorist attacks and other acts of violence or war including those involving India, the United States or other countries, may adversely affect the Indian and worldwide financial markets. On November 26, 2008, terrorists staged a coordinated attack on several prominent international hotels and various other locations in the financial center of Mumbai. Future acts of terrorism may result in a loss of business confidence and have other consequences that could adversely affect the Company's business, prospects, financial condition and results of operations. Increased volatility in the financial markets, including economic recession, can have an adverse impact on the economies of India and other countries.

In addition, South Asia has from time to time experienced instances of civil unrest and hostilities among neighbouring countries, including between India and Pakistan. Present relations between India and Pakistan continue to be fragile because of issues such as terrorism, armament and other political and social matters. Increased tensions and hostilities may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities, continuing civil unrest and instability in Iraq and Afghanistan. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy by disrupting communications and making travel and transportation more difficult. Such political and social tensions could create a perception that investments in Indian companies involve greater degrees of risk. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Indian economy, the Company's business, its future financial performance and the trading price of the Equity Shares.

Further, India has also experienced social unrest, communal disturbances and riots in some parts of the country during recent times. If such tensions occur, it could have an adverse effect on the Company's business, future financial performance and the trading price of the Equity Shares.

Political instability and significant changes in Government policy could adversely affect economic conditions in India generally and the Company's business in particular.

Changes in exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments in and affecting India may have an adverse effect on the Company's results of operations.

India has a mixed economy with a large public sector and an extensively regulated private sector. The role of the Central and the State Governments in the Indian economy and the effect on producers, consumers, service providers and regulators has remained significant over the years. The governments have in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand their existing capacity and reduce the number of their employees, and determined the allocation to businesses of raw materials and foreign exchange. Since 1991, successive Governments have pursued policies of economic liberalization, including significantly relaxing restrictions in the private sector. Nevertheless, the role of the Indian Central and State governments in the Indian economy as producers, consumers and regulators has remained significant. The current coalition-led Government has come into power in May 2009. There can be no assurance that its past liberalization policies or any political stability will continue in the future. Elimination or substantial change of such policies or the introduction of policies that negatively affect the Company's business could cause its results of operations to suffer. Any significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and the Company's business in particular.

The Company's business and activities are regulated by the Competition Act, 2002.

The Indian Parliament has enacted the Competition Act, 2002 (the **"Competition Act"**) for the purpose of preventing business practices having an adverse effect on competition under the auspices of the Competition Commission of India, which (other than for certain provisions relating to the regulation of combinations) has recently become effective. Under the Competition Act, any arrangement, understanding or action, whether or not formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. It is unclear as to how the Competition Act and the Competition Commission of India will affect industries in India; any application of the Competition Act to the Company may be unfavorable and have a material effect on the its business and results of operation.

A slowdown in economic growth in India could cause the Company's business to suffer.

The Company's performance and growth is necessarily dependent on the health of the overall Indian economy. The Indian economy has shown sustained growth over the last several years with real GDP growing at 6.6% in the Fiscal Year 2009, 9.0% in the Fiscal Year 2008 and 9.6% in the Fiscal Year 2007. However, the growth in industrial production in India has been variable. Any slowdown in the Indian economy could adversely affect the Company's business.

Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against the Company, its directors or executive officers.

A majority of the Company's directors and executive officers are residents of India and substantially all of its assets and the assets of its directors and executive officers are located in India. As a result, it may not be possible for investors to:

- effect service of process upon the Company, its directors and executive officers in countries outside India, or

- enforce, in Indian courts, judgments obtained in foreign courts, against the Company or such persons or entities.

For more information on the enforcement of civil liabilities in India, see "*Enforcement of Civil Liabilities*".

There may be less company information available in Indian securities markets than in securities markets in other more developed countries.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets, as well as the activities of investors, brokers and other participants, and that of markets in the United States and other more developed economies. SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in more developed economies. As a result investors may have access to less information about the Company's business, results of operations and financial condition, and those of its competitors that are listed on the BSE, the NSE and other stock exchanges in India on an ongoing basis than investors may have in the case of companies that are subject to reporting requirements of certain other countries.

The market value of an investment in the Equity Shares may fluctuate due to the volatility of the Indian securities markets.

Indian securities markets are more volatile than and not comparable to the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced significant fluctuations in the prices of listed securities.

Indian stock exchanges have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Any volatility in the Indian securities markets could have an adverse effect on the price of the Equity Shares.

Differences exist between Indian GAAP and other accounting principles such as IFRS. These differences may be material to investors' assessments of the Company's financial condition.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP. The Company's financial statements are prepared in accordance with Indian GAAP. The Company has not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Placement Document, nor has the Company provided a reconciliation of its financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Indian GAAP. The Company has made no attempt to quantify the effect of any of those differences. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. In making an investment decision, investors must rely upon their own examination of the Company, the terms of this Issue and the financial information contained in this Placement Document.

The Company's failure to successfully adopt IFRS effective from April 2011 could have a material adverse effect on the price of its Equity Shares.

ICAI, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with the IFRS pursuant to which all public companies in India will be required to prepare their annual and interim financial statements under IFRS beginning with fiscal period commencing 1 April, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw on forming judgments regarding its implementation and application, the Company has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. There can be no assurance that the Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As the Company make its transition to IFRS reporting, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that the Company's adoption of IFRS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt IFRS by April 2011 could have a material adverse effect on the price of the Equity Shares.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Company's business.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional debt financing and the interest rates and other commercial terms at which such additional debt financing is available. This could have an adverse effect on the Company's financial performance and its ability to obtain financing to fund its growth on favorable terms or at all.

Financial instability in other countries, particularly emerging market countries, could disrupt the Company's business and affect the price of the Equity Shares.

Although economic conditions are different in each country, investors' reactions to developments in one country may have an adverse effect on the securities of companies in other countries including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on the Company's business, future financial performance, shareholders' equity and the price of the Equity Shares.

A third party could be prevented from acquiring control over the Company because of the takeover regulations under Indian law.

Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. These provisions may discourage or prevent a third party from attempting to take control of the Company, even if a change in control would result in the purchase of the Equity Shares at a premium to the market price or would otherwise be beneficial to the holders of the Equity Shares. For more information, see the "*Securities Market of India — Takeover Code*".

Investors in the Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and may be diluted in their ownership position of the Company.

Under the Companies Act, 1956, a company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares which are voted on the resolution or unless such company has obtained Government approval to issue equity shares without such rights. Moreover, if the law of the jurisdiction of an investor does not permit the exercise of such investors' pre-emptive rights without the company filing an offering document or registration statement with the applicable authority of such jurisdiction, such investor will be unable to exercise its pre-emptive rights unless the company makes such a filing. To the extent that investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares, their proportional interest in the Company may be reduced.

Trade deficits could have a negative effect on the Company's business and the trading price of the Equity Shares.

India's trade relationships with other countries can influence Indian economic conditions. If India's trade deficits increase or become unmanageable, the Indian economy, and consequently the Company's business, future financial performance and the trading price of the Equity Shares could be adversely affected.

An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could have a material adverse effect on the Company's business and results of operations.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern such as swine influenza around the world could have a negative impact on economies, financial markets and business activities worldwide, which could have a material adverse effect on the Company's business. Although the Company has not been adversely affected by such outbreaks, there can be no assurance that a future outbreak of an infectious disease or any other serious public health concern will not have a material adverse effect on its business.

Risks associated with the Equity Shares and this Issue

The Company will continue to be controlled by Promoters, whose interests may differ from those of other shareholders.

Immediately following completion of the Issue the Promoters will hold 45.99% of the Company's Equity Shares. Promoters will be able to influence major policy decisions, including the Company's overall strategic and investment decisions, by (i) controlling the election of Directors and, in turn, indirectly controlling the selection of senior management; (ii) determining the timing and amount of dividend payments; (iii) deciding on increases or decreases in share capital in issue; (iv) determining the issuance of new securities; and (v) approving mergers, acquisitions and disposals of the Company's assets or businesses.

The interests of the Promoters could be different from the interests of the other shareholders. Accordingly, the Promoters may take actions that favour their own interests and which may not be in the best interests of the Company or other shareholders.

There may not be an active or liquid market for the Equity Shares, which may cause the price of the Equity Shares to fall and may limit investors' ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- the Company's financial results and the financial results of the companies in the businesses its operates in;

- the history of, and the prospects for, the Company's business and the sectors and industries in which it competes;

- the valuation of publicly traded companies that are engaged in business activities similar to the Company's;

- significant developments in India's economic liberalisation and deregulation policies.

In addition, the Indian stock market has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of the Company's operating performance or prospects.

Future issues or sales of the company's Equity Shares may significantly affect the trading price of the Equity Shares.

A future issue of equity shares by the Company or by any of its significant shareholders, or the perception that such issues or sales may occur, may significantly affect the trading price of the Equity Shares. Investors in the Equity Shares will experience dilution upon the issue and allotment of additional equity shares. Other than (i) the agreements to be entered into by certain of the Company's shareholders to not offer, pledge, sell, contract to sell, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares for a certain period of time as a result of this Issue, or (ii) any regulatory consent that may be required under applicable law, there are no restrictions on the Company's ability to issue further equity shares, including any securities to the Promoters, and there can be no assurance that the Company will not issue further equity shares in the future. The issue or sale of a large number of the Company's equity shares by it or any of its significant shareholders, or the perception that such issues or sales may occur, could adversely affect the market price of the Equity Shares.

The Equity Shares are subject to transfer restrictions.

The Equity Shares are being offered in transactions not required to be registered under the Securities Act. Therefore, the Equity Shares may be transferred or resold only in a transaction registered under or exempted from the registration requirements of the Securities Act and in compliance with all other applicable securities laws in the jurisdictions where the Equity Shares are being sold.

Pursuant to the SEBI Regulations, for a period of twelve (12) months from the date of the issue of the Equity Shares, QIBs purchasing Equity Shares may only sell their Equity Shares on the NSE, the BSE or the CSE and may not enter into any off-market trading in respect of these Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by Investors.

Investors may be subject to Indian taxes arising out of capital gains.

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if Securities Transaction Tax (**"STT"**) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares in an Indian company held for more than twelve (12) months which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Any gain realized on the sale of listed equity shares held for a period of twelve (12) months or less will be subject to short term capital gains tax in India. Further, Indian tax on capital gains may be relieved under certain tax treaties. For further information, refer to the section "*Taxation*".

There is no guarantee that the Equity Shares proposed to be issued will be listed on the BSE, the NSE and the CSE in a timely manner or at all.

In accordance with Indian law and practice, final approval for the listing of the Equity Shares in the Issue will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of Equity Shares to be submitted to the Stock Exchanges. There could be a failure or a delay in listing the Equity Shares on the BSE, the NSE and the CSE. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares.

Any trading closures at the Stock Exchanges may adversely affect the trading price of the Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in certain other securities markets. The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, any of the Stock Exchanges could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

MARKET PRICE INFORMATION

800,000,000 equity shares were issued and outstanding as at December 31, 2009. The equity shares have been listed on the CSE since 1960, on the BSE since 1979, and on the NSE since 2003.

On March 5, 2010 the closing price of the equity shares on the BSE and the NSE was Rs. 109.20 and Rs. 109.50 per equity share, respectively.

The tables below provide certain market price and other information of the equity shares, including the high and low prices and the trading volume for the specified periods. Because the equity shares are actively traded on the BSE and NSE, the market price and other information for each of the BSE and NSE has been given separately. Since there has been no trading in the Company's equity shares on the CSE since January 1, 2007, market price and other information for CSE does not exist.

	Bombay Stock Exchange(1)						
	High Closing Price(2)			Low Closing Price(2)			
	Date	Closing Price	Volume on Date of High(3)	Date	Closing Price	Volume on Date of Low(3)	Average(4)
		Rs.			Rs.		Rs.
Year Ended March 31, 2007	1-Feb-07	46.53	4,005,549	13-Jun-06	18.56	2,358	34.00
Year ended March 31, 2008	14-Jan-08	86.40	7,015,844	2-Apr-07	37.73	142,941	60.13
Year Ended March 31, 2009	20-May-08	80.00	442,594	6-Mar-09	35.30	13,491	57.51
Month:							
July 2009	31-Jul-09	85.80	886,477	6-Jul-09	64.05	249,773	74.04
August 2009	31-Aug-09	95.70	827,093	7-Aug-09	81.15	369,185	86.35
September 2009	1-Sep-09	94.55	1,417,567	10-Sep-09	87.35	263,545	89.81
October 2009	20-Oct-09	107.95	638,775	5-Oct-09	89.15	254,622	100.06
November 2009	16-Nov-09	120.20	1,063,447	3-Nov-09	100.40	292,165	109.18
December 2009	3-Dec-09	119.20	626,160	1-Dec-09	109.70	436,540	113.25
January 2010	5-Jan-10	122.00	615,572	28-Jan-10	108.70	816,964	117.57
February 2010	3-Feb-10	116.00	382,581	24-Feb-10	105.05	145,155	109.77

(1) Source: www.bseindia.com.

(2) High and low closing prices are based on the daily closing prices.

(3) In case of two days with the same closing price, the date with the higher volume has been chosen.

(4) In the case of a year, represents the average of the closing prices on the last day of each month of each year presented. In the case of a month, represents the average of the closing prices of each day of each month presented.

	National Stock Exchange of India[1]						
	High Closing Price[2]			Low Closing Price[2]			
	Date	Closing Price	Volume on Date of High[3]	Date	Closing Price	Volume on Date of Low[3]	Average[4]
		Rs.			Rs.		Rs.
Year Ended March 31, 2007	1-Feb-07	46.43	7,671,673	13-Jun-06	18.62	10,735	34.01
Year ended March 31, 2008	14-Jan-08	86.50	10,675,290	2-Apr-07	37.73	342,846	60.14
Year Ended March 31, 2009	20-May-08	80.00	758,584	6-Mar-09	35.05	83,331	57.56
Month:		Rs.			Rs.		Rs.
July 2009	31-Jul-09	85.85	3,296,423	6-Jul-09	63.95	473,494	74.08
August 2009	31-Aug-09	95.65	1,548,527	7-Aug-09	81.05	655,643	86.25
September 2009	1-Sep-09	94.65	1,420,784	8-Sep-09	87.70	420,773	89.96
October 2009	20-Oct-09	108.40	1,809,359	5-Oct-09	89.05	490,706	100.20
November 2009	16-Nov-09	120.60	2,402,167	3-Nov-09	101.05	1,179,221	109.26
December 2009	3-Dec-09	118.85	1,394,843	1-Dec-09	110.00	1,480,885	113.34
January 2010	5-Jan-10	122.25	1,522,955	28-Jan-10	108.75	1,052,632	117.89
February 2010	3-Feb-10	115.9	861,481	24-Feb-10	105.00	2,095,537	109.71

(1) Source: www.nseindia.com.

(2) High and low closing prices are based on the daily closing prices.

(3) In case of two days with the same closing price, the date with the higher volume has been chosen.

(4) In the case of a year, represents the average of the closing prices on the last day of each month of each year presented. In the case of a month, represents the average of the closing prices of each day of each month presented.

The following table provides the aggregate volume of the Equity Shares transacted during each month presented.

	Volume of Equity Shares	
	Bombay Stock Exchange[1]	National Stock Exchange of India[2]
Month:		
July 2009	16,056,679	29,825,160
August 2009	9,167,954	22,877,955
September 2009	6,170,650	13,166,465
October 2009	14,065,576	29,338,702
November 2009	9,832,660	29,645,154
December 2009	5,420,900	15,320,959
January 2010	7,659,901	31,177,428
February 2010	3,497,265	12,798,472

(1) Source: www.bseindia.com.

(2) Source: www.nseindia.com.

The following table provides certain market price and other information of the Equity Shares for 19 November, 2009, the first working day immediately following the Board Meeting approving the Issue.

Bombay Stock Exchange[1]					National Stock Exchange of India[2]				
Open	High	Low	Close	Volume	Open	High	Low	Close	Volume
Rs. 113.50	Rs. 116.00	Rs. 105.15	Rs. 107.35	677,752	Rs. 115.00	Rs. 115.5	Rs. 105.00	Rs. 106.70	2,168,472

(1) Source: www.bseindia.com.

(2) Source: www.nseindia.com.

USE OF PROCEEDS

The total proceeds of the Issue will be Rs. 5,395 million. After deducting the Issue expenses of approximately Rs. 106 million, the net proceeds of the Issue will be approximately Rs. 5,289 million (approximately USD 116 million). For further information, see "*Placement*" on page 130 of this Placement Document.

Purpose of Issue

Subject to compliance with applicable laws and regulations, the Company intends to use the net proceeds from the Issue for capital expenditure, acquisitions, long term working capital, repayment of debts, investments by way of equity and/or debt in other companies including the Company's subsidiaries, joint ventures and associated companies, and for general corporate purposes.

In accordance with the policies approved by the Board of Directors and as permissible under applicable laws and government policies, the Company's management will have flexibility in deploying the proceeds received by the Company from the Issue. Pending utilisation for the purposes described above, the Company intends to temporarily invest funds in creditworthy instruments, including money market mutual funds and deposits with banks and corporates. Such investments would be in accordance with the investment policies as approved by the Board of Directors from time to time.

CAPITALISATION

The following table shows, as at March 31, 2009:

- the Company's actual consolidated capitalisation; and
- the Company's consolidated capitalisation as adjusted for the Issue, and the application thereof.

This table should be read in conjunction with the Company's Reformatted Financial Statements as of and for the Fiscal Year 2009 and the related notes, the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information contained in this Placement Document.

(In Rs. million)

	As at March 31, 2009	
	Actual	**As adjusted**[1]
Shareholders' Funds		
Share capital	800.0	850.0
Reserves and Surplus		
Revaluation Reserve	517.1	517.1
Securities Premium Account	2,131.6	7,476.6
General Reserves	6,097.8	6,097.8
Capital Reserve	53.5	53.5
Foreign Currency Translation Reserve	40.5	40.5
Profit and Loss Account Balance	288.4	288.4
Total Reserves and Surplus	9,128.9	14,473.9
Total Shareholders' Funds	**9,928.9**	15,323.9
Loan Funds		
Secured Loans	2,207.7	2,207.7
Unsecured Loans	1,402.7	1,402.7
Total Debt	**3,610.4**	**3,610.4**
Consolidated Capitalisation[2]	**13,539.3**	**18,934.3**

(1) As adjusted to show the number of Equity Shares issued in the Issue, but not adjusted for Issue expenses.

(2) Consolidated Capitalisation equals Shareholder's Funds plus Total debt.

(3) Except for the prepayment of a Rs. 1,000 million secured loan, there has been no material change in the Company's capitalisation and contingent liabilities during the nine month period ended December 31, 2009 on a non-consolidated basis. Further, on a non-consolidated basis, the Company's bank overdraft, included in "Loan Funds", as at March 31, 2009 was Rs. 796.2 million which has come down to Rs. 3.6 million as at 31 December 2009. Moreover, Company's unsecured term loans as at March 31, 2009, of Rs. 721.2 million have been reduced to Rs. 250 million as at December 31, 2009. These are over and above the pre-payment of Rs. 1,000 million secured loan.

DIVIDEND POLICY

Under the Companies Act, an Indian company pays dividends upon the recommendation of its board of directors and approval by a majority of its shareholders, who have the right to decrease, but not to increase, the amount of the dividend recommended by the board of directors at the annual general meeting. Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous Fiscal Years or out of both. Additionally, the Company's Articles of Association grant discretion to the Board of Directors to declare and pay interim dividends from the Company's profits as appear to it to be justified. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owners in the record of the depository on the date specified as the "record date" or "book closure date". A listed company in India may declare and disclose the dividend it issues only on a per share basis.

Equity Shares

The Equity Shares to be issued in this Issue shall qualify for any dividend that is declared in respect of the Financial Year in which they have been allotted. Dividends declared by the Company on the equity shares during the last three Fiscal Years have been presented below.

Fiscal Year	**Dividend per Equity Share of Re. 1.00 each**	**Total Amount of Dividend (in Rs. millions)**
2010 (Interim)	0.60	480.00
2009 (Final)	0.20	160.00
2009 (Interim)	0.40	320.00
2008 (Final)	0.40	320.00
2007 (Final)	0.35	262.50

The amounts paid as dividends in the past are not necessarily indicative of the Company's dividend policy or dividend amounts, if any, in the future.

Under current Indian tax laws, dividends (interim and final) are not subject to income tax in India in the hands of the resident shareholder. However, a company is liable to pay a "dividend distribution tax" currently at the rate of 15% (plus surcharge at 10% on dividend distribution tax and education cess on dividend distribution tax and surcharge at the rate of 3%) on the total amount distributed as dividend. The effective rate of dividend distribution tax is approximately 17%. In respect of non-residents, the tax rates and the consequent taxation shall be subject to any benefits available under the double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile. See "*Taxation*" on page 153 of this Placement Document.

SELECTED FINANCIAL INFORMATION

The following selected financial information is derived from the Company's Reformatted Financial Statements and the Company's Unaudited Interim Non-Consolidated Financial Statements included in this Placement Document. The following information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", and the Reformatted Financial Statements, the Unaudited Interim Non-Consolidated Financial Statements and the other financial information included in this Placement Document. The selected financial data of the Company presented below as of and for the nine month period ended December 31, 2009 has been derived from the unaudited and non-consolidated financial statements of the Company appearing in this Placement Document and is not directly comparable to the selected consolidated financial data of the Company presented below. The unaudited and non-consolidated financial statements should also be read in conjunction with "Management's Discussion and Analysis of Financial Condition". S. R. Batliboi & Co. has performed a limited review of the unaudited and non consolidated financial statements as of and for the nine month periods ended December 31, 2008 and 2009.

Selected Income Statement Data

	Reformatted Consolidated						Unaudited Non-Consolidated			
	Year ended March 31,						Nine months ended December 31,			
	2007		2008		2009		2008		2009	
	(Rs. Millions)	% of Gross Sales	(Rs. Millions)	% of Gross Sales	(Rs. Millions)	% of Gross Sales	(Rs. Millions)	% of Gross Sales	(Rs. Millions)	% of Gross Sales
INCOME										
Gross Sales	24,967.0	100.0	37,575.5	100.0	43,440.1	100.0	32,580.7	100.0	33,082.2	100.0
Less: Excise Duty	3,026.9	12.1	4,626.7	12.3	5,452.1	12.6	3,788.3	11.6	2,372.9	7.2
Sales Tax, VAT & Octroi	2,131.8	8.5	3,150.5	8.4	3,939.3	9.1	2,845.6	8.8	3,049.4	9.2
Net Sales	19,808.3	79.3	29,798.3	79.3	34,048.7	78.4	25,946.8	79.6	27,659.9	83.6
Other Income	69.2	0.3	79.2	0.2	58.7	0.1	42.6	0.1	41.3	0.1
	19,877.5	79.6	29,877.5	79.5	34,107.4	78.5	25,989.4	79.7	27,701.2	83.7
EXPENDITURE										
Increase in Stocks	(976.2)	(3.9)	(1,013.2)	(2.7)	115.3	0.3	(603.4)	(1.9)	(482.2)	(1.5)
Materials Consumed	12,582.1	50.4	19,007.4	50.6	20,042.8	46.1	17,906.0	55.0	16,082.5	48.6
Purchase of Trading Goods	457.3	1.8	1,510.4	4.0	1,392.8	3.2	102.6	0.3	46.3	0.1
Personnel Costs	1,429.4	5.7	1,718.3	4.6	2,010.8	4.6	1,262.1	3.9	1,680.4	5.1
Expenses	3,137.7	12.6	3,705.7	9.9	4,715.9	10.9	3,196.0	9.8	3,591.1	10.9
Interest and Finance Costs	293.2	1.2	410.1	1.1	587.4	1.4	367.3	1.1	77.0	0.2
Depreciation/Amortisation	558.6	2.2	640.3	1.7	719.6	1.7	505.3	1.5	598.2	1.8
	17,482.1	70.0	25,979.0	69.1	29,584.6	68.1	22,735.9	69.7	21,593.3	65.2
PROFIT BEFORE TAX	2,395.4	9.6	3,898.5	10.4	4,522.8	10.4	3,253.5	10.0	6,107.9	18.5
Taxation (net)	815.0	3.3	1,281.6	3.4	1,578.9	3.6	1,117.5	3.5	2,082.5	6.3
PROFIT AFTER TAXATION	1,580.4	6.3	2,616.9	7.0	2,943.9	6.8	2,136.0	6.5	4,025.4	12.2
Add: Share of Profit/(Loss) of Associate Companies	(884.5)	(3.5)	(953.6)	(2.5)	(995.9)	(2.3)	N/A	N/A	N/A	N/A
Less: Minority Interest	10.5	0.0	19.7	0.1	33.1	0.1	N/A	N/A	N/A	N/A
NET PROFIT	685.4	2.7	1,643.6	4.4	1,914.9	4.4	2,136.0	6.5	4,025.4	12.2
Balance brought forward	33.2	0.1	53.7	0.1	799.6	1.8	2,812.9	8.6	3,245.9	9.8
PROFIT AVAILABLE FOR APPROPRIATION	718.6	2.9	1,697.3	4.5	2,714.5	6.2	4,948.9	15.1	7,271.3	22.0

Note: *The Unaudited Interim Non Consolidated Financial Statements for the nine month periods ended December 31, 2008 and 2009 are not comparable with the Reformatted Financial Statements for the years ended March 31, 2007, 2008 and 2009.*

Selected Balance Sheet Data

	Reformatted Consolidated As at March 31,			Unaudited Non-Consolidated As at December 31,	
	2007	2008	2009	2008	2009
		(Rs. Millions)		(Rs. Millions)	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	750.0	800.0	800.0	800.0	800.0
Reserves & Surplus	4,958.9	7,666.3	9,128.9	11,575.4	15,154.8
	5,708.9	8,466.3	9,928.9	12,375.4	15,954.8
Loan Funds					
Secured	2,947.1	2,959.3	2,207.7	2,271.8	3.6
Unsecured	468.3	801.3	1,402.7	1,384.9	900.3
	3,415.4	3,760.6	3,610.4	3,656.7	903.9
Minority Interest	72.0	80.5	178.3		
Deferred Tax Liability (net)	448.5	496.0	434.9	490.0	490.0
	9,644.8	12,803.4	14,152.5	16,522.1	17,348.7
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	9,889.1	11,778.8	13,917.8	11,564.1	12,961.2
Less: Accumulated Depreciation	5,015.3	5,661.7	6,181.4	5,791.2	6,493.7
Net Block	4,873.8	6,117.1	7,736.4	5,772.9	6,467.5
Add: Capital Work-in-Progress	334.8	471.4	197.7	478.1	298.1
	5,208.6	6,588.5	7,934.1	6,251.0	6,765.6
Investments	2,378.1	2,562.0	2,756.3	6,131.8	7,312.2
Deferred Tax Asset	2.5	2.1	3.1	N/A	N/A
Current Assets, Loans & Advances					
Inventories	4,242.5	6,403.8	5,242.4	6,008.4	5,979.3
Sundry Debtors	1,777.4	2,917.7	2,657.4	3,026.7	2,490.9
Cash and Bank Balances	37.8	76.7	389.6	19.7	179.3
Loans & Advances	295.1	467.5	473.5	326.5	291.8
	6,352.8	9,865.7	8,762.9	9,381.3	8,941.3
Less:					
Current Liabilities & Provisions					
Current Liabilities	3,389.0	5,106.1	4,182.6	4,433.4	4,857.2
Provisions	908.2	1,108.8	1,121.3	808.6	813.2
	4,297.2	6,214.9	5,303.9	5,242.0	5,670.4
Net current Assets	2,055.6	3,650.8	3,459.0	4,139.3	3,270.9
	9,644.8	12,803.4	14,152.5	16,522.1	17,348.7

Note: *The Unaudited Interim Non-Consolidated Financial Statements as at December 31, 2008 and 2009 are not comparable with the Reformatted Financial Statements as at March 31, 2007, 2008 and 2009.*

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of the Company's financial condition and results of operations should be read in conjunction with the Company's Reformatted Financial Statements and the related notes as of and for the three years ended March 31, 2007, 2008 and 2009 and the Company's Unaudited Interim Non-Consolidated Financial Statements as of and for the nine month periods ended December 31, 2008 and 2009, respectively. The consolidated figures provided for the year end periods are not strictly comparable to the unaudited non-consolidated figures provided for the nine month ended periods. The Company's fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve (12) *month period ended March 31 of that year. The Company's audited consolidated financial statements, on which the Reformatted Financial Statements are based, are prepared in accordance with Indian GAAP which is different from IFRS. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information to a prospective investor outside of India is entirely dependent on the reader's level of familiarity with Indian accounting practices.*

This discussion contains forward-looking statements about the Company's business and financial performance which are subject to risks and uncertainties. The Company's actual results could differ materially from those anticipated as a result of many factors, including but not limited to, those described under "Risk Factors."

Overview

The Company is a leading battery producer in India and one of the largest power storage producers in South Asia. The Company manufactures a wide range of storage batteries ranging from 2.5 Ah to 15,000 Ah capacity, covering a broad spectrum of applications. The Company operates six battery manufacturing facilities strategically located across India, including two in Maharashtra, two in West Bengal, one in Tamil Nadu and one in Haryana. In addition, through its subsidiaries, the Company operates two lead smeltering facilities that supply a significant amount of the Company's lead requirements. The Company supplies batteries to the automotive, industrial, infrastructure development, information technology and defence sectors in India. In the automotive sector, the Company is a leading supplier of batteries for motorcycles, passenger vehicles, commercial trucks and farm equipment. The Company is also a leading supplier of batteries for industrial applications relating to railroads, telecom, power back-up systems and materials handling.

With the Company's leading position in the Indian battery market and its strong product research and development capabilities, the Company believes it is well positioned to capture additional business opportunities in India's automotive, infrastructure, power, telecom and information technology sectors. In light of the clear trend towards developing more environmentally-friendly power alternatives, the Company intends to continue exploring new opportunities such as electric and hybrid batteries for electric-powered motorcycles and cars as well as industrial solar power applications. The Company believes that its existing relationships with automotive OEMs will allow it to benefit from the incumbent advantage for hybrid technology vehicles in India.

The Company sells its battery products principally to OEMs, dealers and directly to end consumers. The Company has established an extensive sales and distribution network that includes a dedicated in-house sales force for OEMs and approximately 38,500 retail outlets for aftermarket sales that include 12,500 dealers spread across 202 cities in India. With the growing retail market for branded battery products in the country's rural areas, the Company has recently strengthened its sales and distribution efforts in rural India to serve this growing demand.

The Company continuously looks to modernize and upgrade its manufacturing facilities and processes as part of its growth strategy. Further, the Company's innovations have helped it to produce one of the world's widest ranges of industrial batteries covering various technology configurations.

The Company also has a 50% stake in IVL, a joint venture with ING Group, Netherlands, a significant player in the global life insurance industry. Under the terms of the joint venture agreement, the Company may not divest its stake in IVL until October 2010. IVL began its operations in September 2001 and currently services more than one million customers.

IVL offers a variety of insurance products including term insurance, traditional endowment, unit-linked and retirement plans, among others. IVL distributes its products through multiple channels including tied agents, in-house sales personnel based in more than 250 offices across India as well as through its bancassurance partner, ING Vysya Bank Ltd. See "*Business– The Life Insurance Business*."

The Company's equity shares are listed on the NSE, the BSE, and the CSE. The NSE and the BSE account for nearly all of the Company's trading volume. As of December 31, 2009, the Company's market capitalization on the NSE was Rs. 92.7 billion.

In Fiscal Year 2009, the Group had gross sales of Rs. 43,440.1 million and a net profit of Rs. 1,914.9 million compared to gross sales of Rs. 37,575.5 million and a net profit of Rs. 1,643.6 million in 2008. For the nine month period ended December 31, 2009, on a non-consolidated basis the Company had gross sales of Rs. 33,082.2 million and a net profit of Rs. 4,025.4 million compared to gross sales of Rs. 32,580.7 million and net profit of Rs. 2,136.0 million for the nine month period ended December 31, 2008. The non-consolidated figures for the nine month periods ended December 31 are not directly comparable to the consolidated figures for the Fiscal Years ended March 31.

Factors Affecting the Company's Results of Operations and Financial Condition

The Company's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected the Company's results in the past and which the Company expects to affect its financial results in the future. Factors other than those set out below could also have a significant impact on results of operations and financial conditions in the future. See "*Risk Factors*."

Prices of Lead and Lead Alloy

Lead and lead alloy represented 76.6% of the Company's materials consumed (which also includes increase/decrease in stock and purchase of trading goods) for Fiscal Year 2009 and 80.3% for the nine month period ended December 31, 2009. The market price of lead and lead alloy fluctuates based on a number of factors, including supply and demand and trading patterns for lead on metal exchanges, principally the LME. Generally, when lead and lead alloy prices decrease, customers seek disproportionate price reductions from the Company, and when lead prices increase, customers may resist price increases. Either of these situations can cause customer demand for the Company's products to be reduced and the Company's net sales and gross margins to decline. The average price of lead as quoted on the LME decreased 42% from US$ 2,856 per metric ton for Fiscal Year 2008 to US$ 1,654 per metric ton for Fiscal Year 2009. As at December 31, 2009, the quoted price of lead on the LME was US$ 2,395 per metric ton. In addition to price volatility of lead and lead alloy, the Company generally purchases its lead and lead alloy requirements form overseas suppliers in U.S. Dollars which exposes the company to certain exchange rate risks.

To reduce the impact of lead and lead alloy price fluctuations the Company purchased two lead recycling plants and for the nine month period ended December 31, 2009, approximately 41% of the Company's lead and lead alloy requirements were supplied by its two lead recycling plants. These plants allow the Company to source lead through the process of recycling expired batteries at a cost that is generally lower than the market price for lead. However, to the extent that lead prices continue to be volatile and where the Company is unable to pass on higher lead and lead alloy costs to its customers, its financial performance will be adversely impacted.

Industry Growth

Notwithstanding the recent downturn in the Indian automotive sector which was a result of the global economic crisis, the Company believes the automotive industry in India is poised for significant growth in the next few years, specifically in the small car and two-wheeler segments. The Company believes that this growth will be commensurate with the overall expected growth in the Indian economy. With Tata Motors, Toyota, Honda, General Motors and Renault all announcing plans to produce new car models in India, the country is set to emerge as a regional centre for the production of small cars. Nearly all the major global automobile manufacturers have established operations in India and many are also considering India as an export destination for their products manufactured in other countries. In addition, several commercial vehicle manufacturers have identified India as a manufacturing base for their export market which the Company believes will also lead to higher demand for Indian manufactured batteries. Further, as the Indian economy continues to expand, the Company expects the infrastructure, communication and power sectors to grow, thereby increasing the demand for the Company's industrial batteries. To the extent the Indian automotive and/or industrial sector experiences periods of slowing or negative growth, the Company's results of operations could suffer.

Energy Costs

The Company relies on various sources of energy to support its manufacturing and distribution process, principally electricity from various state electricity boards which provide power to each of the Company's manufacturing facilities and diesel fuel used to power standby generators when power from a state grid is unavailable. The Company purchases power from the state electricity boards at market prices, which are based on prescribed tariff structures of the state governments and can be volatile. The Company seeks to recoup any increased energy costs through price increases or surcharges on it products. To the extent the Company is unable to pass on higher energy costs to its customers, its financial performance will be adversely impacted.

Changes in Demand for the Company's Products

Lead-acid batteries may not be the optimal source for power solutions in the automotive and industrial battery market in the long term for a number of reasons including lead-acid's inherent polluting nature and certain limitations in its physical properties. In addition major automotive manufacturers are actively considering developing electrically powered and/or hybrid vehicles in response to generally increasing crude oil prices and environmental concerns. The Company believes that this may cause a major shift in demand for the Company's existing products and would necessitate acquiring knowledge, technology and expertise for catering to the emerging and completely different requirements of the future. While the Company has begun investigating these new technologies, the change in demand for its products may outpace its preparedness to adapt to these changes.

Competition

The global transportation and industrial energy battery markets are highly competitive. In recent years, competition has continued to intensify and has impacted the Company's ability to pass along increased prices to keep pace with rising production costs. The effects of this competition have been exacerbated by excess capacity in certain of the Company's overseas markets as well as low-priced Chinese imports in certain of the Company's domestic markets. Imports of low-priced industrial batteries from China increased by more than 300% in India in 2009 according to monthly data from the independent reporting agencies International Business Information Services, Mumbai and Infodrive India (P) Ltd, Kolkata. The Company believes that the Government has not taken significant action to address the influx of these low cost batteries.

Share of Loss in Associate Company

In October 2005, the Company acquired a 50% equity interest in IVL as a strategic investment intended to diversify the use of its available capital. As an investment in an associated company, pursuant to Indian accounting standards, this investment is recorded under the equity method and the Company's share of IVL's loss is subtracted from Company's profit after tax. In Fiscal Years 2007, 2008 and 2009 the Company's share in IVL's and other associates' losses were Rs. 884.5 million, Rs. 953.6 million and Rs. 995.9 million, respectively. The Company has no plans to divest its stake in IVL. Should such loses continue, the Company's continued holding of its interest in IVL will have a material adverse effect on its net profit.

Description of Selected Income Statement Line Items

Net Sales

Net sales comprise gross sales, less excise duty, sales tax, VAT & Octroi. Substantially all of the Company's gross sales are derived from the sale of lead-acid storage batteries. The Company also receives proceeds from the sale of trading items including batteries, battery chargers, uninterruptible power supplies, solar lanterns, home lights, lead and lead alloy.

Other Income

Other income comprises dividends from long-term trade investments and short-term non-trade investments, profits on the sale of investments, net profits on assets sold or discarded, provision for doubtful debts no longer required to be written back, rents received and sundry income.

Materials Consumed

Materials consumed primarily comprises of the cost of lead and lead alloy consumed in the manufacture of lead-acid batteries. Other materials consumed include polypropylene copolymers used in the manufacture of battery casings, antimony, separators and other raw materials such as PVC resin and vaniperse. The Company also purchases expired batteries from the market for its battery recycling plants.

Personnel Costs

Personnel costs comprise salaries, wages, allowances, bonuses and other statutory benefits paid to employees as well as cost paid to its contract labourers.

Other Expenses

Other expenses generally are comprised of expenses for power and fuel, repairs and maintenance, insurance, publicity and sales promotion costs, freight and forwarding (net), selling expenses, and other miscellaneous items. Selling expenses include testing charges, liquidated damages, claims and breakages, cash discounts, after sales service, cost and freight expenses and installation costs.

Interest and Finance Costs

Interest and finance costs comprise interest on term loans and working capital borrowings and fund mobilisation costs less interest received on loans and deposits.

Depreciation and Amortisation

Depreciation and amortisation relates primarily to plant and equipment the Company owns and is calculated on a straight-line basis. The Company has installed additional production facilities in recent years, and the Company's fixed assets have correspondingly increased. Depreciation and amortisation comprises a charge for the year less transfers from revaluation reserve.

Provision for Taxation

Provision for taxation encompasses income tax, fringe benefit tax, wealth tax and deferred tax. Deferred tax arises mainly due to the timing differences in the depreciation rates applicable to the books of accounts and under the Income Tax Act, as well as credit for certain depreciation and tax losses. The Company's corporate tax rate is currently 33.99%. The Company provides for both current and deferred taxes.

Results of Operations

For the year ended March 31, 2009, the Group's gross sales increased 15.6% and profit before tax increased 16.0%, as compared to the year ended March 31, 2008, while for the nine months ended December 31, 2009, the Company's gross sales increased 1.5% and profit before tax increased 87.7%, as compared to the nine months ended December 31, 2008, despite negative growth in the auto industry globally and the negative growth or declining growth rates in other core industries which use the Company's products, including the infrastructure, telecommunications and power sectors during these periods. The audited financial statements shown for the year ended March 31 are on a consolidated basis, while the unaudited financial statements shown for the nine month periods ended December 31 are on a non-consolidated basis. Investors are cautioned that the audited and unaudited financial statements are not strictly comparable.

Non-consolidated nine months ended December 31, 2009 compared to the non-consolidated nine months ended December 31, 2008

Net Sales

Net sales increased by 6.6% from Rs. 25,946.8 million in the nine months ended December 31, 2008 to Rs. 27,659.9 million in the nine months ended December 31, 2009 primarily due to overall business volume growth in the Company's automotive and industrial divisions. Specifically, the Company's efforts to expand into new markets across India, especially in rural areas, resulted in encouraging growth in its replacement battery business.

Other Income

Other income decreased 3.1% from Rs. 42.6 million in the nine months ended December 31, 2008 to Rs. 41.3 million in the nine months ended December 31, 2009. Higher other income in the nine months ended December 31, 2008 was due to profits on sales of certain properties owned by the Company which were no longer in use which was partially offset by increases in dividends from current, non-trade investments and sundry income.

Materials Consumed

Cost of materials consumed decreased 10.2% from Rs.17,906.0 million in the nine months ended December 31, 2008 to Rs. 16,082.5 million in the nine months ended December 31, 2009, primarily due to lower average lead cost in the nine months ended December 31, 2009 compared to the corresponding period in 2008. Lower lead costs more than offset the increase in the total amount of lead consumed. The Company consumed 66,889 metric tons of lead and 63,911 metric tons of lead alloy during the period, an increase of 3% and 10%, respectively. Of the lead and lead alloy consumed, 41% was sourced from the Company's subsidiaries.

Personnel Costs

Personnel costs increased 33.1% from Rs. 1,262.1 million in the nine months ended December 31, 2008 to Rs. 1,680.4 million in the nine months ended December 31, 2009. This increase was primarily the result of the Company adding additional manpower inline with the expansion of its selling and distribution network in new locations across India. The expansion of the selling and distribution network is part of the Company's strategy to increase its share in replacement battery market. Increased personnel costs were also the result of standard annual wage increases to most employees.

Other Expenses

Other expenses increased 12.4% from Rs. 3,196.0 million in the nine months ended December 31, 2008 to Rs. 3,591.1 million in the nine months ended December 31, 2009 primarily due to increases in (i) power and fuel of Rs. 82.3 million due to rate increases by the state electricity boards, (ii) freight forwarding of Rs. 151.7 million due to increased product sales and the expansion of the Company's distribution network, (iii) publicity and sales promotion of Rs. 59.0 million due to an expanded publicity campaign for the expansion of the replacement battery business, and (iv) rent expenses of Rs. 17.1 million due to the expansion of the sales and distribution network.

Interest and Finance Costs

Interest and finance costs were lower by 79.0% from Rs. 367.3 million in the nine months ended December 31, 2008 to Rs. 77.0 million in the nine months ended December 31, 2009. This reduction was primarily the result of a significant decrease in borrowings related to the Company's increased cash generation and to a lesser extent lower interest rates on short-term borrowings. The Company also benefited from a foreign exchange gain of Rs. 35.7 million in the nine months ended December 31, 2009 compared to a foreign exchange loss of Rs. 109.8 million in 2008.

Depreciation and Amortisation

Depreciation and amortisation increased 18.4% from Rs. 505.3 million in the nine months ended December 31, 2008 to Rs. 598.2 million in the nine months ended December 31, 2009 primarily due to the Company's substantial investment for increasing capacity of all its manufacturing and recycling plants.

Net Profit

As a result of the foregoing factors, net profit increased 88.5% from Rs. 2,136 million in the nine months ended December 31, 2008 to Rs. 4,025.4 million in the nine months ended December 31, 2009.

Consolidated Fiscal Year 2009 compared to consolidated Fiscal Year 2008

Net Sales

Net sales increased 14.3% from Rs. 29,798.3 million in Fiscal Year 2008 to Rs. 34,048.7 million in Fiscal Year 2009 primarily due to a Rs. 5,481.6 million increase in the sale of lead storage batteries. This increase was mainly seen in the automotive replacement battery segment as well as in the industrial battery segment. Sales of lead and lead alloy from the Company's recycling plants also increased substantially. Increases in these segments were offset by decreased sales in the automotive OEM segment as well as to telecom and power production customers, all of which decreased as a result of the global financial crisis.

Other Income

Other income decreased 25.9% from Rs. 79.2 million in Fiscal Year 2008 to Rs. 58.7 million in Fiscal Year 2009. This decrease was primarily a result of a one-off profit on the sale of investments of Rs. 18.8 million in Fiscal Year 2008.

Materials Consumed

Cost of materials consumed, mainly lead used in the manufacture of batteries, increased 5.4% from Rs. 19,007.4 million in Fiscal Year 2008 to Rs. 20,042.8 million in Fiscal Year 2009 primarily due to overall growth in product sales, which was partly offset by lower average lead costs in the Fiscal Year 2009 compared to the previous year. The Company consumed 84,525 metric tons of lead and 70,383 metric tons of lead alloy during the year. Of the lead and lead alloy consumed, 25% was sourced from the Company's subsidiaries.

Personnel Costs

Personnel costs increased 17.0% from Rs. 1,718.3 million in Fiscal Year 2008 to Rs. 2,010.8 million in Fiscal Year 2009 primarily due to increased hiring as a result of the Company expanding its sales and distribution network in rural areas as well as customary annual salary increases for most employees.

Other Expenses

Other expenses increased 27.2% from Rs. 3,705.7 million in Fiscal Year 2008 to Rs. 4,715.9 million in Fiscal Year 2009 primarily due to increases in (i) power and fuel of Rs. 230.3 million due to rate increases by the state electricity boards and increased power and fuel consumption caused by greater production, (ii) freight forwarding of Rs. 314.9 million due to increased product sales and the expansion of the Company's distribution network, (iii) cash discounts of Rs. 117.5 million due to higher volumes of replacement sales in the period and (iv) rent expenses of Rs. 29.4 million due to the expansion of the sales and distribution network.

Interest and Finance Costs

Interest and finance costs increased 43.2% from Rs. 410.1 million in Fiscal Year 2008 to Rs. 587.4 million in Fiscal Year 2009 primarily due to a foreign exchange loss of Rs. 137.2 million on foreign currency denominated loans related to depreciation of the Rupee against the U.S. Dollar during the period. The increase was also related to increased working capital borrowings as a result of funding capacity expansion.

Depreciation and Amortisation

Depreciation and amortisation increased 12.4% from Rs. 640.3 million in Fiscal Year 2008 to Rs. 719.6 million in Fiscal Year 2009 primarily due to investments in machinery and equipment at the Company's existing plants as the Company continued to increase capacity to produce more lead acid batteries.

Share of Loss of Associate Companies

The Company's share of losses in its associate companies increased from Rs. 953.6 million in Fiscal Year 2008 to Rs. 995.9 million in Fiscal Year 2009, which was principally the result of the Company's share of losses in IVL. Indian GAAP requires the sales cost associated with a new policy issuance to be recognized in the initial year of sale.

Net Profit

For the reasons stated above, consolidated net profit increased 12.5% from Rs. 2,616.9 million in Fiscal Year 2008 to Rs. 2,943.9 million in Fiscal Year 2009.

Consolidated Fiscal Year 2008 compared to consolidated Fiscal Year 2007

Net Sales

Net sales increased 50.4% from Rs. 19,808.3 million in Fiscal Year 2007 to Rs. 29,798.3 million in Fiscal Year 2008 primarily due to a significant increase in the sale of lead storage batteries across all of the Company's business segments. There were also increases in sales of battery chargers, universal power supplies and solar lanterns. Finally, the Company recorded sales of Rs. 458.2 million from the sale of lead and lead alloys as a result of the acquisition of Chloride Metals Limited, the Company's first lead recycling subsidiary.

Other Income

Other income increased 14.5% from Rs. 69.2 million in Fiscal Year 2007 to Rs. 79.2 million in Fiscal Year 2008 primarily due to profits of Rs. 33.6 million on certain non-core assets, including flats owned by the Company, that were sold in 2008 which was partially offset by a decrease in dividends from short-term non-trade investments from Rs. 16.8 million in Fiscal Year 2007 to Rs. 4.5 million in Fiscal Year 2008.

Materials Consumed

Cost of materials consumed, mainly lead used in the manufacture of batteries, increased 51.1% from Rs. 12,582.1 million in Fiscal Year 2007 to Rs. 19,007.4 million in Fiscal Year 2008, primarily due to a 70% increase in the average price of lead in Fiscal Year 2008. Overall growth in product sales also contributed to higher lead consumption. The Company consumed 75,742 metric tons of lead and 61,272 metric tons of lead alloy during the year. Of the lead and lead alloy consumed, 1.1% was sourced from the Company's subsidiaries.

Personnel Costs

Personnel costs increased 20.2% from Rs. 1,429.4 million in Fiscal Year 2007 to Rs. 1,718.3 million in Fiscal Year 2008 primarily due to separation costs paid to employees of two production facilities that were closed in Fiscal Year 2008. This increase was also the result of annual increases in salaries which the Company believes are in line with industry norms.

Other Expenses

Other expenses increased 18.1% from Rs. 3,137.7 million in Fiscal Year 2007 to Rs. 3,705.7 million in Fiscal Year 2008 primarily due to increases in (i) power and fuel of Rs. 140.1 million due to rate increases by the state electricity boards and increased production, (ii) cash discount of Rs. 96.8 million due to an increase of lead acid batteries sold in the replacement market where the Company provides cash discounts as an incentive for cash payment (iii) freight forwarding of Rs. 89.1 million due to increased sales, (iv) rent expenses of Rs. 14.9 million due to the expansion of the sales and distribution network and (v) repairs and maintenance costs of Rs. 45.3 million due to the refurbishment of machinery in two of the Company’s manufacturing facilities.

Interest and Finance Costs

Interest and finance costs increased 40.0% from Rs. 293.2 million in Fiscal Year 2007 to Rs. 410.1 million in Fiscal Year 2008 primarily due to increased interest rates and higher borrowing levels during Fiscal Year 2008 as a result of greater working capital requirements related to increased lead costs. Interest on working capital borrowing increased from Rs. 161.4 million in Fiscal Year 2007 to Rs. 259.2 million in fiscal 2008, a 60.6% increase.

Depreciation and Amortisation

Depreciation and amortisation increased 14.6% from Rs. 558.6 million in Fiscal Year 2007 to Rs. 640.3 million in Fiscal Year 2008 primarily due to increased investments in capacity expansion at the Company's manufacturing facilities.

Share of Loss of Associate Companies

The Companies share of losses in its associate companies increased from Rs. 884.5 million in Fiscal Year 2008 to Rs. 953.6 million in Fiscal Year 2009, or an increase of 7.8%, which was principally the result of the Company’s share of losses in IVL. Indian GAAP requires the sales cost associated with a new policy issuance to be recognized in the initial year of sale.

Net Profit

For the reasons stated above, net profit increased 65.6% from Rs. 1,580.4 million in Fiscal Year 2007 to Rs. 2,616.9 million in Fiscal Year 2008.

Assets

Fixed assets

Fixed assets include goodwill, leasehold land, freehold land, buildings, plant and machinery, moulds, furniture and fittings, motor vehicles and computers. The Group's net block of fixed assets, including work-in-progress, was Rs. 7,934.1 million, Rs. 6,588.5 million and Rs. 5,208.6 million as of each of March 31, 2009, March 31, 2008 and March 31, 2007, respectively. The increase in fixed assets reflects the addition of plant and machinery as a result of the general growth in the Company's business.

Investments

Investments consist almost entirely of equity shares held in IVL, adjusted for post acquisition loss. As of March 31, 2009 the carrying value of the Company's investment in IVL totalled Rs. 5,319.9 million, less a post acquisition loss of Rs. 3,130.7 million, and its total investments were Rs. 2,756.3 million. As of March 31, 2009 the Company also had units in mutual funds totalling Rs. 550.0 million. As of March 31, 2008 the carrying value of the Company's investment in IVL totalled Rs. 4,694.8 million, less a post acquisition loss of Rs. 2,158.2 million, and its total investments were Rs. 2,562.0 million. As of March 31, 2007 the carrying value of the Company's investment in IVL totalled Rs. 3,569.8 million, less a post acquisition loss of Rs. 1,206.0 million, and its total investments were Rs. 2,378.1 million.

Current assets, loans and advances

Current assets, loans and advances comprises inventories, sundry debtors, cash and bank balances and loans and advances (some of which are further detailed below). The Group's total current assets, loans and advances were Rs. 8,762.9 million, Rs. 9,865.7 million and Rs. 6,352.8 million as of March 31, 2009, March 31, 2008 and March 31, 2007, respectively.

Inventories

Inventories comprise (i) stores, spare parts, loose tools, (ii) trading goods, (iii) raw materials and components (iv) work-in-process (v) finished goods including excise duty and (vi) assets held for sale. The Group's total inventory was Rs. 5,242.4 million, Rs. 6,403.8 million and Rs. 4,242.5 million as of each of March 31, 2009, March 31, 2008 and March 31, 2007, respectively, and consisted primarily of work-in-process, finished goods including excise duty and assets held for sale.

Sundry Debtors

Sundry debtors decreased from Rs. 2,917.7 million as of March 31, 2008 to Rs. 2,657.4 million as of March 31, 2009 due primarily to coverage of a "cash and carry" system for nearly all of the sales from the aftermarket segment. Sundry debtors increased from Rs. 1,777.4 million as of March 31, 2007 to Rs. 2,917.7 million as of March 31, 2008 due primarily to high sales value growth of more than 50%, a portion of which relates to lead price escalation.

Cash and Bank Balances

The Company's consolidated cash and bank balances comprise cash and cheque in hand and balances with banks. Total cash and bank balances were Rs. 389.6 million, Rs. 76.7 million and Rs. 37.8 million as of each of March 31, 2009, March 31, 2008 and March 31, 2007, respectively.

Loans and Advances

The Company's consolidated loans and advances primarily comprise (i) unsecured advances that are recoverable in cash or kind or for value to be received/adjusted or pending adjustments (ii) other deposits and (iii) balance with customs, port trusts, excise etc. Total loans and advances were Rs. 473.5 million, Rs. 467.5 million and Rs. 295.1 million as of each of March 31, 2009, March 31, 2008 and March 31, 2007, respectively.

Liquidity and Capital Resources

In the Fiscal Years 2007, 2008 and 2009 and the nine months ended December 31, 2008 and 2009, the Company's principal sources of liquidity have been cash generated from operations, proceeds from the issue of new equity shares pursuant to a rights issue in Fiscal Year 2007 and bank borrowings.

Investors should note that the reformatted financial statements for the Fiscal Years ended March 31 are being presented on a consolidated basis, while the unaudited financial statements for the nine month periods ended December 31 are being presented on a non-consolidated basis. Therefore, the audited consolidated financial statements for the Fiscal Years ended March 31 are not strictly comparable with the unaudited non consolidated financial statements for the nine month periods ended December 31.

The table below sets out a summary of the Company's cash flows for the periods indicated:

	Reformatted Consolidated			Unaudited Non-Consolidated	
	Year ended March 31,			Nine months ended December 31,	
	2007	2008	2009	2008	2009
	(Rs. Millions)			(Rs. Millions)	
Net cash from operating activities	1,873.7	1,782.5	5,005.1	2,490.7	4,158.2
Net cash used in investing activities	(1,961.9)	(2,925.8)	(3,240.5)	(1,916.5)	(1,190.7)
Net cash used in financing activities	(64.3)	1,168.9	(1,472.9)	(571.3)	(3,125.3)
Net increase/(decrease) in cash and cash equivalents	(152.5)	25.6	291.7	2.9	(157.8)

Net Cash from Operating activities

Net cash from operating activities primarily consists of net profit adjusted for certain non-cash items including depreciation, unrealized gain/loss due to foreign exchange fluctuation and the effect of changes in working capital and other activities.

Net cash from operating activities of the Company in the nine months ended December 31, 2009 totalled Rs. 4,158.2 million and resulted primarily from net profit before tax Rs. 6,107.9 million as adjusted for, among others, depreciation of Rs. 598.2 million, interest expense of Rs. 115.9 million, increase in inventories of Rs. 1,594.6 million and increase in trade payables of Rs. 1,138.1 million.

Net cash from operating activities of the Group in Fiscal Year 2009 totalled Rs. 5,005.1 million and resulted primarily from net profit before tax of Rs. 4,522.8 million, depreciation of Rs. 719.6 million, interest expense of Rs. 469.4 million, unrealised foreign exchange loss of Rs. 128.3 million and decrease in inventories of Rs. 1,161.4 million. These items were partially offset by a decrease in trade payables of Rs. 775.8 million and direct taxes paid (net of refund) of Rs. 1,456.0 million.

Net cash generated from operating activities of the Group in Fiscal Year 2008 totalled Rs. 1,782.5 million and resulted primarily from net profit before tax of Rs. 3,898.5 million, depreciation of Rs. 640.3 million and interest expenses of Rs. 420.5 million. These items were partially offset by an increase in sundry debtors (net of provision) of Rs. 1,140.3 million, an increase in inventories of Rs. 2,161.3 million and direct taxes paid (net of refund) of Rs. 1,230.3 million.

Net cash from operating activities of the Group in Fiscal Year 2007 totalled Rs. 1,873.7 million and resulted primarily from net profit before tax of Rs. 2,395.4 million, increase in trade payables of Rs. 1,096.3 million, depreciation of Rs. 558.6 million and interest expense of Rs. 301.5 million. These items were partially offset by an increase in inventories of Rs. 1,599.1 million and direct taxes paid (net of refund) of Rs. 846.9 million.

Net Cash Used in Investing Activities

Net cash used in investing activities of the Company was Rs. 1,190.7 million for the nine months ended December 31, 2009 and for the Group Rs. 3,240.5 million, Rs. 2,925.8 million, and Rs. 1,961.9 million for the Fiscal Years 2009, 2008 and 2007, respectively. Of the Rs. 1,190.7 million used in investing activities for the nine months ended December 31, 2009, Rs. 583.5 million was used for the purchase of fixed assets primarily for machinery necessary to increase capacity in most of the Company's production facilities and Rs. 937.4 million used for the acquisition of shares of IVL.

Of the Rs. 3,240.5 million net cash used in investing activities of the Group in Fiscal Year 2009, Rs. 1,790.4 million was used for the purchase of fixed assets for plant capacity expansion, Rs. 959.1 million was used for the acquisition of shares in IVL and Leadage Alloys India Ltd and Rs. 550.0 million was used for investments in mutual funds.

Of the Rs. 2,925.8 million net cash used in investing activities of the Group in Fiscal Year 2008, Rs. 1,627.2 million was used for the purchase of fixed assets for plant capacity expansion and Rs. 1,372.7 million was used for the acquisition of shares in IVL, Chloride Metals Ltd and CEIL Motive Power Pty Ltd.

Of the Rs. 1,961.9 million net cash used in investing activities of the Group in Fiscal Year 2007, Rs. 1,084.2 million was used for the purchase of fixed assets for plant capacity expansion and Rs. 1,005.0 million was used for the acquisition of shares in IVL.

Net Cash From/Used in Financing activities

Net cash used in financing activities of the Company of Rs. 3,125.3 million in the nine month period ended December 31, 2009 resulted primarily from repayment of long-term and other borrowings of Rs. 2,232.2 million, payment of interest Rs. 144.7 million and payment of dividends Rs. 748.4 million.

Net cash used in financing activities of the Group of Rs. 1,472.9 million for Fiscal Year 2009 resulted primarily from the repayment of long-term borrowings in the amount of Rs. 1,010 million, dividends paid in the amount of Rs. 743.9 million and interest paid of Rs. 450.5 million which items were partially offset by proceeds from long term borrowings in the amount of Rs. 601.5 million and an increase in other borrowings of Rs. 130.0 million.

Net cash from financing activities of the Group of Rs. 1,168.9 million for Fiscal Year 2008 resulted primarily from net proceeds from a rights issue in the amount of Rs. 1,485.8 million and proceeds from long term borrowings of Rs. 343.5 million, which items were partially offset by dividends paid of Rs. 307.4 million and interest paid of Rs. 394.7 million.

Net cash used in financing activities of the Group of Rs. 64.3 million for Fiscal Year 2007 resulted primarily from the repayment of long-term borrowings in the amount of Rs. 997.8 million, dividends paid in the amount of

Rs. 257.2 million and interest paid of Rs. 258.3 million, which were partially offset by proceeds from long-term borrowings in the amount of Rs. 1,159.2 million and a net increase in other borrowings of Rs. 289.8 million.

Investments

The Company acquired a 50% stake in IVL on October 28, 2005. The Company believes the long-term potential for this investment will result in increased shareholder value. ING of the Netherlands, one of the other shareholders in the company, is one of the largest life insurers in the world. The Company believes it will stand to benefit from this investment if the insurance company is able to effectively compete in a highly competitive Indian insurance market and secure a sizeable market share in relation to other private insurers in India.

The Company used funds generated from operations for the investment described above.

Statement of Indebtedness and Contingent Liabilities

Borrowings

As of December 31, 2009, on a Non-Consolidated basis the Company had outstanding secured loans of Rs. 3.6 million and unsecured loans of Rs. 900.3 million.

Consolidated borrowings of the Company as of the years ended March 31, 2007, 2008 and 2009 as well as the non-consolidated borrowings of the Company as of December 31, 2009 are set out below:

	Reformatted Consolidated			Unaudited Non-Consolidated
	As of March 31,			As of December 31,
	2007	2008	2009	2009
	(Rs. Millions)			
LOAN FUNDS SECURED				
Term Loans				
The Hongkong & Shanghai Banking Corporation Ltd.[1]	500.0	500.0	-	-
Citibank N.A. [2]	1,500.0	1,500.0	1,000.0	-
HDFC Bank Ltd.	20.0	10.0	-	-
	2,020.0	2,010.0	1,000.0	-
Bank Overdraft[3]	925.9	949.3	1,203.1	3.6
Hire Purchase Contract	1.2	-	4.6	-
	2,947.1	2,959.3	2,207.7	3.6
UNSECURED				
Sales Tax Loan from West Bengal Industrial Development Corp. Limited - Short Term	3.6	-	-	-
Sales Tax Loan from Small Industries Promotion Council of Tamil Nadu	464.7	589.8	654.4	650.3
Sales Tax Loan from District Industries Centre, Pune, Maharashtra	-	27.1	27.1	-
Term Loan from Bank of America N.A.	-	184.4	500.0	250.0
Term Loan from Standard Chartered Bank	-	-	221.2	-
	468.3	801.3	1,402.7	900.3
TOTAL	3,415.4	3,760.6	3,610.4	903.9

Notes:

(1) Secured by hypothecation of plant and machinery, moulds and other movable assets of the Company located at its Hosur facility.

(2) Secured by vehicle/equipment purchased under the facility.

(3) Secured by hypothecation of stocks and book debts, both present and future. The borrowings in case of certain subsidiaries are further secured by a charge on their respective immovable properties.

Working Capital

Taking into account the available banking facilities, the Company believes that it has sufficient working capital for its present requirements.

Debt Service

The Company services its debts primarily through cash generated from operations. The Company's interest coverage ratio (interest/EBIDTA) for the years ended March 31, 2007, 2008 and 2009 and the nine month period ended December 31, 2009, were 9.0%, 8.3%, 10.1% and 1.1%, respectively.

Gearing

The Company's consolidated gearing ratio as of March 31, 2007, 2008 and 2009 was 24.5%, 19.8% and 18.6%, respectively, and the Company's non-consolidated gearing ratio as of December 31, 2009 was 3.9%. For these purposes, the gearing ratio represents total debt over total assets; however, current liabilities have been excluded from total debt at each of the relevant balance sheet dates.

Contractual Obligations and Commercial Commitments

The following table summarizes the Company's contractual obligations as of December 31, 2009 and the effect such obligations and commitments are expected to have on the Company's liquidity and cash flows in future periods. The Company has no capital lease obligations or operating leases and owns all of its plants, properties and equipment.

Contractual Obligations	As of December 31, 2009	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
			(Rs. millions)		
Long-Term Debt	900.3	134.1	156.8	142.1	467.3

Contingent liabilities

The table below sets out material contingent liabilities on a non-consolidated basis that have not been provided for as of December 31, 2009 and on a consolidated basis that have not been provided for as of March 31, 2009.

Nature of Contingent Liability	As of December 31, 2009	As of March 31, 2009
	(Rs. millions)	
Outstanding Bank Guarantees	100.1	103.0
Income tax, Excise Duty and Sales Tax/VAT..	71.9	76.1
Other claims being disputed by the Company..	28.6	28.6
Share of contingent liabilities of associate companies..	-	48.7

Quantitative and Qualitative Disclosures about Market Risk

Risk Management

The Company considers market risk to be the potential loss arising from adverse changes in market rates and prices of the Company's end-products, namely lead-acid storage batteries. The Company is exposed to a number of market risks arising from the Company's normal business activities. Such market risks principally involve the possibility that changes in commodity prices or exchange rates will adversely affect the value of the Company's financial assets and liabilities or future cash flows and earnings. The Company periodically reviews its exposure to market risks and determines at the senior management level how to manage and reduce the impact of these risks. The Company uses derivative financial instruments, when necessary, solely for the purpose of managing fluctuations in foreign exchange. The counterparties to these contractual arrangements are primarily major financial institutions and banks. As a result, the Company does not believe that it is subject to any material credit risk arising from these contracts, and accordingly, it does not anticipate any material credit related losses. The Company does not enter into derivative or other hedging instruments for speculative purposes.

Commodities Risk

The Company is exposed to fluctuations in the price and availability of the lead and lead alloy that it requires for the production of its batteries. The price of lead and lead alloy fluctuates widely due to a number of unpredictable factors. The Company has implement a backward integration strategy pursuant to which the Company operates two lead recycling plants to recapture and recycle used lead for its own use and resale. This reduces the Company's dependence on more expensive supplies of lead. The Company does not currently use any hedging mechanisms to mitigate volatility in lead and lead alloy prices. However, from time-to-time the Company may enter into “advance pricing” contracts for lead to benefit from favourable pricing. In addition the Company has agreed to a “Lead Price Variation Clause” with a number its OEM customers as well as with certain institutional customers, which acts as a natural hedge against lead price fluctuations with respect to these customers. Fluctuations in the price and availability of lead required for the Company’s production could have a significant effect on the Company’s results of operations.

Foreign Currency Exchange Rate Risk

The Company is exposed to market risk related to exchange movements between the Indian Rupee and foreign currencies such as the U.S. Dollar, the currency which it uses to purchase certain of its lead and lead alloy requirements from outside of India. However, the Company’s battery pricing arrangements with OEMs and certain institutional customers have lead price variation clauses that protect the Company against lead price volatility as well as fluctuations in foreign currencies relating to imported lead.

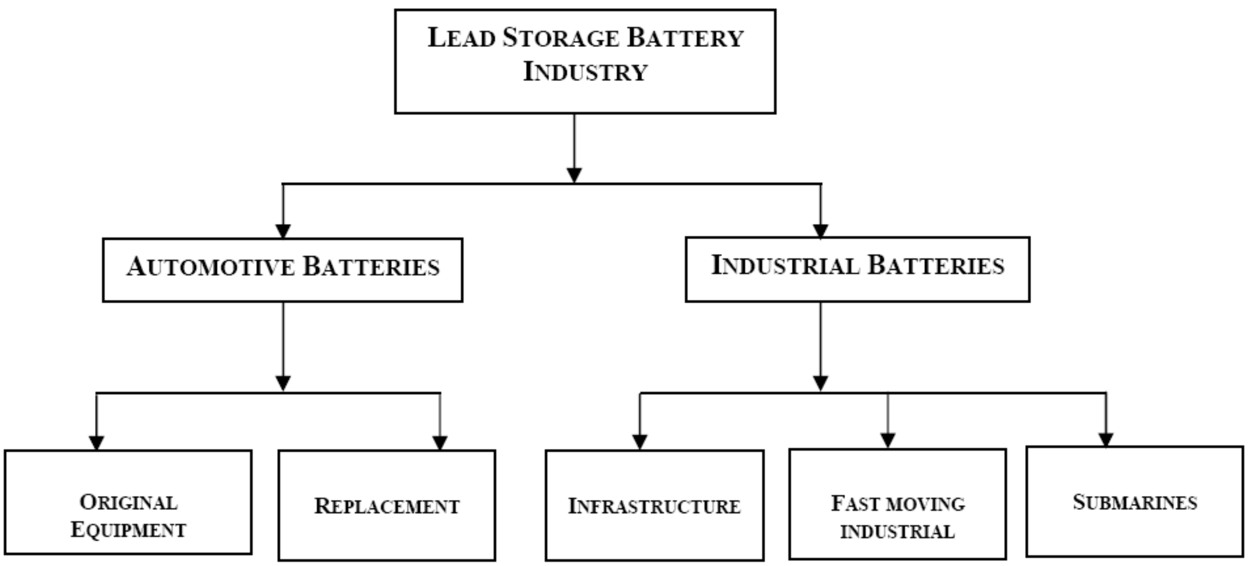
INDUSTRY OVERVIEW

The following Industry Overview includes extracts from the Company's annual reports, industry publications and discussions held with Company officials. The information has not been independently verified by the Company, the Joint Global Coordinators and Book Running Lead Managers, any of their respective affiliates or advisors or any other person. Much of the information is based on estimates and should therefore be regarded as indicative only and treated with the appropriate level of caution. The Company, the Joint Global Coordinators and Book Running Lead Managers or other parties involved in the Issue or any of their respective affiliates or advisors make no representation as to the accuracy of the information contained in this Industry Overview.

OVERVIEW

The Indian lead storage battery market is comprised of two primary segments: automotive and industrial. In the automotive segment, lead storage batteries are used as a secondary power source and demand is driven by growth in motorcycle population, passenger vehicle population and commercial vehicle population and the replacement demand therein. In the industrial segment, batteries are used for power back-up and demand in India is currently being driven by uses such as telecom towers, power generation and fork lifts.

The following diagram shows the basic structure of the Indian lead storage battery industry:



Automotive Batteries

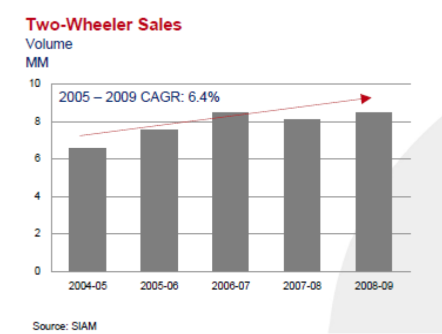
The automotive storage battery industry can be broadly subdivided into two sub-segments: the OEM and retail or replacement markets. The OEM market is largely dominated by leading manufacturers such as the following:

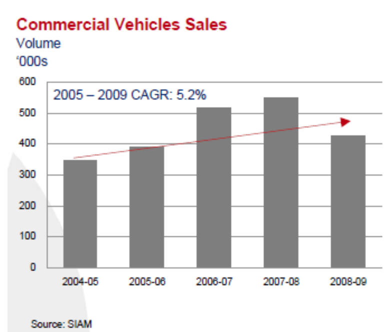
Commercial Vehicles	**Passenger Cars**	**Two-wheelers**	**Tractors**
Ashok Leyland Ltd	BMW India Pvt Ltd	Bajaj Auto Ltd	Eicher Tractor Limited
Asia Motor Works Ltd	Fiat India Automobiles Pvt Ltd	Hero Honda Motors Ltd	Escorts Tractors Limited
Eicher Motors Ltd	Ford India Pvt Ltd	Honda Motorcycle & Scooter India (Pvt) Ltd	FORCE MOTORS LTD
Force Motors Ltd	General Motors India Pvt Ltd	India Yamaha Motor Pvt Ltd	HMT Limited

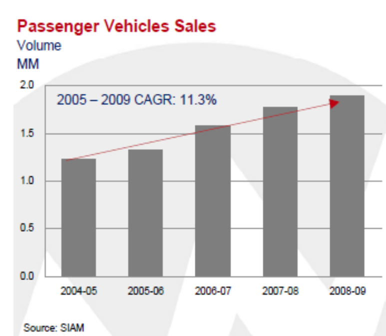
Hindustan Motors Ltd	Hindustan Motors Ltd	Kinetic Motor Company Ltd	International Tractors
JCBL Ltd	Honda Siel Cars India Ltd	LML Limited	John Deere Tractors
Kamaz Vectra Motors Ltd	Hyundai Motor India Ltd	Mahindra Two Wheelers Ltd	Mahindra &Mahindra Ltd
Mahindra & Mahindra Ltd	Mahindra Renault Pvt Ltd	Royal Enfield (Unit of Eicher Ltd)	New Holland Tractors
Mercedes-Benz India Pvt Ltd	Maruti Suzuki India Ltd	Suzuki Motorcycle India Pvt Ltd	Same Deutz Tractors
Piaggio Vehicles Pvt Ltd	Mercedes-Benz India Pvt Ltd	Suzuki Motorcycle India Pvt Ltd	Tractors And Farms Equipments ltd
Swaraj Mazda Ltd	SkodaAuto India Pvt Ltd	TVS Motor Company Ltd	
Tata Motors Ltd	Tata Motors Ltd	TVS Motor Company Ltd	
Tatra Vectra Motors Ltd	Toyota Kirloskar Motor Pvt Ltd		
Volvo Buses India Pvt. Ltd.			
Volvo India Pvt Ltd			

Growth in the automotive battery is driven primarily by new vehicle manufacture rates, which are in turn driven by consumer demand for vehicles. Growth in the OEM segment has been strong in recent years primarily due to increasing demand from the automotive segment driven by an overall increase in the number of new car sales in India. Some industry leaders operate on annual fixed price contracts for lead, though a majority have periodic lead price variation clauses based on the market price for lead built into their contracts.

The graphs below depict the growth in sales for two-wheelers, commercial vehicles and passenger vehicles for the relevant time periods.







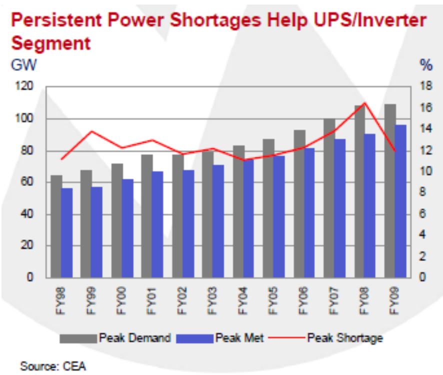
Aftermarket sales are driven by a number of factors including the number of vehicles in use, average battery life, average age of vehicles, weather conditions and population growth. In the aftermarket segment, small unorganised manufacturers who sell low-cost and often unbranded products to cost conscious consumers tend to capture a significant part of the market, especially for commercial vehicles and tractors. Unorganised manufacturers are also strong players in rural areas where availability of branded products tends to be less prevalent. However, the share of unorganised manufacturers has been declining in recent years primarily due to unreliability, rising disposable incomes, increasing quality consciousness, environmental restrictions, technology advances in the automotive industry and focused efforts by organised players to increase their presence outside of major cities, including rural parts of the country.

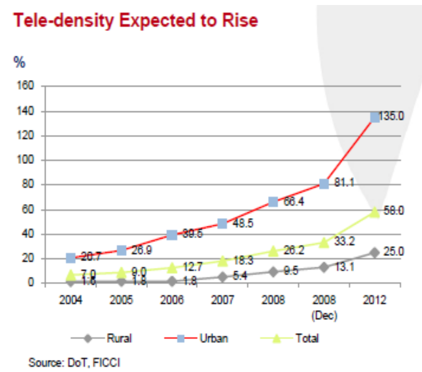
It is conceivable that, in the foreseeable future, continued development of alternatives to the lead acid battery may improve the viability, popularity and market share of these alternatives in the automotive battery market. In addition, other more novel "green" technologies such as fuel cells and solar cells are also under development and may become viable power sources for electric and hybrid vehicles. In particular, as the Ni-MH battery is already the preferred motive battery in petrol-electric hybrid vehicles globally, when Ni-MH battery technology becomes further developed and more commercialised in India, increased volume will enhance the power-to-price ratio of Ni-MH batteries and therefore its competitiveness against lead acid batteries.

Industrial Batteries

Industrial batteries have a wide range of usage, unlike batteries produced for the automotive industry. The industrial batteries market can be broken down into the infrastructure market (railways, telecom and power), fast-moving industrial batteries (uninterrupted power supply (**"UPS"**) and inverters) and electric fork lift batteries. Valve regulated lead acid batteries are one of the most widely used battery in the industrial segment. These batteries are completely sealed, maintenance free and are used in remote power and unmanned applications such as telecom installations and UPS systems. Storage batteries are also used in submarines. These batteries are high technology batteries and are also exported from India. While operating margins on these batteries are relatively high, demand can be irregular due to the cyclical nature of the industry.

The following charts illustrate power shortages and telephone density in India, both contributing factors to growth in the industrial battery market.





Competition in the Global Battery Industry

The following are the major companies in the global battery manufacturing industry:

No.	**Company**
1.	Johnson Controls, USA (Power Solution Division)
2.	GS Yuasa Corporation, Korea and Japan
3.	Exide Technologies, USA
4.	Enersys, USA
5.	Exide Industries Limited, India
6.	C & D Technologies, USA
7.	Oerlikon Batteries, Switzerland

Major Players in the Indian Battery Industry

The major players in the Indian battery industry are:

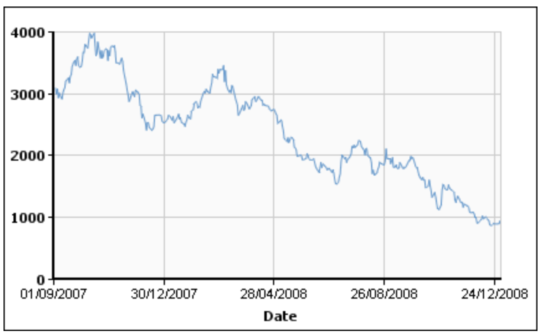
No.	**Company**
1.	Exide Industries Limited, India
2.	Amara Raja Batteries Limited
3.	HBL Power Systems Limited

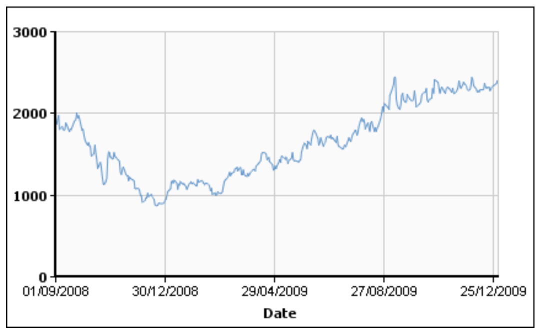
Raw Materials

Lead

Lead is the key raw material used in the manufacture of batteries and accounts for approximately 75%-80% of the overall raw material costs. A significant portion of the non-recycled lead required by the domestic industry is imported, and thereby exposes Indian battery companies to the risk of global price fluctuations. Lead prices have become an extremely volatile base metal in last two years. During this period the price went as high as US$3,975 per metric ton on October 10, 2007 with a low of US$880 per metric ton on December 22, 2008. At the beginning of April 2009, the price of lead quoted on LME was US$1,238 per metric ton while the same LME price at end of December 2009 was US$2,328, an increase of 88% during the nine month period. The direction of prices remains unprecedented and is subject to wide fluctuations depending on several socio-economic factors. While Rupee appreciation against the United States Dollar has helped the domestic players in the past, global lead prices have continued on a sustained upward trend since 2005.

From September 2008 to September 2009, lead prices have increased by 18% on the LME. The following charts illustrate the increase in lead prices over the last two years:





Lead is a known hazardous material which, when untreated, poses a great threat to the environment as well as the health of the general populace. Recycling lead batteries is one of easiest ways to control this source of environmental degradation and also the exposure of the general population to untreated lead which poses environmental and health implications. Over the past few years, companies in the Indian battery industry have made significant efforts to reduce their dependence on imported lead by steadily increasing their usage of recycled lead in accordance with the Batteries (Management and Handling) Rules, 2001 (the "Batteries Rules"). These rules were introduced by the Government in 2001 to regulate the collection, channelization and recycling as well as the import of used lead acid batteries in the country.

According to the Batteries Rules, every manufacturer, importer, dealer, assembler and re-conditioner is responsible for collecting old and expired batteries from its customers in exchange for new batteries. The Batteries Rules were introduced to ensure the environmentally-friendly disposal of used batteries. Prior to the enactment of the Batteries Rules, lead batteries were sold by dealers to unorganised smelters who recycled the lead and sold the used batteries in the secondary markets while exposing the environment to a greater risk. The Batteries Rules currently make it mandatory for dealers to maintain records, file half yearly returns and ensure recycling only from registered recyclers. While the Batteries Rules have been in force for several years, effective implementation still remains an issue. Though the bigger players in the industry offer attractive prices for scrap batteries, the implementation at the dealer level has been slow. Most dealers are prepared to let the consumer retain their old battery rather than take it back to enable safer recycling.

Approximately 85% of lead is recycled globally. Currently, recycling in India is well below the global standard. However, due to the enactment of the Batteries Rules and the price volatility of imported lead, more companies are increasing their focus on using recycled lead. Recycled lead will have a two-fold benefit for the Indian battery industry:

1) reduce India's dependence on imported lead, thus lowering the exposure to volatility in international lead prices as well as foreign currency fluctuation; and

2) reduce the availability of exhausted batteries to the unorganised sector and thus ensure that lead is not recycled in a manner that is detrimental to the environment.

Industry Outlook

The industry outlook is positive with demand for lead storage batteries expected to accelerate in response to:

a) an increase in domestic sales and export sales of four-wheelers and two-wheelers;

b) continued strength in the automotive replacement segment and a revival in OEM sales;

c) increasing demand for reliable branded products in the commercial vehicles segment as a result of increasing truck volume due to improving road conditions;

d) increase in infrastructure spending, fuelling demand for industrial batteries;

e) increasing power shortages, fuelling demand for UPS systems and invertors; and

f) emergence of organised retail chains, fuelling demand for traction batteries.

With disposable incomes on the rise in India, as well as an increasing technology gap between branded and unbranded products, there should continue to be a steady consumer shift away from less expensive unbranded batteries. However, the following areas are of key concern:

Competitiveness: Competition in the battery industry appears to be intensifying over the medium term. New manufacturers are entering the market with new technologies and in collaboration with major global battery companies. This increasing competition has led existing domestic companies to scale up their research and development efforts in an attempt to keep pace in a rapidly changing industry.

The competition between branded and unbranded players is intense. Reduced supply of exhausted batteries for unbranded players, extended distribution reach into rural areas and competitive pricing is helping branded players to compete more effectively.

Cost pressures: Increasing lead prices, as discussed above, in the international markets continue to be a cause of concern for the Indian battery industry. Volatile crude oil prices in the international market also affect the price of PPCP, which is used for manufacturing battery containers. Increases in crude oil prices also increase transportation costs for raw materials and finished goods.

Imports: The other major concern facing the Indian battery industry has been that of relatively inexpensive imports from China and some ASEAN countries. Thailand, in particular, is seeking to expand the scope of its free trade agreement with India to include batteries. While Chinese batteries have been flooding certain Indian markets for quite some time, the price differential has come down significantly as compared to their Indian competitors. In September 2006, China cancelled the VAT export refund for all lead battery manufacturers in a bid to control high energy consuming and high polluting products. Consequently, the price differential has recently shrunk to 5-10% and given the concern on quality of Chinese products, they are not likely to be a major threat over the long term.

The combination of increasing competitiveness driven by innovation and global collaboration, increasing raw material and other costs and threats from cheaper imports has made the lead acid storage battery industry in India a challenging environment.

OUR BUSINESS

Overview

The Company is a leading battery producer in India and one of the largest power storage producers in South Asia. The Company manufactures a wide range of storage batteries ranging from 2.5 Ah to 15,000 Ah capacity, covering a broad spectrum of applications. The Company operates six battery manufacturing facilities strategically located across India, including two in Maharashtra, two in West Bengal, one in Tamil Nadu and one in Haryana. In addition, through its subsidiaries, the Company operates two lead smeltering facilities that supply a significant amount of the Company's lead requirements. The Company supplies batteries to the automotive, industrial, infrastructure development, information technology and defence sectors in India. In the automotive sector, the Company is a leading supplier of batteries for motorcycles, passenger vehicles, commercial trucks and farm equipment. The Company is also a leading supplier of batteries for industrial applications relating to railroads, telecom, power back-up systems and materials handling.

With the Company's leading position in the Indian battery market and its strong product research and development capabilities, the Company believes it is well positioned to capture additional business opportunities in India's automotive, infrastructure, power, telecom and information technology sectors. In light of the clear trend towards developing more environmentally-friendly power alternatives, the Company intends to continue exploring new opportunities such as electric and hybrid batteries for electric-powered motorcycles and cars as well as industrial solar power applications. The Company believes that its existing relationships with automotive OEMs will allow it to benefit from the incumbent advantage for hybrid technology vehicles in India.

The Company sells its battery products principally to OEMs, dealers and directly to end consumers. The Company has established an extensive sales and distribution network that includes a dedicated in-house sales force for OEMs and approximately 38,500 retail outlets for aftermarket sales that include 12,500 dealers spread across 202 cities in India. With the growing retail market for branded battery products in the country's rural areas, the Company has recently strengthened its sales and distribution efforts in rural India to serve this growing demand.

The Company continuously looks to modernize and upgrade its manufacturing facilities and processes as part of its growth strategy. Further, the Company's innovations have helped it to produce one of the world's widest range of industrial batteries covering various technology configurations.

The Company also has a 50% stake in IVL, a joint venture with ING Group, Netherlands, a significant player in the global life insurance industry. Under the terms of the joint venture agreement, the Company may not divest its stake in IVL until October 2010. IVL began its operations in September 2001 and currently services more than one million customers.

IVL offers a variety of insurance products including term insurance, traditional endowment, unit-linked and retirement plans, among others. IVL distributes its products through multiple channels including tied agents, in-house sales personnel based in more than 250 offices across India as well as through its bancassurance partner, ING Vysya Bank Ltd. See " – *The Life Insurance Business*."

The Company's equity shares are listed on the National Stock Exchange ("NSE"), the Bombay Stock Exchange ("BSE") and the Calcutta Stock Exchange ("CSE"). The NSE and the BSE account for nearly all of the Company's trading volume. As of December 31, 2009, the Company's market capitalization on the NSE was Rs. 92.7 billion.

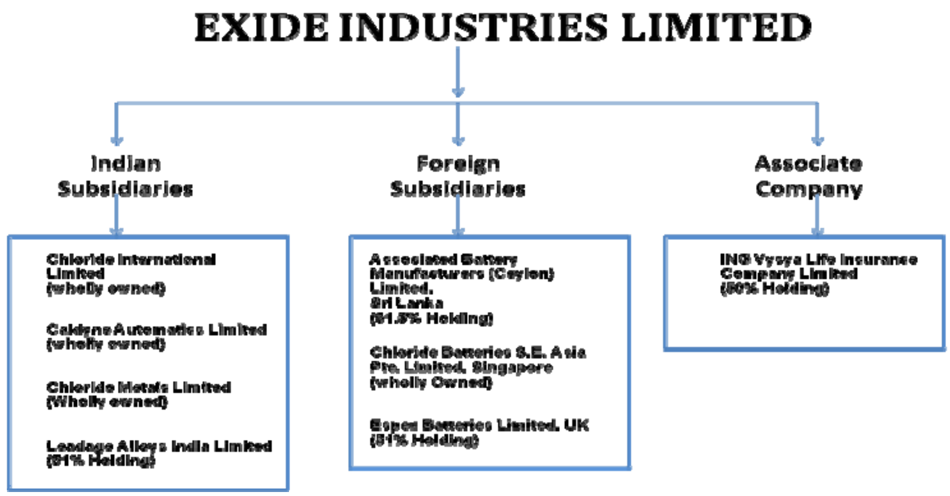
In Fiscal Year 2009, the Company had gross sales of Rs. 42.3 billion and a net profit of Rs. 2.8 billion compared to gross sales of Rs. 36.1 billion and a net profit of Rs. 2.5 billion in 2008. For the nine month period ended December 31, 2009, the Company had gross sales of Rs. 33.1 billion and a net profit of Rs. 4.0 billion compared to gross sales of Rs. 32.6 billion and net profit of Rs. 2.1 billion for the nine month period ended December 31, 2008.

History

The Company began its operations in 1920 as an import house under the name Chloride Electrical Storage Company. In 1947, it was incorporated as Associated Battery Makers (Eastern) Ltd., to undertake the battery business of its parent company, Chloride Group Plc. The Company's name was changed to Exide Industries Limited in 1995. In 1998, the Company acquired the battery business of Standard Batteries Limited, which included all of its production facilities at the time as well as the "Standard Furukawa" brand.

In November 2007, the Company acquired a 100% stake in the Pune-based smelter, Tandon Metals Limited, which has since been renamed to Chloride Metals Limited. The Company also acquired a 51% stake in the Bangalore-based smelter, Leadage Alloys India Limited in April 2008. Together, these two subsidiary smelters currently provide a significant portion of the Company's lead raw material requirements.

Corporate Structure



Competitive Strengths

The Company believes it is well-positioned to maintain its status as a leader in the Indian battery market as well as to exploit significant growth opportunities. The Company has identified the following sources of strength that are relevant for its business.

Leading manufacturer of automotive and industrial storage batteries in India with a diversified customer base

The Company is a leading storage battery manufacturer in India, with an annual production capacity of 8.0 million passenger vehicle batteries, 9.6 million motorcycle batteries and 1,750 million Ah of industrial batteries as of December 31, 2009. In Fiscal Year 2009, the combined capacity utilization at the Company's manufacturing facilities was approximately 86%. The Company believes it commands a high market share in the automotive OEM segment. The Company's position as a market leader in the OEM segment also helps to drive sales in the Company's retail aftermarket segment as customers tend to replace their batteries with a brand they already know and trust. The Company believes that its size and diversified customer base in the industrial battery market helps it to benefit from strong brand awareness, economies of scale, and maintain an advantageous position to capitalize on the continued growth in the Indian storage battery market.

Strong relationships with customers and partners

The Company believes that its strong relationships with key customers and partners, which it has built over nine decades, provides it with significant competitive advantages. The Company has established relationships with market leaders in the OEM automotive segment both among domestic players such as Tata, Mahindra, Maruti Suzuki and Hero Honda, as well as international automotive OEMs with Indian operations such as Hyundai, Toyota and General Motors. In the industrial sector, the Company has long standing relationships with large and reputable companies such as Lucent Technologies, Motorola and ABB. The Company also has a well-established collaborative relationship with Furukawa Battery Company Limited (Japan) one of the world's leading battery manufacturers. The Company believes its long-standing relationships with the aforementioned companies coupled with its track record of successfully designing customized automotive and industrial battery solutions for its customers enables it to ensure consistent demand for its products.

Strong sales and distribution network with quality after-sales service

India’s geographic spread and market size makes it imperative to have a strong and efficient distribution system in order to maximize marketing and sales efforts. The Company has established an extensive automotive sales and distribution network that includes a dedicated in-house sales force for OEMs and approximately 38,500 retail outlets for aftermarket sales that include 12,500 dealers spread across 202 cities in India. These dealer outlets are managed through 10 regional offices, 40 branch offices, and 202 area offices, where the Company is able to oversee local efforts to market, sell and service its products to both urban and rural sectors of the country. The Company's comprehensive after-sales service includes its "Exide Care" customer service program, encompassing more than 3,000 authorized dealers for both automotive and industrial products. The Company's Bat Mobile service offers free road-side assistance to both customers and non-customers alike thereby helping to build brand awareness and loyalty. The Company distributes its industrial products through a wide reaching network of 187 in-house sales staff who primarily sell to OEMs and institutional clients as well as 1,000 authorized dealers who sell to retail customers. The Company believes its strong and geographically diverse sales and distribution force coupled with its superior after-sales service program gives it a clear competitive advantage in the market.

Reduced dependence on imported lead

With the acquisition of two smelter facilities in 2007 and 2008, the Company has taken significant steps towards reducing its dependence on imported lead, which can be volatile and unpredictable. As of December 31, 2009, the Company procured approximately 40.8% of its lead and lead alloy requirements from its smelter subsidiaries, as compared to approximately 23% as of December 31, 2008. The Company believes this backwards integration minimizes the impact of changes in the global price for lead and the variability of its supply on the open market, allowing the Company to decrease its lead inventory carrying costs.

Geographically diverse manufacturing facilities employing innovative technologies

The Company operates six battery manufacturing plants located in Maharashtra, Haryana, Tamil Nadu and West Bengal. The Company believes it has exhibited a proven ability to manage large-scale operations, quality control mechanisms and employ innovative technologies across its six facilities. The Company believes the cost and complexity involved in establishing such a platform represents significant barriers to entry from potential competitors. Each of the Company's plants has in place an exhaustive quality management system with dedicated on-site quality assurance teams. This focus on quality control has resulted in all of its plants being awarded prestigious certifications such as ISO-9001 and TS – 16949. The Company's plants are strategically located across India which reduces logistical costs and minimizes the risk of business interruption resulting from natural disasters and local political or labor issues. The Company believes the overall capacity of its plants provides it with significant economies of scale and that its state-of-the-art equipment enables it to produce high quality products that meet the varying expectations of its diverse customer base.

Well-established brands

The Company believes the "Exide" name is well-established and enjoys a strong reputation for quality in the Indian battery market. In 2006, the Exide brand was labeled a "Top 100 Super Brand" according to Super Brands Council, UK. In addition, the Company believes its "Standard Furukawa" brand, manufactured in association with Furukawa Battery Company Limited (Japan), has earned a reputation for high quality products at an affordable price. The Company continually invests in building its brands through targeted advertising campaigns and promotions that focus on its corporate identity and reinforce its key strengths. The Company also believes its dealers and customers associate the "Exide" brand with reliability and dedicated customer service.

Strong research and development capabilities

The Company has undertaken significant steps to strengthen its research and development capabilities. The Company has worked directly in conjunction with global battery manufacturers and OEM companies, to design, develop and modify new and existing products and to improve existing manufacturing processes. The Company's research and development team has several achievements to its credit, including the development of a high-tech storage battery for Tata Motors' "Nano" passenger car, motorcycle batteries based on advanced calcium technology and long-life batteries for inverters and solar devices. The Company has recently reorganized its research and development division in an effort to focus on product improvement and innovation and to remain a technological leader for research and development of storage batteries in India. The Company's research and development centres at Kolkata and Taloja have been approved by the Ministry of Science & Technology.

Experienced management team

The Company's senior management team has an average of more than 20 years experience in the battery industry. The Company's CEO, Mr. T V Ramanathan, has more than 41 years of management experience. The Company believes its management team possesses a deep understanding of the Indian storage battery industry, including an understanding of customer requirements, structuring of customer contracts, and brand exploitation strategies, and is well-positioned to focus on the continued growth of its business by capitalizing on its competitive advantages.

Strategies

The Company intends to grow its business by implementing the following key strategies.

Maintain a leading position in the storage battery market through continued innovation

The Company is a leading player in the storage battery market in India with high brand recognition associated with quality and reliability. The Company intends to expand its product portfolio in a manner that will enable it to benefit from the expected growth in the Indian economy, most notably in the automotive, power and telecom sectors. The Company believes that an increase in passenger car and commercial vehicle sales, construction of new power projects and the entry of several new telecom service providers will help to contribute to a growing demand for storage batteries. The Company intends to maintain a leading position in this expanding market by capitalizing on its strong brand name and nationwide distribution network and by leveraging its strong research and development capabilities to manufacture and supply high quality batteries that utilize the latest innovative technologies. The Company will continue to invest significant resources in developing customized products and services that differentiate it from the competition and generate repeat business. The Company continuously evaluates capacity expansion as needed and intends to stay ahead of anticipated demand. The Company will continue its focus on emerging trends and new technologies to develop market-leading solutions for its customers.

Focus on growing exports of industrial batteries

Exports of industrial batteries constitute a small but increasing portion of the Company's consolidated revenues. The Company's key export markets include Singapore, Australia and Europe. The Company's exports are focused primarily on serving the solar, heavy industrial equipment and traction markets. In an effort to better serve its export markets, the Company built a modern traction battery manufacturing unit at its Haldia plant in 2008. The Company also intends to design and launch a range of customized automotive and industrial storage batteries that it believes will provide increased export opportunities. The Company plans to implement its export initiatives by increasing its marketing focus and leveraging existing relationships and distribution networks to increase its overseas customer base.

Strategic raw material sourcing

In Fiscal Year 2009, materials consumed (which also includes increase/decrease in stock and purchase of trading goods) constituted 75.9% of the Company's total costs, as compared to 75.7% and 69.1% in 2008 and 2007, respectively. Lead and lead alloys are the primary raw materials required for production of storage batteries. With a view to reduce the Company's dependence on imported lead, the Company acquired a 100% interest in Chloride Metals Limited (formerly Tandon Metals Limited) in 2007 and a 51% interest in Leadage Alloys India Limited in 2008. The Company intends to seek out additional ways to strengthen its backward integration strategy. Strategies include adding capacity and increasing productivity at its existing smelters, seeking out additional inorganic growth opportunities and increasing the number of battery recycling collection points, most notably in the rural parts of the country. The Company intends to meet a higher percentage of its raw material requirements from recycled sources, which the Company believes will result in more stable lead supplies and a price advantage over its competitors.

Further build the "Exide" brand

The Company intends to continue to build the "Exide" brand among existing customers, as well as in underserved markets, across its various businesses as a name associated with high quality products and strong after-sales service. To achieve this objective, the Company intends to expand its nationwide marketing efforts through advertising campaigns, promotional efforts and investor relations. The Company also intends to increase its brand equity by expanding its customer care services by adding help lines and through its Bat Mobile and Tracmobile initiatives. The Company's Project Kisan, a free service for tractors and trucks, is intended to increase the Company's brand awareness in rural parts of the country. The Company believes these brand building initiatives will lead to better volumes, wider geographic reach and more repeat orders from existing customers.

Make further investments in the life insurance business

The Company believes its investment in IVL is a critical component of its future profitability. The Company believes the life insurance industry in India is in a nascent stage with significant room for growth. The Company intends to take advantage of this growth opportunity with the ING Group, Netherlands.

Products

The Company produces a wide range of storage batteries primarily for use in the automotive, industrial and submarine industries. The table below sets out net sales of the Company's major product lines for Fiscal Year 2009 and the nine month period ended December 31, 2009.

Product Category	Nine month period ended December 31, 2009 (unaudited non-consolidated)		Year ended March 31, 2009 (reformatted consolidated)	
	Net Sales (Rs. millions)	*Percent of Sales*	*Net Sales (Rs. millions)*	*Percent of Sales*
Automotive	**17,068.4**	**61.7**	**20,860.2**	**61.5**
OEM	4,375.6	15.8	5,498.1	16.2
Aftermarket	12,466.2	45.1	15,068.1	44.4
Others	226.6	0.8	294.0	0.9
Industrial	**10,385.6**	**37.6**	**12,650.6**	**37.3**
Power Back-Up	6,874.3	24.9	7,512.7	22.1
Infrastructure	2,116.9	7.7	3,269.8	9.6
Traction	251.2	0.9	273.1	0.8
Exports	636.5	2.3	900.6	2.7
Others	506.7	1.8	694.4	2.0
Submarine	205.9	0.7	419.4	1.2
TOTAL	**27,659.9**	**100.0**	**33,930.2**	**100.0**

Automotive Batteries

The Company sells its automotive batteries in the domestic market under the brand names EXIDE, SF, SONIC and Standard Furukawa, while it exports its DYNEX, INDEX and SONIC branded products. The Company categorizes its automotive battery sales as OEM, aftermarket and others. The automotive segment represented approximately 61.5% of the Company's net sales in Fiscal Year 2009 and 61.7% in the nine month period ended December 31, 2009.

OEM

OEM sales are driven in large part by new vehicle manufacturing rates, which are driven by consumer demand for vehicles. The Company sells its batteries to passenger vehicle, motorcycle, commercial vehicle and farm equipment manufacturers in India. The Company believes large OEM manufacturers choose it as a supplier based on the Company's quality and supply reliability. The Company supplies its batteries to several of the major car and motorcycle Indian OEMs, such as Mahindra, Tata Motors, Maruti-Suzuki, TVS Motors, Bajaj Auto and Hero Honda, as well as international OEMs with manufacturing operations in India, such as General Motors, Renault, Fiat, Mercedes-Benz, Mitsubishi, Hyundai, Toyota, Honda and Honda Motorcycle. The Company believes that it is the sole battery supplier for many of these OEMs. The Company believes the car OEM market increasingly prefers suppliers with established production capabilities that can meet their customized needs as they continue to expand across platforms. The Company also believes it competes in the OEM market primarily on the basis of its quality standards, reliability, and cost.

In 2007, the Company was selected as a battery supplier for Tata Motor's new "Nano" compact car. In order to produce a low-cost and fuel efficient car such as the Nano, every component, including the battery, needed to have a low-cost and light weight design. Engineers from Tata worked in collaboration with the Company's research and development team to produce an innovative design whereby the battery was moved from near the engine to underneath the driver's seat to minimize overheating and maximize power storage. The Company has since received a design patent for this battery. The Company has also begun supplying other innovative battery designs based on advanced hybrid technology for additional Tata models. The Company also developed a complete range of batteries conforming to European specifications for Hyundai's Accent and Getz brand of cars using advanced calcium technology under the brand name "Matrix". India's light electric vehicle market has seen relatively high growth in recent years and as part of its future growth plan, the Company intends to develop and market a new line of lithium-ion batteries for the electric vehicle market.

Motorcycle batteries for the OEM market are sold under the "X-Pack" brand name. Honda has selected the Company as its exclusive supplier in India for VRLA batteries to be used in its Hero Honda and Honda Motorcycle & Scooters (India) Ltd. The Company believes this will help to further strengthen its market share in both the motorcycle OEM and retail aftermarket.

Aftermarket

As one of India's leading suppliers to the OEM market, the Company stands to benefit from the recent surge in new car production from both the initial OEM sale as well as from future aftermarket sales for aging vehicles. The Company believes that end consumers of its OEM batteries tend to purchase the same brand when seeking a replacement battery in the aftermarket. Aftermarket sales are driven by a number of factors, including the number of vehicles in use, average battery life, average age of vehicles, weather conditions and population growth. Aftermarket demand has historically been less cyclical than OEM demand. The Company believes unorganized domestic players account for approximately half of the retail aftermarket. These unorganized players compete primarily on the basis of price, most notably in the rural markets, an area the Company is particularly focused on increasing its aftermarket sales. The Company intends to compete against the unorganized players through brand awareness initiatives, such as the Bat Mobile program, after-sales service, targeted advertising campaigns, as well as competitive pricing across select brands. The Company believes that as disposable incomes rise in India, aspirations will shift towards more reliable branded battery products. The Company believes it is the industry leader among organized battery manufacturers in the retail aftermarket. Given the Company's strong brand equity, wide distribution network and excellent after-sales service, the Company believes it is able to garner a premium in the retail aftermarket over its organized competitors.

Others

In addition to OEM and aftermarket batteries, the Company also produces batteries for transportation companies, institutional buyers, defence and export. Institutional buyers include state transport companies and other large scale purchasers. Specialized battery products are produced to serve the unique needs of these buyers. The defence sector is served by the Company's in-house sales force. The military uses the Company's batteries in signal equipment, wireless communications, earthmoving equipment, tanks and army vehicles. The Company's research and development team continuously looks to create innovative new technologies and products for defence purposes.

The Company produces its SF, INDEX and DYNEX brands for the export aftermarket. The Company exports these brands primarily to other South Asian countries, the Middle East and Singapore, where the Standard Furukawa and SF brands enjoy high brand recognition.

Industrial Batteries

The Company sells its industrial batteries primarily for power back-up, infrastructure, traction, exports and other uses. The Company markets its industrial batteries in India under the EXIDE, INDEX, SF, CEIL and POWER SAFE brands and in the international market primarily under the CEIL, CHLORIDE and INDEX brands. The Company's major customers in the industrial segment consist of: Indian Railways, Godrej, Voltas, Motorola, Alcatel, Ericsson, Siemens, ABB, Emerson, APC, Lucent, VSNL, BSNL, BHEL, BELL, L&T, TVS, and NTPC. The industrial battery segment represented approximately 37.3% of the Company’s net sales in the Fiscal Year 2009 and 37.5% in the nine month period ended December 31, 2009. The Company competes against both organized and unorganized players in the OEM, institutional and retail industrial battery markets in India. In addition, the Company has recently experienced significant competition from relatively inexpensive imported batteries flooding the Indian market primarily due to reduced demand in many Western countries.

Power Back-Up

Power back-up batteries are primarily used for UPS systems and inverters, both for home and commercial use. Inverters and UPS systems primarily utilize the following three types of Company-produced batteries: (i) flooded flat pasted – characterized by perforated grid like flat plates that hold the active material in firm contact under conditions of long and strenuous use; (ii) flooded tubular – lead oxide based batteries with high strength and resilience; and (iii) valve-regulated lead-acid – designed to be low-maintenance lead-acid rechargeable batteries.

UPS batteries are primarily sold to OEMs to be placed in UPS systems for home and industrial use. End users of UPS systems include banks, companies, governments and individuals. The primary function of a UPS system is to provide a seamless flow of power to the user's electronic equipment, such as computers, to minimize the impact of power surges and power outages. The Company believes increased computerization in India will continue to drive high growth rates in this product category. One of the Company's largest customers of UPS batteries is American Power Corporation, a global leader in UPS systems.

Inverters are used as a back-up power supply system for both home and industrial use. Unlike UPS batteries, the Company's inverters are used on a standalone basis by the end user. Inverters are made from the same battery types discussed above for UPS batteries, but require a lead time to begin supplying power. The Company believes that continued power outages due to a lack of reliable power sources in the country coupled with the recent growth in information technology and business process outsourcing will help to grow demand for these products in the near term.

Infrastructure

The Company sells its industrial batteries for use in the infrastructure sector such as railways, telecom and power plants. In addition to the flooded – flat pasted, flooded – tubular and VRLA batteries discussed above, the Company also produces flooded – plante batteries for use in the infrastructure sector. The flooded – plante battery is characterized by a pure lead design to ensure minimal open circuit loss and zero capacity fall-off throughout the batteries long useful life. The Company's unique "Plante Batteries" are widely used by power plants and public utilities for power supply to critical emergency back-up systems.

The Company also sells its tubular batteries to telecom companies primarily for use in cell phone towers and base stations. Standby batteries are used by railways for signals, coach and track lighting as well as telecommunications. VRLA batteries are also used for railways and telecommunications. The Company believes it is the first battery company in the world to develop expanded VRLA batteries which feature a 6% to 10% lead savings without sacrificing battery life or performance quality. The Company believes this innovative technology will, over a period of time, result in a significant cost advantage over its competition.

Traction

Traction batteries are primarily used in material handling vehicles such as fork lifts. They are also used in other vehicles where the battery is the sole source of power supply such as golf carts. Traction batteries are mostly tubular in nature. The Company sells its traction batteries domestically to companies such as Godrej, McNeil, Voltas, Maini and Fork Truck Services. The Company believes that traction batteries offer a significant area for growth, both domestically and abroad. In an effort to meet this growing demand, the Company opened a new traction manufacturing facility in Haldia in 2008 with an annual capacity of one million cells.

Exports

Expanding exports of industrial batteries is a key growth strategy for the Company. Batteries are sold in the export market primarily for use in the infrastructure (Plante Batteries) and traction (fork lifts) markets under the brand names CHLORIDE, CEIL and INDEX. Exports of the Company's traction batteries to Europe is accomplished through a U.K.-based joint venture company called ESPEX Batteries Limited. Exports to Australia, Japan and Korea are conducted through the Company's wholly-owned subsidiary in Singapore, Chloride Batteries SE Asia Pte Limited. The Company has also launched products in Germany, Canada and Poland. One of the world's largest electric fork lift OEMs, Jungheinrich, based in Germany, has recently chosen the company as its supplier for fork lift traction batteries. The Company intends to work with its strong research and development team to design and launch a range of customized industrial storage batteries that are in-line with international standards.

Others

In addition to the industrial batteries discussed above, the Company also produces batteries for use with solar cells and in miner's cap lamps.

Submarine Batteries

Since 1992, the Company has manufactured batteries for various classes of submarines for both the Indian Navy and the export market. The Company believes it is the only domestic supplier of submarine batteries and one of a few suppliers in the world. Submarine batteries are high technology batteries used to power the entire electrical systems of a submarine. The Company manufactures only two to three submarine batteries per year, primarily to meet India’s defence requirements. In addition, the Company exports its submarine batteries from time-to-time. Given the high replacement value for these batteries, the Company carries loss of profit insurance for its submarine batteries. In each of Fiscal Year 2009 and the nine month period ended December 31, 2009, net sales from the Company's submarine division were less than 2.0% of the total net sales.

Recycled Lead

Indian battery manufacturers are inherently vulnerable to the international market price for lead, which can often be volatile and unpredictable. In 2007, in an effort to lessen its dependence on imported lead, the Company acquired a 100% stake in the Pune-based smelter, Tandon Metals Limited, which has since been renamed to Chloride Metals Limited. A year later, the Company also acquired a 51% stake in the Bangalore-based smelter, Leadage Alloys India Limited. Together, these two subsidiary smelters provided approximately 1.1%, 25.4% and 40.8% of the Company's lead requirements in the Fiscal Years 2008 and 2009 and the nine month period ended December 31, 2009, respectively. See "—*Raw Materials*". While the subsidiaries are allowed to sell their recycled lead to third-parties, the Company currently takes all of the lead output from both facilities for its own use. The Company typically indicates to the subsidiaries the expected requirements for a three month period and procurement prices are determined based on the LME monthly average price for lead.

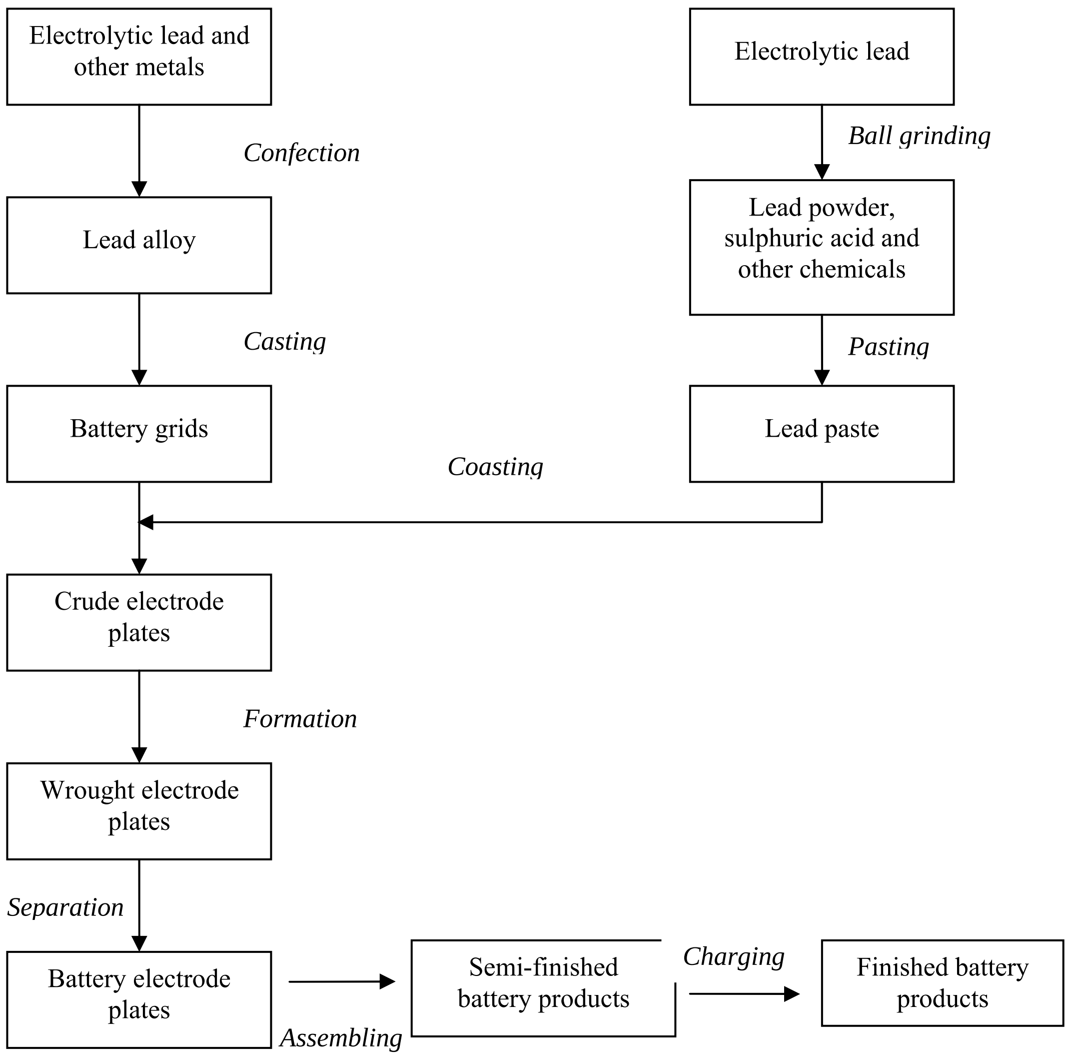
The Company believes that by implementing a system of backward integration, it will be able to minimize the impact of changes in the global price for lead. This reduced dependence has allowed the Company to decrease its lead inventory carrying costs and avoid having to pass on price fluctuations to its customers, features the Company believes are a distinct advantage over its competitors.

Exhausted batteries are collected at the Company's authorized dealers, Company branch offices and various other collection points strategically located across India. Once collected, the used batteries are shipped to the Company's nearest smelter facility for processing. See "—*Manufacturing Process – Smelters*".

Manufacturing Process

Battery Production

The following diagram illustrates the key stages of the production process for lead acid battery products:



Confection

This involves the melting of lead ingots into liquid form. Through stirring and mixing with chemical additives during the melting process, impurities are removed. Other metals such as antimony, calcium and tin are added into the liquid lead. The liquid lead is then casted into lead alloy ingots.

The Company has developed production know-how in relation to this lead alloy confection process which allows it to produce light weight battery products with longer useful lives. Different amounts of lead alloy ingredients together with different amounts of lead paste ingredients (as more particularly described below) will produce positive or negative electrode plates.

Casting

The lead alloy ingots are melted into liquid and casted into battery grids in a furnace. Battery grids are produced in different sizes for use in lead-acid motive battery products with different storage capacity and power output.

Coating

The battery grids are then coated with a lead paste. The Company has also developed production know-how in relation to the production of lead paste which involves the following key steps:

(1) Ball grinding

This involves the grinding of electrolysed lead into lead powder by a ball crusher. The lead powder becomes oxidised during this process.

(2) Pasting

The lead powder is then diluted and mixed with sulphuric acid and other chemicals to produce the lead paste.

The lead paste is applied as a coating on the battery grids by automated coating machines. During this process, the lead paste has to be continuously applied to ensure that the battery grids are evenly coated. Once coating is completed, the battery grids become electrode plates which will then undergo a drying process.

Formation

The electrode plates are then immersed into sulphuric acid contained in formation slots where they are first charged with electricity and tested and then the electricity is discharged to allow the electrode plates to be further processed. The electrode plates have to be charged and discharged for a specific duration the length of which will depend on their intended storage capacity. The electrode plates are then cleaned and dried.

Separation

The electrode plates are then cut into the appropriate sizes by automated cutting machines. Each electrode plate is then weighted.

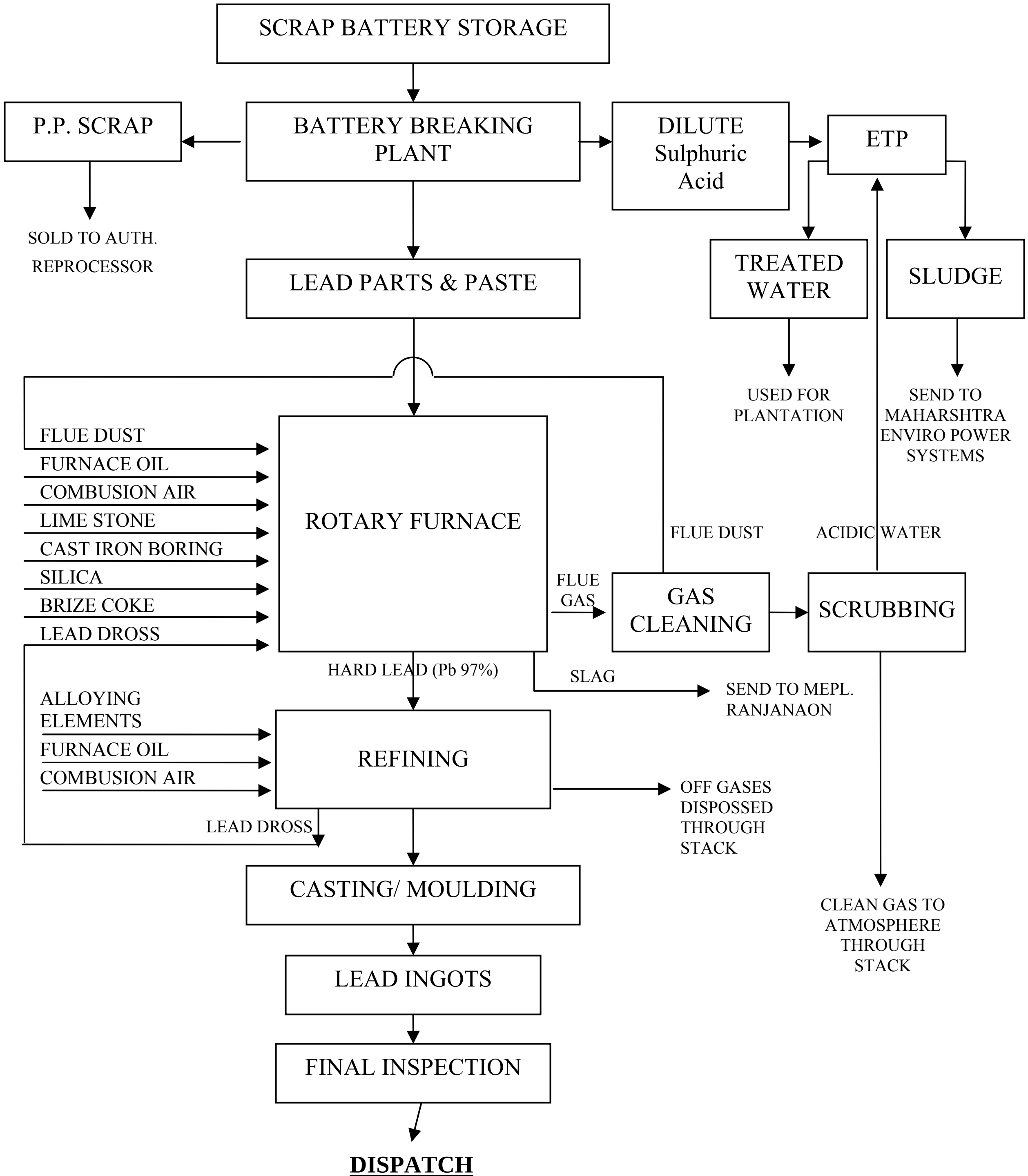
Wrapping and assembling

Pairs of positively charged and negatively charged electrode plates, each separated by a fibre glass dividing plate which acts as an insulating layer, are bound together. Different members of electrode plates are used in a lead-acid motive battery depending on the required level of storage capacity and power output. The electrode plates are then installed into the plastic casing of the battery by welding which is then sealed.

Charging

Electrolyte is added to the semi-finished battery products with acid feeders. The battery products will be charged with electricity, with the process taking approximately 48 hours to complete, depending on the storage capacity of the battery products. The charged battery products will then be cleaned and sealed. A serial number is affixed onto each battery once it has passed the final inspection and testing.

Smelters



Manufacturing Facilities

The Company has six company-operated production facilities located at (i) Shamnagar, West Bengal; (ii) Haldia, West Bengal; (iii) Bawal, Haryana; (iv) Chinchwad, Maharashtra; (v) Taloja, Maharashtra; and (vi) Hosur, Tamil Nadu. Of the six production facilities, three (Bawal, Hosur and Shamnagar) are located on Company-owned land, while the other three facilities (Haldia, Chinchwad and Taloja) are located on land leased from the respective state governments on a long term basis. The Company owns all buildings and equipment located at each of the facilities.

The following chart sets out actual production and estimated capacity utilisation for the Company's facilities over the relevant time periods:

Location	Nine month period ended December 31, 2009	Fiscal year ended March 31, 2009
Automotive Batteries		
Shamnagar		
-Production (millions of batteries)	0.6	0.7
-Capacity Utilisation (%)........................	67%	64%
Haldia		
-Production (millions of batteries)	1.0	1.1
-Capacity Utilisation (%)........................	100%	92%
Chinchwad		
-Production (millions of batteries)	1.4	1.8
-Capacity Utilisation (%)........................	89%	90%
Taloja		
-Production (millions of batteries)	1.3	1.5
-Capacity Utilisation (%)........................	108%	94%
Hosur		
-Production (millions of batteries)	1.3	1.5
-Capacity Utilisation (%)........................	100%	94%
TOTAL AUTOMOTIVE PRODUCTION	**5.6**	**6.6**
Capacity Utilisation (%)	**94%**	**88%**
Motorcycle Batteries		
Bawal		
-Production (millions of batteries)	4.0	5.2
-Capacity Utilisation (%)........................	87%	84%
Chinchwad		
-Production (millions of batteries)	2.6	3.1
-Capacity Utilisation (%)........................	100%	100%
TOTAL MOTORCYCLE PRODUCTION	**6.6**	**8.3**
Capacity Utilisation (%)	**92%**	**89%**
INDUSTRIAL		
Shamnagar		
-Production (millions of Ah)	227	244
-Capacity Utilisation (%)........................	97%	92%
Haldia		
-Production (millions of Ah)	445	473
-Capacity Utilisation (%)........................	90%	86%

Hosur		
-Production (millions of Ah)	529	618
-Capacity Utilisation (%)..........................	90%	79%
TOTAL INDUSTRIAL PRODUCTION	**1,201**	**1,335**
Capacity Utilisation (%)	**91%**	**84%**

Shamnagar Facility

The manufacturing facility at Shamnagar, West Bengal commenced operations in 1946. Automotive products manufactured at this facility include car types passenger vehicles and light commercial vehicle batteries. Industrial products manufactured at this facility include stand by and power back-up products. This plant is ISO – 9001, ISO – 14001 and TS 16949 certified by TUV Nord. This facility has been recognized by several awards for quality, productivity and energy conservation, including the following:

Award	Field	Year	Agency
Certification of Appreciation for Commendable Effort	Total Quality	2003	CII (ER)
Certificate of Appreciation for Commendable Effort	Energy Conservation	2003	CII (ER)
Certificate of Merit for Most Significant Achievement	Total Quality Management	2004 & 2005	CII (ER)
Certificate of Appreciation for Best Practice	Industrial Relations	2005 & 2006	CII (ER)
Award for Sustaining High Levels of Productivity – 1st Position	Productivity	2006 & 2007	CII (ER)
Award for Most Significant Improvement	Total Quality	2006 & 2007	CII (ER)
Certificate of Appreciation – 3rd Prize	Quality	2009	CII (ER)
Productivity Award	Productivity	2009	CII (ER)

Haldia Facility

The manufacturing facility at Haldia, West Bengal commenced operations in 1981. Automotive products manufactured at this facility include car types, LCV, tractor and HCV batteries. Industrial products manufactured at this facility include power back-up, traction and export products. This plant is ISO – 9001, ISO – 14001 and TS – 16949 certified by TUV Nord. This facility has been recognized by several awards for quality, productivity, safety and environmental excellence, including the following:

Award	Field	Year	Agency
Quality Award	Quality	2003 & 2006	CII (ER)
Productivity Award (Category A)	Productivity	2003	CII (ER)
Safety Award	Safety	2003	CII (ER)
Award for Best Practices	Industrial Relations	2004	CII (ER)
Indal Trophy	HRD	2005 & 2007	CII (ER)
Productivity Award	Productivity	2005	CII (ER)
Environmental Excellence Award	Environment	2005	West Bengal Pollution Control Board & India Chamber of Commerce
ITC Trophy	Safety, Health & Environment	2007	CII (ER)
Excellence Award (Category A)	TPM	2008	Japanese Institute of Plant Maintenance
Quality Award – 2nd Prize	Quality	2009	CII (ER)

Productivity Award – 2nd Prize	Productivity	2009	CII (ER)

Chinchwad Facility

The manufacturing facility at Chinchwad, Maharashtra commenced operations in 1969. The facility produces car types and LCV batteries for the automotive segment as well as motorcycle batteries. This plant is ISO – 14001 and TS – 16949 certified by TUV Nord. The facility has received awards from its customers for high quality standards including the following:

Award	Field	Year	Agency
Gold Award	Quality	2007	Bajaj Auto Ltd.
Best Supplier Award	Quality	2008	Tata Motors
Gold Award for Best Supplier	Quality	2008	Bajaj Auto Ltd.
Outstanding Performance Award	Performance	2009	Mahindra Farm Equipment

Taloja Facility

The manufacturing facility at Taloja, Maharashtra began operations in 1996 and was acquired by the Company in 1998. Automotive products manufactured at this facility include batteries for light commercial vehicles, tractors, passenger cars and heavy commercial vehicles. This facility also produces submarine batteries. This plant is ISO – 14001, TS – 16949 and ISO – 9001 (for submarine) certified by TUV Nord. This facility has been recognized by its customers for high quality standards including the following:

Award	Field	Year	Agency
Gold Award	Quality	2007	Bajaj Auto Ltd.
Best Supplier Award	Supplier	2008	Mahindra & Mahindra
Appreciation Award	PPM Recuction	2008	Tata Motors
Appreciation Award	Supplier	2009	Mahindra & Mahindra

Hosur Facility

The manufacturing facility at Hosur, Tamil Nadu commenced operations in 1997. Automotive products manufactured at this facility include batteries for light commercial vehicles, tractors, passenger cars and heavy commercial vehicles. Industrial products manufactured at this facility include VRLA batteries. This plant is ISO – 9001, ISO – 14001, TS – 16949 and OHSAS – 18001 certified by TUV Nord. This facility has been recognized by several awards for quality, innovation, safety and environmental leadership, including the following:

Award	Field	Year	Agency
Quality Award	Quality	2003 & 2004	Toyota
Safety Award	Safety	2003	Government of Tamil Nadu
100 PPM Award	Quality	2003	Hyundai
Zero PPM Award	Quality	2004, 2005 & 2009	Toyota
Best Supplier Award	Quality	2005	Toyota
Leadership & Excellence Award	Safety, Health & Environment	2006	CII (SR)
Award for Commitment to Excel	Quality	2006 & 2007	CII-EXIM Bank
Super Platinum – 1st Runner Up	Manufacturing	2007	Frost & Sullivan
Corporate Environment Award	Environment	2007	TERI
Award for Significant Achievement	TQM	2008	CII-EXIM Bank

Best Innovation Award for Leadership & Excellence	Environment, Health & Safety	2008	CII (SR)
Excellence Award – 2nd Prize	5-s	2008	CII (SR)
Best Kaizen Award	Quality	2009	Toyota
1st Prize in Large Manufacturing	5-s	2009	ABK-AOTS
Asia Manufacturing Excellence Award in Auto Ancillary	Quality	2009	Frost & Sullivan

Bawal Facility

The manufacturing facility at Bawal, Haryana commenced productions in 2003. This facility produces motorcycle batteries and is TS – 16949 certified by TUV Nord. The Bawal facility has received awards from its customers for quality and exceptional development including the following:

Award	Field	Year	Agency
Bronze Award	Quality	2009	Bajaj Auto Ltd.
Grand Development Award	Development of VLRA Batteries	January 2010	Honda Motors & Scooters

Chloride Metals Ltd. Smelter

The Chloride Metals Ltd. smelter facility is located in Pune, Maharashtra. The facility began operations under its previous owner in 1999 and was acquired by the Company in November 2007. The facility at Pune produces lead and lead alloys from exhausted batteries and has received the ISO – 9001 certification.

Leadage Alloys India Ltd. Smelter

The Leadage Alloys India Ltd. smelter facility is located in Bangalore, Karnataka. The facility began operations under its previous owner in 2002 and was acquired by the Company in April 2008. The facility at Bangalore produces lead and lead alloys from exhausted batteries and has received the ISO – 9001 and ISO – 14001 certifications.

Quality Control

The Company adheres to a strict system of quality control over its production operations. The Company's production processes are subject to extensive government regulation. The Company's quality control procedures encompass standards for procuring and storing raw materials, water treatment and sewage, processing and inventory storage. The Company has dedicated plant quality assurance teams that help to ensure that it maintains the desired quality levels for both input materials and finished products. Inspections begin with lead testing as it arrives to the facility. The lead is tested for both purity and composition. Any lead found to be below the Company's internal threshold is sent back to the supplier for further processing. Batteries are continuously checked at every stage of the manufacturing process by the plant's quality assurance team and formally documented. Once the manufacturing process is complete, all automotive and industrial batteries go through a pre-shipment inspection that includes a power dispatch check. As of December 31, 2009, the Company's quality control team consisted of 124 staff members spread across its six manufacturing facilities. These teams are responsible for implementing quality control by inspecting the quality and origin of the raw materials, observing and checking the production process, testing finished goods and monitoring the Company's customer support services. In addition to Company led inspections, many of the Company's OEM customers also perform periodic audits on the Company's quality control systems to ensure they are consistent with their own global standards. The Company has received several quality awards from its OEM customers.

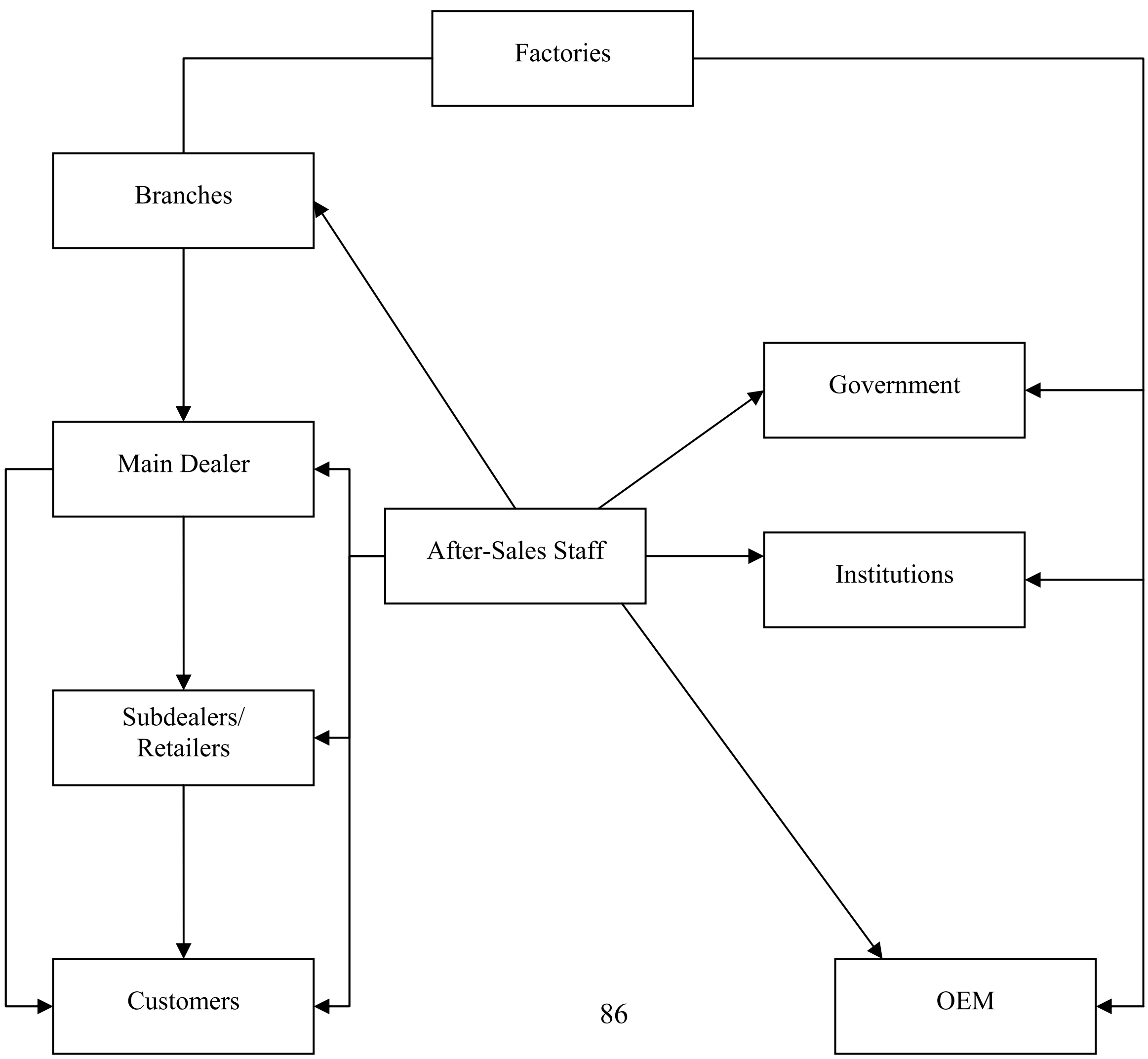
The Company's quality control staff, from time-to-time, attends training courses of ISO – 9000 and TS – 16949 standards for quality management systems. The Company also conducts internal training for new employees of the quality control team. The training comprises of battery testing techniques, chemical testing techniques and systems operations.

The Company implemented an exhaustive "Business Excellence Model" in 2004 for the purpose of improving quality standards across all of the Company's functions. This model is based on widely accepted European standards and encompasses several quality initiatives undertaken by the Company. In 2006, the Company implemented a Total Quality Management System (**"TQM"**) as part of its Business Excellence Model. TQM evaluates system processes, from raw material procurement to after-sales service, in order to ensure they are robust and consistent with ISO – 9001 (industrial) and TS – 19649 (automotive) standards. The Company's TQM system was developed internally and is based on global standards. The Company also introduced a Total Productive Maintenance system that evaluates the Company's equipment to identify root causes of potential problems before they interrupt its operations. In addition, the Company's has implemented Lean Manufacturing techniques to find solutions for eliminating various types of waste across its operations, including manpower, energy and raw materials.

Sales, Marketing and Distribution

The Company's marketing and distribution model is comprised of a hub-and-spoke system with overall monitoring conducted by the Company's branch offices.

The following chart depicts the Company's dealer and service network for the automotive and industrial segments:



Automotive Distribution

The Company's automotive sales and distribution force is comprised of an in-house sales staff for sales to OEMs, large institutions and government customers and a nationwide network of authorized dealers for the retail aftermarket. As of December 31, 2009, the Company maintained an in-house sales staff of 599 employees. Large OEMs are assigned a personal staff member who is responsible for managing all aspects of the client relationships, including product specification, sales orders and after-sales service. The Company's in-house sales force is spread across the Company's 202 branch offices, covering virtually all areas of the country. Smaller OEMs, institutional and government clients are serviced by in-house personnel that are responsible for maintaining several accounts based on geographic location. In-house sales personnel are compensated primarily by a fixed pay schedule coupled with performance based annual bonuses. The Company maintains separate sales forces for its Exide and Standard Furukawa/SF brands as these target two different segments of the automotive market.

Sales in the retail aftermarket are primarily accomplished through the Company's network of main dealers and sub-dealers spread across India. The Company believes it has a strong and dedicated distribution network for its automotive segment. As of December 31, 2009, the Company's automotive dealer distribution network included 9,203 main dealers and 38,500 sub-dealers and retailers. Main dealers sell the Company's products to both sub-dealers as well as directly to the end consumer. Dealers are supported by nine regional offices, 40 branch offices and 202 area offices. These offices are staffed by Company personnel and they provide sales support functions for the Company's dealers. The Company provides continuous training to its network of dealers to ensure consistent quality across all retail outlets. The Company also maintains a network of Company-operated shops called "Exide Care" shops where customers can purchase Exide products directly from the Company. This initiative was launched in 2008 to establish a common look and feel and a standardized positive brand experience for the consumer. As of December 31, 2009, there were 150 Exide Care shops across India.

In addition to selling to consumers, dealers also sell to a tertiary distribution network of garages known as the “Humsafar partner” network. As of December 31, 2009, the Company had approximately 21,970 Humsafar partners. The Company also maintains a separate distribution network called the "C Dealer Network" for heavy commercial vehicle owners. As of December 31, 2009, the Company had approximately 500 C Dealers. The Company believes the trucking industry in India has significant growth potential due to increasing production and improved road infrastructure.

The Company also maintains a "Kisan" dealer network for tractor owners in rural India. Project Kisan, a sales initiative targeting customers in the rural markets, has also achieved popularity in converting users of low cost unbranded products into loyal customers of the Company. As of December 31, 2009, the Company had approximately 3,197 Kisan dealers. The Company believes that rising incomes in the rural areas provides a strong growth opportunity.

The Company intends to continue growing its dealer network, most notably in the underserved parts of rural India. Dealers are carefully selected after a thorough due diligence process whereby the Company examines the financial strength of the dealer, the location's potential, floor space availability and the number and quality of on-site technicians available from the potential dealer.

Industrial Distribution

The Company's industrial sales and distribution force is comprised of both an in-house sales force for large customers as well as a nationwide network of authorized dealers. As of December 31, 2009, the Company maintained an in-house sales staff of 200 employees for industrial sales. Large institutional and OEM accounts are assigned a personal sales staff member who is responsible for maintaining the client relationship. The Company's in-house sales force is spread across the Company's 28 industrial branch offices, covering virtually all areas of the country. The Company also maintains a network of industrial sales centres called Exide Power Centre. This concept was launched in 2000 to establish a common look and feel and a standardized brand experience for the Company's industrial customers. As of December 31, 2009, there were 29 Exide Power Centre shops across India.

The Company operates through a network of 1,000 authorized dealers who sell directly to the end consumer. The Company intends to continue growing its industrial dealer network, most notably in rural India.

Marketing

Automotive

The Company conducts targeted marketing campaigns through various media outlets or through face-to-face interaction with its customers. All marketing campaigns are aimed at building the Exide brand equity in the market. Examples of recent marketing campaigns include:

EXIDE

- *BMHR Initiative*. A print campaign launched in key cities leveraging a Company tie-up with UNICEF to urge car owners to return their used batteries to Exide dealers. Publications in the Outlook group of magazines were also used to publicize this initiative.

- *Spoke Campaign*. A national multi-media campaign using the Company's brand ambassador, M S Dhoni, to leverage its presence in small towns and take advantage of its first-mover advantage of its hub-and-spoke dealer network. Press ads, hoardings, wall signs and point of sale items were used for this campaign.

- *Humsafar Scheme*. Launch of a unique "Profit Aaj Kal" scheme for Humsafar Partners driving both short term and long term sales.

- *Power Brigade 2009 - 12 Programme.* Design and launch of the new Power Brigade programme based on feedback from the previous edition. A host of new benefits and rewards have been included in the new programme.

SF SONIC

- *Television Campaign*. A six-week burst campaign across leading national and select regional channels to build brand salience and drive home the SF Sonic motto, "Lives Long. Stays Strong".

- *Display SF Sonic Win Gold Contest*. A unique display contest among SF Sonic retailers that helped enhance brand visibility at the store level.

- *Retailer Schemes.* "Double Deal Gold Dhamaka" and "Win Fast. Win Easy" were two advertising promotions launched to drive sales through the SF Sonic retail channel.

The Company employs a marketing staff of 38 employees for the automotive segment as of December 31, 2009.

Industrial

The Company's industrial marketing campaigns are primarily done through face to face interactions or through various media outlets. Face-to-face interactions for building brand awareness include technical seminars, road shows, workshops and dealer meetings at the national and regional levels. Extensive advertising campaigns are carried out through print, audio and audio visual media. The Company also utilizes billboards, hoardings, glow signs and wall writings. These campaigns are carried out throughout the year with an emphasis on seasonal products in the commercial UPS and home UPS segments. Print media advertisements are published in daily newspapers both nationally and locally in various languages. Advertisements are also published in leading monthly periodicals, magazines and journals for targeted advertising. Product promotion jingles are aired through radio channels. During the pre-peak season for the home UPS segment, audio-visual campaigns are carried out on India's leading television channels. All dealer, sub-dealer and retail outlets are equipped with product catalogues, posters, danglers, stepney covers and other point of purchase materials. Celebrity endorsements are generally done at the Company level. Regular monthly newsletters and mailers are sent to key customers based on targeted marketing.

The Company employed 32 marketing employees dedicated to the industrial segment as of December 31, 2009.

Sales Volumes

The following table depicts the growth in the sales volume of the automotive and the industrial products of the Company, from Fiscal Year 2005 to Fiscal Year 2009.

Year	Four/Three Wheeler (Million Plates)	Two Wheeler (Million Plates)	Industrial (Million Amp Hour)
2004/05	313.6	116.6	697.2
2005/06	347.5	142.3	800.9
2006/07	402.2	188.1	959.4
2007/08	456.4	208.4	1129.0
2008/09	504.2	231.0	1324.3
	12.6%	18.6%	17.4%

Credit Policy

The aftermarket segment runs on cash and carry as no credits are offered to Exide's primary dealers. A few of the automotive SF division's after-sales market channels offer finance terms. For institutional and OEM customers the credit period varies depending upon the individual customers' payment history, typically ranging from 30 to 90 days. In several cases, advance payment is also received against a proforma invoice. For export customers, a line of credit is typically established. Systematic control of credit management has been initiated through the SAP enterprise resource planning ("ERP") system, where automatic credit blocks are generated at the time of order if the liabilities for a specific customer exceed the pre-defined credit limit.

After-Sales Service and Product Warranty

The Company considers the quality of its after-sales services to be very important. It believes that high quality after-sales services will strengthen market recognition and ensure customer retention.

Automotive

After-sales services for OEMs is handled by the Company's in-house service staff. The focus of the Company's after-sales services for OEMs is on maintaining follow-up visits and support by sales representatives and ensuring that their requirements and feedback on the Company's products are promptly relayed to the Company and attended to. If a problem arises with the Company's products, the first point of contact for OEMs and institutional customers remains the dedicated customer relationship manager assigned to that particular account. These client relationship managers will involve other Company service staff as and when they are needed. The Company believes its OEM clients prefer to have a single contact person for all sales and after-sales related services. The Company has also recently launched a program whereby OEMs can become authorized dealers of the Company's products. End consumers can now have their Exide brand products serviced by these OEM dealers.

The automotive retail aftermarket service is comprised of a three-tier system. First, the Company offers a mobile battery repair service called "Batmobile" to provide after-sales service on all automotive batteries. This is a free emergency service offering help to stranded motorists, regardless of the brand of battery. The Company believes its Batmobile service provides an opportunity to build brand loyalty among its existing customers as well as brand awareness among potential new customers. As of December 31, 2009, the Batmobile service was available in 32 cities across India and had an estimated average response time of 24 minutes. The Company intends to expand its Batmobile service to smaller cities in the near term. The Company uses a third-party operators for this service.

The next tier of service in the retail aftermarket is the Company's 9,203 strong network of authorized dealers. Most of the Company's main dealers have an on-site battery service centre that includes testing, charging and basic repair capabilities. The Company is looking to extend the reach of its dealer service centre network and has found that dealers believe their sales increase when they add the service centre component to their operations. While the Company does not fund the service centres directly, it does provide dealers with equipment and training to enable them to carry out basic repairs to its lead acid battery products. If significant repairs have to be carried out which are beyond the expertise of the dealer's technicians, the battery will be sent directly to the Company.

The final tier of the aftermarket service network is the Company's own 202 branch offices. Customers are able to have their batteries serviced on-site by the Company's own highly-skilled technicians. If the battery is beyond repair, arrangements can be made for a replacement battery to be installed.

Industrial

After-sales service for the industrial segment begins with the Company's dedicated central call centre. One toll free number covering all of India is provided to the Company's industrial clients. As calls come into the call centre, customer service agents direct the problem to the closest field service force for further handling. Field service staff is based at the Company's 29 industrial service centres across the country. Industrial batteries present more challenging problems, the Company therefore utilizes its own highly trained service staff to deal directly with its customers.

In addition, the Company offers its "Tracmobile" program for traction customers located in Delhi, Chandigarh, Kolkata, Mumbai, Pune, Ahmedabad, Goa, Chennai, Hyderabad and Bangalore. This service provides customers with prompt service within 24 hours from the time the complaint is lodged with the Company. Fully equipped vans are dispatched to provide efficient and reliable service. The Company believes its Tracmobile service allows it to collect important data such as competitor's product performance and customer perceptions as well as increases the Company's brand equity and customer retention. The Tracmobile service is available to both the Company's and its competitors' customers alike.

Warranty Policy

The Company's batteries are warranted against manufacturing defects in material and workmanship. The warranty period varies from product to product and application to application. For automotive batteries, the warranty period generally varies from 12 months to 30 months on a free of charge basis and up to 60 months on a pro rata warranty basis. For industrial batteries the warranty period generally varies from 12 to 60 months and in many instances, a pro rata warranty is also offered. In the automotive and industrial aftermarkets, the warranty period is generally the same for a particular class or type of product. All warranties contain pre-conditions related to its usage. All products are sold with warranty cards or a warranty certificate indicating the warranty commencement date and the warranty expiry date or the warranty period. The Company undertakes to repair or replace the battery free of charge in the event of any malfunctioning within the warranty period.

Raw Materials

The primary raw materials used in the Company's production process are lead and lead alloys. Other raw materials used include polypropylene copolymers ("PPCP"), antimony, separators and other materials. Lead and lead alloys constituted 76.6%, 87%, 78.7%, and 80.3% of the total materials consumed (which also include increase/decrease in stock and purchase of trading goods) for the Financial Years 2009, 2008, 2007, and the nine months period ended December 31, 2009, respectively.

With limited domestic supply of virgin lead, Indian battery makers are forced to rely on lead imports for most of their raw material requirements. The price of lead is subject to significant fluctuations and supply can be unreliable as a result of changes in market conditions both domestically in India as well as internationally. The Company currently purchases approximately 30% of its lead supply from overseas markets.

The Company does not enter into any hedging arrangement to protect itself from the risk of fluctuations in the price of lead as it does not consider the costs and risks associated with such hedging arrangements commercially justified based on its current volume of lead usage. The Company seeks to minimise any adverse effect which may arise from significant fluctuations in the supply or price of lead primarily through inventory control, backward integration and pass through clauses in many of its automotive OEM and industrial battery contracts. The Company typically maintains lead in stock which could support the Company’s production needs for approximately 45 to 60 days. The Company closely monitors movements in the market price of lead in and will adjust its stock level if it anticipates any significant fluctuation in supply or price.

In an effort to reduce its dependency on imported lead, the Company acquired a 100% shareholding in Chloride Metals Ltd (previously known as Tandon Metals Ltd) in 2007 and a 51% stake in Leadage Alloys India Limited in 2008. The acquisition of these two smelters has greatly reduced the Company’s reliance on imported lead. As of December 31, 2009, approximately 41% of the Company’s lead requirements are being met by these two subsidiary companies. The Company believes this leads to reliable lead supplies, reductions in inventory carrying costs and a significant price advantage over its competitors.

Since the acquisition of the two smelters, the Company has been actively involved in improving its exhausted battery collection efforts. The Company attempts to purchase exhausted batteries in the open market at recycling collection points located at all of the Company’s branch offices as well as other recycling stations located across India. The Company intends to open several additional collection points over the near term. The Company also purchases exhausted batteries from dealers and institutional clients who collect them from their customers. The purchase price for an exhausted battery depends on the market price for lead. The Company believes it offers customers a competitive price that is above what would be offered to them by an unorganized battery manufacturer. The Company believes this strategy of reducing the unorganized players’ supply of used batteries will help it to more effectively compete in the retail aftermarket.

Chloride Metals Limited has recently installed an automatic battery breaking facility at its Pune smelter. See “*—Manufacturing Process – Smelters*.” The Company believes this addition will allow its subsidiary to retrieve an increased amount of lead from each battery and in a more environmentally-friendly manner.

Apart from lead and lead alloys, the other primary raw materials used in the Company’s production processes are PPCP for battery containers, separators for separating the negative and positive plates and other ingredients for lead alloys. These raw materials are sourced both from domestic and international suppliers.

Research & Development

The Company dedicates significant resources in research and development to improve the quality and performance of its existing products as well as to help create innovative new products to ensure a strong product portfolio. The Company believes the innovations and new products developed by its research and development team have helped it to maintain a position of technological leadership in the country. The Company's research and development activities are primarily focused on the following three activities: (i) futuristic research for lead alternatives, (ii) product development for new products based on lead acid technology, and (iii) improving its existing product portfolio. As of December 31, 2009, the Company's research and development team consisted of 60 staff, out of which 35 have obtained doctorate or master's degrees or have senior engineer qualifications. The Company primarily focuses on developing its own talent by providing a competitive and rewarding environment for its research and development team.

The Company's proprietary research and development centre for automotive, industrial and submarine battery technology was built in 1976 at Kolkata. This centre employs 60 people and is an accredited research and development centre by the Department of Science and Technology. This accreditation qualifies the Company for tax incentives whereby the Company is allowed to expense 150% of its research and development costs. The Company has filed its application with the relevant authorities to avail itself of this tax treatment and is currently awaiting approval.

On March 29, 2004, the Company entered into a technical assistance agreement with Shin-Kobe Electric Machinery Company Limited, Japan (a member of the Hitachi Group) for a period of five (5) years for the joint development of automotive and industrial batteries. Under the agreement, the Company is provided all the technical support it needs, including sending Company-personnel to Japan for training and development. In return, the Company pays its Japanese partner a fixed annual amount. The agreement was renewed on March 30, 2009, till March 31, 2010. Another technical assistance agreement was executed by the Company with Shin-Kobe Electric Machinery Company Limited, Japan, on June 22, 2005 for transfer of technical information to manufacture all varieties of valve regulated lead acid batteries. The agreement is valid till June 21, 2010.

The Company also executed two license agreements dated December 1, 2005 and March 9, 2007, respectively, with the Furukawa Battery Company Limited, Japan. While the former agreement entitles the Company to avail the technical know-how regarding the production of automotive and lead storage batteries for use in four wheelers, the latter agreement allows the Company to avail technical support for the manufacture of valve regulated lead acid batteries. The agreements expire on November 30, 2010, and March 8, 2012 respectively. A license agreement has also been executed by the Company with the Furukawa Battery Company Limited, Japan on February 1, 2010 for manufacture of 'Idling Stop System' batteries for automotives. The agreement is valid for a period of five years w.e.f. February 1, 2010.

Another technical collaboration agreement has been executed by the Company with Changxing Noble Power Sourcing Company Limited (China) for deep cycling e-bike batteries for electric bicycles and scooters. The Company believes these collaboration agreements allow it to configure its products in accordance with cutting edge global standards.

The Company places particular emphasis on research and development activities in the OEM market. The Company believes that its collaborative efforts with multinational OEMs are not only a source of revenue, but also a valuable opportunity for its research and development team to learn from some of the leading minds in global battery technology.

Research and development activities are aimed at producing a new generation of products with a competitive edge such as a new range of batteries for idling, stop and start applications (micro-hybrid vehicles), deep cycling VRLA batteries for electric bike and scooters, long life solar and inverter batteries, improvements to enhance re-chargeability and deep cycling capabilities, and longer life batteries for automotive, UPS and telecom applications.

Recent results achieved by the Company's research and development team include: development of the Nano car battery, products for Hyundai's i20 car models, long life batteries for inverter and solar applications and long life motorcycle batteries based on advanced calcium technology.

The Company's research and development expenses for each of the three Fiscal Years ended March 31, 2007, 2008 and 2009, and the nine month period ended December 31, 2009 were Rs. 71.2 million, Rs. 99.2 million, Rs. 93.8 million and Rs. 81.3 million, respectively.

Intellectual Property

Brand equity is critical to the Company's sales. In an effort to protect its brand portfolio, the Company holds trademarks relating to each of the brand names it sells its products under. In addition, the Company owns patents and copyrights related to product designs.

Trademarks

Following are the trademarked automotive brands currently being used by the Company:

Exide Auto	SF Auto	Exide MC	SF MC
Exide Matrix	SF Super Sonic	Exide MX	SF Sonic Rodeo
Exide ATB	SF Sonic Turbo	Exide Bikerz	SF
Exide Max MF	SF Sonic Jet	Zoom	
Exide Max HR	SF Sonic Jumbo	Zero M	
Exide EKO	Autorider	X-Pack	
Exide Xpress	SF Sonic Power Box	Charge	
Exide Kisan	Blackgold	Conrex MC	
Dagenite	Blank Panther	Chloride MC	
Tudor			
Exide Freedom			

The "EXIDE" and "CHLORIDE" Trademarks

The "EXIDE" and "CHLORIDE" trademarks were first used in India in 1920 by The Chloride Electrical Storage Company Limited ("CESCO"), UK, who set up an import house in India to undertake its battery business. In 1942, these trademarks were registered in India in favour of CESCO as the registered proprietor. CESCO's India operations were taken over by the Company in 1947, and since that time, the Company has been a registered user of these trademarks in India. The name of the registered proprietor of the trademarks was subsequently changed to Chloride Group Limited from CESCO, UK in 1974.

By a deed of assignment dated February 7, 1978, the "EXIDE" trademark was assigned to the Company absolutely and in perpetuity. Subsequently, by a deed of assignment dated April 15, 1992, the "CHLORIDE" trademark was assigned to the Company absolutely and in perpetuity. The Company is currently the registered proprietor of these two trademarks. The Company holds the "Exide" trademark in: India, Madagascar, Albania, Afghanistan, Andorra and Mauritius and the "CHLORIDE" trademark in: India, Sri Lanka, Nepal and Bhutan.

Patents

The table below sets out some of the patents held, patents filed and design registrations held by the Company as of December 31, 2009.

Patent	Country
Patents Held	
Leak Resistant Automotive Battery	USA, Europe, Japan, India
Leak Retardant Automotive Battery	USA, Europe, Japan, India
Flooded Leak Resistant Motorcycle Battery	USA, Europe, Japan, India
Patents Filed	
Low Water Loss Battery (w/ Daramic Inc., USA)	Switzerland
Process of Determining State-of-the-Charge & State- of-the-Health of a Battery	India
Design Registrations	
MF Battery	Japan
Leak Resistant Automotive Battery	Japan
Flooded Leak Resistant Motorcycle Batteries	Japan, India
Automobile Battery	India
Small Car Battery (Tata Nano)	India

Competition

The Company believes that competition in the Indian battery market is primarily characterized by pricing, quality of products, ability to meet customers' requirements and after-sales service. The Company believes it can compete despite the intense competition in India primarily due to its widespread distribution network, after-sales services and branding initiatives such as Bat Mobile and Tracmobile.

The table below lists the Company's major competitors and their key brands:

Automotive

Competitor	Key Brands
1) Amara Raja Batteries Limited	Amaron
2) Amco Batteries Limited	Amco
3) Tudor India Limited	Prestolite
4) AutoComp GY Batteries Pvt Ltd	Tata Green
5) Tractors And Farm Equipment Limited	Speed

Industrial

Competitor	Key Brands
1) Amara Raja Batteries Limited	Quanta
2) HBL Power Systems Limited	Taurus Lead – X

In addition to the organized players discussed above, the Company also competes against unorganized players, primarily in the automotive and power back-up segments. Unorganized players procure their raw material supplies through open market purchases of exhausted batteries. The Company believes its strategy of increasing the number recycling collection points and improving productivity at its smelters will help to limit the supply of exhausted batteries available to the unorganized sector. In addition, the Company believes that as disposable incomes continue to rise in India, there will be a natural shift to higher quality branded products. In the commercial vehicle segment, the Company believes that as the highway infrastructure develops, and the Indian trucking industry strengthens, commercial vehicle operators will look to more reliable battery products.

The Company also competes against less expensive imports from neighbouring countries such as China. There are currently import tariffs in place which make imported batteries less able to compete in the Indian marketplace.

Human Resources

The Company has sought to build for itself a stimulating work culture that empowers people, promotes team building, encourages new ideas and motivates performance. The Company believes in meritocracy and this policy commences with hiring individuals with the right expertise and experience while ensuring that progress in the organisation is not dependent solely on tenure. In accordance with this policy, the Company conducts annual reviews and employees are given a monetary reward based on their individual performance. In a business where the cost of quality lapses could be significant, the Company has remained focused on recruiting the right people, providing them with adequate training and encouraging retention through job satisfaction and compensation schemes. To that end, the Company offers excellent benefit packages that include medical, life and accident insurance as well as interest subsidies on home loans.

The Company places a significant emphasis on training its personnel to increase their skill levels, ensure consistent application of the Company’s procedures and to instill an appreciation of its corporate values. The Company facilitates regular on-the-job and off-the-job training. The Company believes it is imperative for its sales and factory personnel to be aware of the technological advancements in the battery industry. In order to maintain superior product and industry knowledge, the Company provides training for all new joiners, as well as ongoing training for permanent employees, on battery technology using its in-house faculty. The Company also provides training to its sales and service personnel on customer care for effective customer relations.

As of December 31, 2009 the Company had 4,228 employees in India, including management and sales staff, graded staff, supervisors and workmen. Approximately 50% of the Company’s employees, primarily its factory workmen, are represented by various unions and the Company typically enters into contracts with these unions for a duration of three to five years. Union contracts contain economic and non-economic provisions (such as salary increase and performance incentives, bereavement, etc.). The Company believes its relations with both its unionized and non-unionized employees are good. The Company has not experienced any material work stoppages due to labour disputes.

The following table provides a consolidated breakdown of employee headcount, divided by function, as of December 31, 2009:

Total No. Of Employees	**Management & Sales Staff**	**Graded Staff**	**Supervisor**	**Workmen**
4,228	1,767	228	94	2,139

Environment, Health & Safety

The Company is subject to national and local environmental health and safety laws and regulations in India relating to matters such as the discharge of waste water, exhaust fumes and solid waste. The main pollutants generated by the Company are lead dust or particles and waste water which contain lead and sulphuric acid.

Lead is the key raw material used in the Company's battery production. An excessive intake of lead dust or particles, whether through inhaling or skin contact, could have a harmful effect on health. Lead poisoning may also result from occupations that involve close and frequent contact with or exposure to lead dust or particles. In an effort to minimize the health impacts on its employees, the Company is in the process of implementing OHSAS 18001 standards at its factories.

The Company is required by laws and regulations governing health and safety to provide employees at its manufacturing facilities and smelters who are exposed to lead dust or particles with protective clothing and accessories, such as gloves, goggles and masks. The Company also arranges all its employees engaged in the lead-related production process to receive medical checks at least twice per year. The medical checks include measurement of blood lead level. Despite the implementation of the above protective measures, it may not be possible to eliminate the entire risk of exposure to lead dust or particles. The Company sets internal lead blood levels below those required by the government. If an employee's blood is found to exceed these levels, he is immediately relocated to an unexposed area and continuously monitored by the Company's in-house medical staff.

The Company is committed to preserving the environment and preventing pollution, and has strived to go beyond the minimum statutory compliance. The Company seeks to continuously improve its environmental performance and is assisted in that task by the Company's dedicated environmental experts. Waste minimization and preservation of natural resources are not only Company policy but are put into practice through several projects such as environmental management projects as part of the Company's ISO 14001 certification. The Company's production process generates waste water containing lead and sulphuric acid. This waste water is neutralized and treated to remove lead contents in accordance with the applicable environmental standards in India. The Company has installed waste water treatment facilities at each of its six production plants and two smelters. Waste water generated during the production process, after the required testing and treatment, will either be collected and reused for future production requirements or discharged to the municipal waste water collection systems.

In February 2000, the Company was cited by the pollution control board for non-compliance with affluent water treatment at its facility in Pune. The Company's appeal on this case is still pending. The Company does not believe there is a risk of a materially adverse outcome of the case.

Information Technology

The Company's business demands quick and informed decision making. Information technology has been a tremendous help in this regard. Therefore, in order to increase responsiveness and efficiency, the Company will continue to emphasize the adoption of upgraded technology.

The Company utilizes SAP R3 ERP software to coordinate functions across departments such as procurement, production, sales, finance, accounting and inventory. This ERP software produces management information system reports that are reviewed by all levels of the organization. These reports help to link and continuously update all aspects of the Company's business, including finance, sales, distribution, logistics and human resources to ensure timely planning and efficient use of raw materials and Company resources.

In 2003, the Company launched an online-interactive customer relationship management (**"CRM"**) web portal, www.*exidereachout.com*, to allow its automotive dealer network to interact seamlessly with the Company and the end consumer. All of the Company's major dealers are connected with the system and are able to enter their sales data on a continuous basis. The primary objectives of this CRM initiative are to open new sales opportunities, promote preventive maintenance and ensure longer useful lives of its batteries. In 2007, the CRM system was upgraded with the Company adopting a more advanced version which not only gives data on a real time basis but has much greater flexibility and ability to undertake web-based CRM.

The Company also implemented a CRM system for its industrial batteries segment that includes a Customer Interaction Centre to handle customer complaints and provide regular feedback to its customers through SMS messaging until the complaint is resolved. In addition, a customer web portal, www.exide4u.com, provides a variety of information to its industrial customers.

Insurance

The Company maintains insurance for a variety of risk related to its assets and employees based on management perception of risks and possible loss. The Company's current insurance policies include the following:

- fire (for facilities and inventory);
- earthquake (for facilities and inventory);
- terrorism (for facilities and inventory);
- marine insurance;
- vehicle insurance;
- equipment;
- product liability;
- loss of profit (for submarine batteries);
- burglary;
- public liability and industrial risk;
- money in-transit insurance; and
- directors' and officers' liability.

Corporate Social Responsibility

The Company continues to believe that it has societal obligations which it must fulfil in order to remain a responsible corporate citizen. It also believes that ethical business conduct is part of its corporate ethos, which helps to fulfil the Company's long term vision and its engagement with all its stakeholders. The Company takes this commitment to the community very seriously and has implemented a variety of programs to support this. The Company takes a proactive approach to be involved in the development of the communities it operates in. Each year the Company selects communities near its facilities where it helps to develop its sanitation, water supply, infrastructure and educational opportunities. The Company believes that by directly involving its employees in these projects, it helps to raise employee morale and retention. In addition, the Company believes its community development projects are an effective means of building its brand equity, particularly in the rural communities where traditional forms of advertising may not be as effective as in urban areas.

In December 2009, the Company launched a battery collection campaign in collaboration with UNICEF. Through this program, individuals are able to bring their exhausted batteries to Company collection points where the Company makes a donation to UNICEF for each battery collected on the customers' behalf. The Company promotes this campaign through a variety of media outlets. The Company believes this program not only increases the supply of used batteries for its smelter subsidiaries, but also helps to promote the Company's vision as a responsible corporate citizen.

The Life Insurance Business

In October 2005, the Company acquired a 50% stake in IVL as a strategic investment intended to diversify the use of its available capital. ING Group Netherlands, a significant player in the global life insurance industry, is one of the other stakeholders in IVL, holding 26% stake. IVL offers a variety of insurance products including term insurance, traditional endowment, unit-linked and retirement plans, among others.

As of December 31, 2009, IVL had a paid-up equity capital of Rs. 10,191.50 million. The Company has subscribed to its 50% entitlement in IVL's most recent rights issue.

Marketing and Distribution

IVL distributes its individual protection, pension and wealth creation products throughout India through multiple channels. IVL's primary distribution system consisted of more than 60,000 tied agents throughout India as of December 31, 2009. In addition, IVL has a strong bancassurance partnership with ING Vysya Bank. IVL also employs in-house sales personnel in more than 250 offices across the country. While continuing to invest in its exclusive tied agent force, IVL has also expanded its distribution reach through alternate channels and more than 160 referral tie ups with co-operative banks, brokers and corporate agents.

IVL will seek to capitalize on market opportunities in the growing mass affluent segment of India's population by focusing its marketing efforts on individuals residing in urban and economically developed areas as well as semi-urban and rural areas of India. IVL intends to accomplish this through its agency distribution channels and bancassurance partnership supplemented by its additional distribution channels such as its referral tie ups. In addition, IVL has commenced a customer segmentation sales approach which targets individuals of various income and education levels with tailored products.

Distribution commission rates vary by product and sales channel, based on such factors as payment terms and period over which the premiums are paid for the product. The IRDA also stipulates mandatory guidelines for commission rates. IVL supports its agents and representatives through training programs, sales materials and information technology systems.

Competition

IVL faces competitive pressures from both domestic and foreign-invested life insurance companies operating in India as well as other financial institutions that sell various financial investment products in competition with IVL's products. IVL competes with other foreign-invested life insurance companies including, among others, ICICI Prudential, Max New York Life, Bajaj Allianz, HDFC Standard Life, SBI Life, Met Life and Kotak Life as well as domestic life insurance companies such as the Government-owned Life Insurance Corporation of India. There are 22 licensed private life insurance companies in India as of December 31, 2009.

Investments

The IRDA has set forth relatively stringent guidelines for investments and investment management to which all Indian insurers must adhere. For example, in its controlled funds (non-unit linked), IVL must invest at least 50% of its insurance premiums, deposits and other funds it receives in Government guaranteed bonds including treasury bills, while 15% of its funds must be invested in infrastructure and social sector bonds issued by financial institutions. The remaining balance may be invested in other high quality corporate bonds, commercial paper of highly rated corporates, money market mutual funds and primarily large cap equity shares. Current regulations prohibit Indian insurers from investing in derivatives, hedge funds or other sophisticated investment products.

IVL directs and monitors its investment activities through the application of investment guidelines, which include performance goals for the investment fund; specified asset allocations and investment scope based on regulatory requirements and internal investment policy. There are targets for investment duration and asset-liability matching requirements based on asset-liability matching strategies. All transactions are carried out on the basis of specified authorisation levels required for approval of various levels of investment transactions as well as specified risk management policies and prohibitions. The investment guidelines are reviewed and approved by the Investment Committee of IVL's board of directors.

PRINCIPAL SHAREHOLDERS

The Company was incorporated on January 31, 1947 as Associated Battery Makers (Eastern) Limited under the Indian Companies Act, 1913. The name of the Company was subsequently changed to Chloride India Limited with effect from August 2, 1972, then to Chloride Industries Limited with effect from October 12, 1988 and to its existing name with effect from August 25, 1995.

Shareholding Pattern of the Company as on December 31, 2009:

	No. Of Shareholders	**Shareholding as on December 31, 2009**	
Category of Shareholder		**Total No. Of Shares**	**Percentage of Shareholding (in %)**
(A) Promoters Holding			
(1) Promoters			
Indian Promoters			
Foreign Promoters			
Bodies Corporate	1	390,954,666	48.87
(2) Promoter Group			
Total shareholding of Promoter and Promoter Group	1	390,954,666	48.87
(B) Non-Promoter Shareholding			
(1) Mutual Funds / UTI	65	59,924,669	7.49
(2)Financial Institutions / Banks / Insurance Companies/ (Central/ State/ Govt. Institutions/ Non-Govt. Institutions)	53	96,832,845	12.11
(3) Foreign Institutional Investors	84	76,484,701	9.56
Sub Total	202	233,242,215	29.16
(C) Other Investors			
(1) Bodies Corporate	1,057	84,837,320	10.60
(2) Indian Public	54,438	86,920,465	10.87
(3) NRIs	770	2,997,385	0.37
(4) Others	341	1,047,949	0.13
Sub Total	56,606	175,803,119	21.97
Grand Total (A + B + C)	56,809	800,000,000	100.00

List of shareholders holding more than 1% of the paid up capital of the Company as on December 31, 2009:

S. No	Name of the Shareholder	No. Of Shares	Shares as a percentage of total number of Shares (in %)
1.	Life Insurance Corporation of India	45,673,732	5.71
2.	Hathway Investments Ltd.	36,752,730	4.59
3.	HDFC Standard Life Insurance Co. Ltd.	25,489,516	3.19
4.	HDFC Trustee Co. Ltd. – Mutual Fund	25,013,851	3.13
5.	T Rowe Price International Inc A/c. T Rowe Price New Asia Fund	23,234,809	2.91
6.	The New India Assurance Co. Ltd.	22,754,057	2.84
7.	General Insurance Corporation of India Ltd.	9,526,113	1.19
8.	The Oriental Insurance Co. Ltd.	8,999,439	1.12

List of shareholding of persons belonging to the category of the Promoter and Promoter Group of the Company as on December 31, 2009:

S. No	Name of the Shareholder	No. Of Shares	Shares as a percentage of total number of Shares (in %)
1.	Chloride Eastern Limited	390,954,666	48.87

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Per the Articles of Association of the Company, the Company shall not have fewer than three directors and not more than 16 directors. Currently, the Company has 14 directors, excluding one alternate director, out of which six are independent Directors. The Articles of Association allow the Board of Directors to appoint an alternate director to act for a director during his absence for a period of not less than three months from the State of West Bengal.

Per the Articles of Association of the Company a managing director or a whole-time director shall not, while he continues to hold that office, be subject to retirement by rotation but if he ceases to hold the office of director he shall, ipso facto and immediately, cease to be a managing director or a whole-time director, provided that if at any time the number of managing directors or whole-time directors shall exceed one-third of the total number of directors for the time-being then such number of the managing directors or whole-time directors as shall be in excess of such one-third shall retire by rotation. The managing directors or whole-time directors who shall be liable to retire shall be such as shall have been the shortest time in office. At every annual general meeting of the Company one-third of the directors are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. The directors to retire by rotation shall be those who shall have been longest in office since their last appointment but as between persons who become directors on the same day those who are to retire, shall, in default of and subject to any agreement among themselves, be determined by lot. A retiring director shall be eligible for re-election.

The following table sets forth details regarding the Board of Directors as at the date of this Placement Document.

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
Mr. Rajesh Gordhandas Kapadia **DIN:** 00003272 **Term:** Liable to retire by rotation **Address:** 1001, Raheja Chambers, 213, Nariman Point, Mumbai – 400021 **Nationality:** Indian	53	Chairman and Non-Executive Independent Director	**Public Limited Companies** • Asianet Satellite Communications Limited • Bhoruka Power Corporation Limited • Goldiam International Limited • H&R Johnson (India) Limited • Nilkamal Limited • Prism Cement Limited • Diagold Design Limited • EIH Associated Hotels Limited • Innovassynth Technologies (India) Limited • ING Vysya Life Insurance Company Limited • Raheja QBE General Insurance Company Limited • Goldiam Jewellery Limited **Private Limited Companies** • Surin Investments Private Limited • FIL Trustee Company Private Limited • Foodworld Supermarkets Private Limited • Health & Glow Retailing Private Limited **Foreign Companies** • Associated Battery Manufacturers

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
			(Ceylon) Limited • Chloride Eastern Limited • Chloride Batteries S E Asia Pte Limited • Chloride Eastern Industries Pte Limited
Mr. Rajan Biharilal Raheja **DIN:** 00037480 **Term:** Liable to retire by rotation **Address:** Rahejas, 87/1, G. B. Marg, Juhu, Mumbai – 400049 **Nationality:** Indian	55	Vice-Chairman and Non-Executive Director	**Public Limited Companies** • Asianet Satellite Communications Limited • EIH Associated Hotels Limited • EIH Limited • H&R Johnson (India) Limited • Hathway Cable & Datacom Limited • ING Vysya Life Insurance Company Limited • Juhu Beach Resorts Limited • Prism Cement Limited • Supreme Petrochem Limited **Private Limited Companies** • Amber Apartment Makers Private Limited • Ameeta Grihnirman Private Limited • Arjun Housing Private Limited • Ardex Endura (India) Private Limited • ARKO Enterprises Private Limited • ARKO Dealers Private Limited • Bayside Exports Private Limited • Bloomingdale Investment & Finance Private Limited • Bellvne Constructions Private Limited • Bestow Contractors & Developers Private Limited • Brindaban Agro Industries Private Limited • Brindaban Builders Private Limited • Brindaban Land Development Private Limited • Beach Plaza Contractors & Developers Private Limited • Chandramouli Finance & Estates Private Limited • Colonnade Contractors & Developers Private Limited • Colonnade Housing Private Limited • Crescent Property Developers Private Limited • Coronet Investments Private Limited • Excelsior Construction Private Limited • Globus Stores Private Limited • Gstaad Investment & Finance Private Limited • Gstaad Trading Company Private Limited • Hathway Investments Private Limited

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
			• Hathway Bhaskar Multinet Private Limited • ING Investment Management (India) Private Limited • Kaunteya Contractors & Developers Private Limited • Kaunteya Builders Private Limited • Kuntinandan Contractors & Developers Private Limited • Kuntiputra Properties Private Limited • Lavina Contractors & Developers Private Limited • Manali Investment & Finance Private Limited • Matsyagandha Investments & Finance Private Limited • ING Financial Services Private Limited • Outlook Publishing (India) Private Limited • Panchali Builders Private Limited • Prerana Builders Private Limited • Peninsula Estates Private Limited • RMC Readymix (India) Private Limited • R Raheja Investments Private Limited • R Raheja Properties Private Limited • R B R Constructions Private Limited • RBR Estates & Finance Private Limited • Sea – Side Exports Private Limited • Shiraz Realtors Private Limited • Shoreline Exports Private Limited • Spur Cable and Datacom Private Limited • Trophy Investment & Finance Private Limited • Vidur Constructions Private Limited • Villa – Capri Developers Private Limited • Varahagiri Investments & Finance Private Limited • Vijay Raheja Builders Private Limited • Windsor Realty Private Limited **Foreign Company** • Chloride Eastern Industries Pte Limited, Singapore
Mr. Thamarathiruthi Venkateswaran Ramanathan **DIN:** 00012249	64	Managing Director and Chief Executive Officer	**Public Limited Companies** • Chloride International Limited • Chloride Metals Limited • Leadage Alloys India Limited

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
Term: Three years **Address:** 9 Woodlands Estate, 8/7 Alipore Road, Kolkata 700 027 **Nationality:** Indian			**Foreign Companies** • Chloride Batteries S E Asia Pte Limited, Singapore • Espex Batteries Limited, UK
Mr. Gautam Chatterjee **DIN:** 00012306 **Term:** Four years **Address:** Flat No. 011003, UDITA, Bengal Ambuja, 1050/1 Survey Park, Santoshpur, Kolkata 700 075 **Nationality:** Indian	60	Director – Industrial	**Public Limited Companies** • Caldyne Automatics Limited • Haldia Integrated Development Agency Limited • Leadage Alloys India Limited **Foreign Companies** • Espex Batteries Limited, UK • Chloride Batteries S E Asia Pte Limited, Singapore
Mr. Paban Kumar Kataky **DIN:** 00012343 **Term:** Four years **Address:** Flat No. 33 & 34, EDEN ROC, 3rd Floor, Plot Nos 24 & 25, 3 Union Park, Pali Hill, Bandra (W), Mumbai – 400 050 **Nationality:** Indian	61	Director – Automotive	**Public Limited Companies** • Chloride International Limited • Chloride Metals Limited • Leadage Alloys India Limited **Foreign Companies** • Associated Battery Manufacturers (Ceylon) Limited
Dr. Surendra Kumar Mittal **DIN:** 00012322 **Term:** Three years **Address:** Flat No. 11B, Minto Park, 13 D L Khan Road,	62	Director – Research & Development	**Public Limited Company** • Chloride Metals Limited

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
Kolkata – 700 027 **Nationality:** Indian			
Mr. Asish Kumar Mukherjee **DIN:** 00131626 **Term:** Four years **Address:** 31 Woodlands Estate, 8/7 Alipore Road, Kolkata 700027 **Nationality:** Indian	49	Director – Finance & Chief Financial Officer	**Public Limited Companies** • Caldyne Automatics Limited • Chloride Metals Limited **Foreign Companies** • Espex Batteries Limited • Associated Battery Manufacturers (Ceylon) Limited (Alternate to Mr. R G Kapadia)
Mr. Vijay Aggarwal **DIN:** 00515412 **Term:** Liable to retire by rotation **Address:** 4th Floor,Sterling Diamond Apts.,24 Mount Mary Road, Bandra (West) Mumbai – 400050 **Nationality:** Indian	41	Non-Executive Independent Director	**Public Limited Companies** • Asianet Satellite Communications Limited • Prism Cement Limited • H & R Johnson (India) Limited • Aptech Limited • ING Vysya Life Insurance Company Limited • Indian Council of Ceramic Tiles & Sanitaryware **Private Limited Companies** • Ardex Endura (India) Private Limited • RMC Readymix (India) Private Limited • Spur Cable & Datacom Private Limited **Foreign Companies** • Norcros PLC
Mr. Hemendra Mathradas Kothari **DIN:** 00009873 **Term:** Liable to retire by rotation **Address:** Seaview, 57 Worli Sea Face Mumbai – 400 025	63	Non-Executive Independent Director	**Public Limited Companies** • Alkyl Amines Chemicals Limited • Kirloskar Oil Engines Limited • Foodworld Supermarkets Limited • Health & Glow Retailing Limited **Private Limited Companies** • DSP BlackRock Investment Managers Private Limited • Hemko Patents Development Private Limited • Shuko Real Estate Private Limited

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
Nationality: Indian			• Arko Dealers Private Limited • Arko Enterprises Private Limited • Bestow Contractors and Developers Private Limited • DSP HMK Holdings Private Limited • DSP Investment Private Limited • DSP Adiko Holdings Private Limited
Mr. Bhaskar Mitter **DIN:** 00103707 **Term:** Liable to retire by rotation **Address:** Flat No. 3B, 7/1 Queen's Park Kolkata – 700 019 **Nationality:** Indian	90	Non-Executive Independent Director	**Public Limited Companies** • Eveready Industries India Limited • Gloster Jute Mills Limited • Graphite India Limited
Mr. Soumendra Nath Mookherjee **DIN:** 01355486 **Term:** Liable to retire by rotation **Address:** 3A, Lovelock Street Ballygunge Kolkata – 700 019 **Nationality:** Indian	49	Non-Executive Independent Director	NIL
Mr. Aziz Habib Parpia **DIN:** 00003289 **Term:** Liable to retire by rotation **Address:** 9 Blooming Heights 4 Pali Hill, Bandra Mumbai – 400 050 **Nationality:** Indian	80	Non-Executive Independent Director	**Public Limited Companies** • Prism Cement Limited • H & R Johnson (India) Limited • Supreme Petrochem Limited • SPL Industrial Park Limited • SPL Industrial Support Services Limited **Private Limited Companies** • Bayside Exports Private Limited • Brindaban Agro Industries Private Limited • R B R Construction Private Limited • Chika Private Limited

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
Mr. Satish Biharilal Raheja **DIN:**00927801 **Term:** Liable to retire by rotation **Address:** Case Postale 3153 1211 Geneva 3 Switzerland **Nationality:** Indian	46	Non-Executive Director	**Public Limited Companies** • Supreme Petrochem Limited • Prism Cement Limited • ING Vysya Life Insurance Company Limited
Mr. Deepak Shantilal Parekh **DIN:** 00009078 **Term:** Until the completion of the term of Mr. S B Raheja, to whom he is an alternate Director. **Address:** 9 Darbhanga Mansion 12 Carmichael Road Mumbai 400 026 **Nationality:** Indian	65	Non-Executive Independent Director *(Alternate to Mr. S B Raheja)*	**Public Limited Companies** • Airports Authority of India • Housing Development Finance Corporation Limited • Infrastructure Development Finance Company Limited • Glaxo Smithkline Pharmaceuticals Limited • HDFC Asset Management Company Limited • HDFC Ergo General Insurance Company Limited • HDFC Standard Life Insurance Company Limited • Hindustan Unilever Limited • Mahindra & Mahindra Limited • Hindustan Oil Exploration Corporation Limited • Castrol India Limited • The Indian Hotels Company Limited • Siemens Limited • Borax Morarji Limited (Alternate Director) • Zodiac Clothing Company Limited (Alternate Director) • Bharat Bijlee Limited(Alternate Director) **Private Limited Companies** • Lafarge India Private Limited **Foreign Companies** • WNS Global Services Private Limited • Singapore Telecommunications Limited
Mr. Winston Wong	63	Non-Executive Director	**Foreign Companies** • Chloride Eastern Limited (England)

Name, DIN, Designation, Term and Address	Age	Designation	Other directorships
DIN: 00510908 **Term:** Liable to retire by rotation **Address:** 137 Sunset Way #05-11 Clementi Park Singapore– 597 159 **Nationality:** Singaporean			• Associated Battery Manufactures (Ceylon) Limited • Chloride Eastern Industries Pte Limited (Singapore) • Chloride Batteries S E Asia Pte Limited (Singapore)

Biographies of the Directors:

Mr. R G Kapadia is an Independent Non-Executive Director of the Company and the Chairman of the Board. He is a practicing Chartered Accountant and Senior Partner at G M Kapadia & Company, Chartered Accountants, Mumbai. Mr. Kapadia served as the President of the Indian Merchants Chamber for 2005-06 and is considered an expert on taxation and accountancy. He has several years of experience in the profession. Mr. Kapadia has been a Director of the Company since June 21, 1991 and is liable to retire by rotation. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company.

Mr. R B Raheja is the Vice-Chairman and a Non-Executive Director of the Company. He holds a Bachelor's degree in Commerce and has a wide range of experience in industry and business. Mr. Raheja has been a director of the Company since December 12, 1991 and is liable to retire by rotation.

Mr. T V Ramanathan is the Managing Director & Chief Executive Officer of the Company. He is a Chartered Accountant and a qualified Company Secretary. His total experience of 41 years includes 15 years overseas of which nearly five years was with the World Bank. Before joining his present assignment in 1995, he was associated with the United Breweries group as Group Vice-President – Finance and has a wealth of experience in dealing with Financial and Accounting matters in addition to corporate management. Mr. Ramanathan has been on the Company's board since May 13, 1996 and his present term expires on April 30, 2010. He is also a member of the Company's Remuneration Committee, Share Transfer Committee, Banking Operations Committee, Shareholders' Grievance Redressal Committee and Executive Committee.

Mr. G Chatterjee is the Director-Industrial of the Company and has a wide range of experience in manufacturing and marketing. He holds a Bachelor's of Engineering degree from the Regional Engineering College, Durgapur and also holds a Post-Graduate Diploma in Business Administration from the Indian Institute of Management, Ahmedabad. Mr. Chatterjee has spent over two decades in the Company and is presently responsible for the Company's industrial batteries business. Mr. Chatterjee has been on the Board of Directors of the Company since May 13, 1996 and his present term expires on April 30, 2011. He is a member of the Company's Share Transfer Committee, Shareholders' Grievance Redressal Committee, Banking Operations Committee and Executive Committee.

Mr. P K Kataky is the Director-Automotive of the Company and has a wide range of experience in marketing. Mr. Kataky holds a B.E. (Electrical) degree from Assam Engineering College, Guwahati and is responsible for the Company's automotive batteries business. Mr. Kataky has over 39 years of experience and has been associated with the battery manufacturing industry for over two decades. Mr. Kataky has been on the Company's Board of Directors since March 26, 2005 and his present term expires on April 30, 2011. He is a member of the Company's Share Transfer Committee, Banking Operations Committee, and Executive Committee.

Dr. S K Mittal is the Director – Research & Development of the Company. Dr. Mittal holds a MS and Ph.d. (Engg Sc.) degree from University of Florida and has over thirty years of experience in the battery manufacturing industry. He was instrumental in setting up the Company's Research & Development wing and is credited with having worked on a number of international patents, which have been registered by the Company in the recent years. Dr. Mittal has been on our Board of Directors since May 13, 1996 and his present term expires on April 30, 2010. He is a member of the Company's Executive Committee.

Mr. A K Mukherjee is the Director-Finance and Chief Financial Officer of the Company and has a wide range of experience in financial and accounting matters. Mr. Mukherjee is a Chartered Accountant and also a Cost Accountant. He joined the Company in 1998. Mr. Mukherjee has been on the Company's Board of Directors since May 1, 2007 and his present term expires on April 30, 2011. He is a member of the Company's Share Transfer Committee, Banking Operations Committee, and Executive Committee.

Mr. Vijay Aggarwal is an Independent Director on the Board of the Company. Mr. Aggarwal holds a Bachelor's of Technology (Electrical) degree from Indian Institute of Technology, Delhi and a Post-Graduate Diploma in Management from Indian Institute of Management, Ahmedabad. Mr. Aggarwal is the Managing Director of H. & R. Johnson (India) Limited. He started his career with SBI Capital Markets Limited and has several years of experience in the manufacturing industry. Mr. Aggarwal has been on the Company's Board of Directors since March 24, 1995 and is liable to retire by rotation. He is a member of the Company's Audit Committee and Remuneration Committee.

Mr. H M Kothari is an Independent Director on the Board of the Company. Mr. Kothari is a leading investment banker with over 40 years of experience in the investment banking industry and was previously associated with DSP Merrill Lynch Limited, since its incorporation in India, as its Chairman. He is presently the Chairman of DSP BlackRock Investment Managers Pvt. Ltd. Mr. Kothari has been a member of the Company's Board since December 12, 1991 and is liable to retire by rotation.

Mr. Bhaskar Mitter is an Independent Director on the Board of the Company. Mr. Mitter, a Barrister-at-Law (London), has several decades of experience in business management and was previously the Chairman of Andrew Yule Limited, BOC India Limited and Calcutta Electric Supply Corporation Limited. Mr. Mitter has over 54 years of working experience and was the past President of Bengal Chamber of Commerce & Industry. Mr. Mitter has been a member of the Company's Board since October 12, 1966 and is liable to retire by rotation. He is the Chairman of the Company's Remuneration Committee and Shareholders' Grievance Redressal Committee, and a member of the Audit Committee.

Mr. S N Mookherjee is an Independent Director on the Board of the Company. Mr. Mookherjee, a Barrister-at Law, is a Senior Advocate having several years of experience in the profession and is a leading legal practitioner. He has been a member of the Company's Board since August 26, 1994 and is liable to retire by rotation. Mr. Mookherjee is a member of the Company's Audit Committee and Remuneration Committee.

Mr. A H Parpia is an Independent Director on the Board of the Company. Mr. Parpia is an Advocate by profession and is the Managing Partner of A H Parpia & Company, Advocates, Mumbai. Mr. Parpia has several years of experience in the profession and has been a member of the Company's board since November 5, 1993. He is liable to retire by rotation.

Mr. S B Raheja is a Non-Executive Director on the Board of the Company and is based in Switzerland. Mr. Raheja holds a Bachelor's degree in Business Administration and has over 25 years of work experience in business management. Mr. Raheja has been a member of the Company's Board since December 12, 1991 and is liable to retire by rotation.

Mr. D S Parekh, is an alternate Independent director to Mr. S B Raheja on the Board of the Company. Mr. Parekh holds a Bachelors' in Commerce and is a Fellow Chartered Accountant (England & Wales). Mr. Parekh is the Non-Executive Chairman of Housing Development Finance Corporation Limited and has over 37 years of working experience. He has received several awards and served on several committees constituted by the Government of India. Mr. Parekh has been a member of the Company's board since November 8, 1989. The term of Mr. Parekh's directorship is till Mr. S B Raheja holds the office of Director on the Board of the Company, subject to the provisions of section 313 of the Companies Act, 1956.

Mr. Winston Wong is a Non-Executive Director on the Board of the Company. He is qualified as a FCCA, FCPA Australia, and FCPA Singapore. Mr. Wong has over 40 years of working experience in various types of businesses. Mr. Wong has been a member of the Company's board since March 25, 1994 and is liable to retire by rotation.

Relationships between the Company's Directors

Except Mr. R. B. Raheja and Mr. S. B. Raheja, none of the Company's Directors are related to each other.

Borrowing Powers of the Directors

The shareholders of the company have passed a resolution at the 48th AGM of the Company held on July 17, 1995 authorizing the Board of Directors of the Company pursuant to Section 293(1)(d) of the Companies Act to borrow such sum or sums of money as they may deem fit for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid capital of the Company and its free reserves, provided, however that the total amount up to which monies may be borrowed shall not exceed the aggregate of the paid up capital and free reserves of the Company by more than Rs. 1.50 billion at any time.

Interests of Directors of the Company

All of the directors may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings as well as to the extent of other remuneration and reimbursement of expenses payable to them. The executive directors also may be deemed interested to the extent of remuneration paid to them for services rendered as officers or employees of the Company.

All of the directors may also be regarded as interested in any Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. All directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners, trustees.

All of the directors may be deemed to be interested in the contracts, agreements or arrangements entered into or to be entered into by the Company with any company in which they hold directorships or any partnership firm in which they are partners. Except as otherwise stated in this Placement Document and the statutory registers of the Company, the Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of this Placement Document in which any of the directors are interested directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. The directors have not taken any loans from the Company.

Shareholding of the Company's Directors

The following table sets forth the shareholding of the Directors as on December 31, 2009:

Name	**Number of Equity Shares**	**Shareholding Percentage (in %)**
R G Kapadia	Nil	Nil
R B Raheja	Nil	Nil

Name	Number of Equity Shares	Shareholding Percentage (in %)
T V Ramanathan	45,839	0.00
G Chatterjee	Nil	Nil
P K Kataky	2,400	0.00
S K Mittal	Nil	Nil
A K Mukherjee	1,000	0.00
Vijay Aggarwal	Nil	Nil
H M Kothari	214,491	0.02
Bhaskar Mitter	30,000	0.00
S N Mookerjee	Nil	Nil
A H Parpia	222,933	0.02
S B Raheja	Nil	Nil
D S Parekh	22,805	0.00
W Wong	Nil	Nil

Terms of Employment of Executive Directors of the Company

T V Ramanathan

Pursuant to a shareholders' resolution dated July 20, 2007, T V Ramanathan was re-appointed as a whole-time director and re-designated as Managing Director and Chief Executive Officer of the Company. He has been re-appointed as the Company's whole-time director for a period of three years with effect from May 1, 2007. In terms of Section 309 of the Companies Act, except with the approval of the Central Government, a director who is either in the whole-time employment of a company or a managing director shall not be paid remuneration exceeding five percent of the net profits for one such director, and if there is more than one such director, ten percent for all of them together. For Fiscal Year 2010, T V Ramanathan is entitled to basic pay of Rs. 393,250 per month, a performance bonus subject to a maximum of the annual basic salary, a commission of 1% of the net profit of the Company subject to a maximum of the annual basic salary, and perquisites and other allowances provided the value of such perquisites and allowances does not exceed an amount equal to the annual basic salary. This amount does not exceed the limit prescribed under the Companies Act.

G Chatterjee

Pursuant to a shareholders' resolution dated July 20, 2007, G Chatterjee was re-appointed as a whole-time Director and re-designated as Director-Industrial of the Company. He has been re-appointed as the Company's whole-time director for a period of four years with effect from May 1, 2007. In terms of Section 309 of the Companies Act, except with the approval of the Central Government, a director who is either in the whole-time employment of a company or a managing director shall not be paid remuneration exceeding five percent of the net profits for one such director, and if there is more than one such director, ten percent for all of them together. For Fiscal Year 2010, G Chatterjee is entitled to basic pay of Rs. 302,500 per month, a performance bonus subject to a maximum of the annual basic salary, a commission of 1% of the net profit of the Company subject to a maximum of the annual basic salary, and perquisites and other allowances provided the value of such perquisites and allowances does not exceed an amount equal to the annual basic salary. This amount does not exceed the limit prescribed under the Companies Act.

P K Kataky

Pursuant to a shareholders' resolution dated July 20, 2007, P K Kataky was re-appointed as a whole-time

Director and re-designated as Director-Automotive of the Company. He has been re-appointed as the Company's whole-time director for a period of four years with effect from May 1, 2007. In terms of Section 309 of the Companies Act, except with the approval of the Central Government, a director who is either in the whole-time employment of a company or a managing director shall not be paid remuneration exceeding five percent of the net profits for one such director, and if there is more than one such director, ten percent for all of them together. For Fiscal Year 2010, P K Kataky is entitled to basic pay of Rs. 302,500 per month, a performance bonus subject to a maximum of the annual basic salary, a commission of 1% of the net profit of the Company subject to a maximum of the annual basic salary, and perquisites and other allowances provided the value of such perquisites and allowances does not exceed an amount equal to the annual basic salary. This amount does not exceed the limit prescribed under the Companies Act.

S K Mittal

Pursuant to a shareholders' resolution dated July 20, 2007, S K Mittal was re-appointed as a whole-time Director and re-designated as Director-Research & Development of the Company. He has been re-appointed as the Company's whole-time director for a period of three years with effect from May 1, 2007. In terms of Section 309 of the Companies Act, except with the approval of the Central Government, a director who is either in the whole-time employment of a company or a managing director shall not be paid remuneration exceeding five percent of the net profits for one such director, and if there is more than one such director, ten percent for all of them together. For Fiscal Year 2010, S K Mittal is entitled to basic pay of Rs. 270,000 per month, a performance bonus subject to a maximum of the annual basic salary, a commission of 1% of the net profit of the Company subject to a maximum of the annual basic salary, and perquisites and other allowances provided the value of such perquisites and allowances does not exceed an amount equal to the annual basic salary. This amount does not exceed the limit prescribed under the Companies Act.

A K Mukherjee

Pursuant to a shareholders' resolution dated July 20, 2007, A K Mukherjee was re-appointed as a whole-time Director designated as Director-Finance and the Chief Financial Officer of the Company. He has been re-appointed as the Company's whole-time director for a period of four years with effect from May 1, 2007. In terms of Section 309 of the Companies Act, except with the approval of the Central Government, a director who is either in the whole-time employment of a company or a managing director shall not be paid remuneration exceeding five percent of the net profits for one such director, and if there is more than one such director, ten percent for all of them together. For Fiscal Year 2010, A K Mukherjee is entitled to basic pay of Rs. 121,000 per month, a performance bonus subject to a maximum of the annual basic salary, a commission of 1% of the net profit of the Company subject to a maximum of the annual basic salary, and perquisites and other allowances provided the value of such perquisites and allowances does not exceed an amount equal to the annual basic salary. This amount does not exceed the limit prescribed under the Companies Act.

Remuneration of Non-Executive Directors of the Company

The following table sets forth all compensation paid to the presently serving Non-Executive Directors for the Fiscal Year 2009.

Name	Total Sitting Fees (in Rs.)	Commission (in Rs.)	Total (in Rs.)
R G Kapadia	40,000	Nil	40,000
R B Raheja	10,000	Nil	10,000
Vijay Aggarwal	25,000	Nil	25,000
H M Kothari	5,000	Nil	5,000
Bhaskar Mitter	40,000	Nil	40,000
S N Mookherjee	Nil	Nil	Nil
A H Parpia	10,000	Nil	10,000
S B Raheja	Nil	Nil	Nil
D S Parekh	10,000	Nil	10,000
W Wong	Nil	Nil	Nil
Total	**140,000**	**Nil**	**140,000**

Remuneration of Independent Directors

Only sitting fee is paid to the Non-Executive Directors.

Changes in the Board of Directors during the last three years

Name	Date of Change	Reason
S B Ganguly	April 30, 2007	Retired as Chairman and CEO
R G Kapadia	May 1, 2007	Appointed as the Chairman
T V Ramanathan	May 1, 2007	Redesignated as Managing Director and Chief Executive Officer
A K Mukherjee	May 1, 2007	Appointed as Director-Finance and Chief Financial Officer

Key Management Personnel

The Key Management Personnel of the Company, other than the Executive Directors, are as under:

Supriya Coomer, age 52, is the Company Secretary & Vice President – Legal and Administration of the Company. He is a Graduate in Commerce from St. Xaviers College, Kolkata, holds a Law degree from the University of Calcutta and is an associate member of the Institute of Company Secretaries of India. He joined the Company in December 2008 and was previously employed with Saregama India Limited. He has over 24 years of experience in various industries.

Nadeem Kazim, age 45, is the Executive Vice President (Human Resources & Personnel) of the Company. He is a Graduate from Christchurch College, Lucknow and holds a Post Graduate Diploma in Personnel & Industrial Relations from the Xavier Institute of Social Service, Ranchi. He joined the Company in January 2009 and was previously employed with Tata Steel. He has over 22 years of work experience.

Relation of Key Management Personnel with the Promoter, Directors, and other Key Management Personnel

None of the Key Management Personnel is related to the Promoter, Directors or any other Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel of the Company do not have any interest in the Company other than to the extent of their remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the Key Management Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

Shareholding of the Key Management Personnel

Shareholding of the Key Management Personnel of the Company, other than the Executive Directors, as on December 31, 2009, is as under:

Name	Number of Shares	Pre-Issue Percentage Holding (in %)
Supriya Coomer	Nil	Nil
Nadeem Kazim	Nil	Nil

Bonus or profit sharing plan of the Key Management Personnel

The Company has entered into a bonus and profit sharing plan with its Executive Directors as disclosed in "*Board of Directors and Senior Management - Terms of Employment of Executive Directors of the Company*" above. The Company does not have any profit sharing plan with any of its other key managerial personnel; however, the Company pays an annual performance bonus to Mr. Supriya Coomer and to Mr. Nadeem Kazim.

Changes in Key Management Personnel

Mr. Barun Das, Divisional Head-Legal & Company Secretary retired from the services of the Company on November 30, 2008. Mr. Supriya Coomer was subsequently appointed as the Company Secretary and Vice President – Legal & Administration on December 1, 2008.

Mr. Monodip Chaudhuri, Vice President – Personnel & Administration retired from the Company on May 31, 2008. Mr. Nadeem Kazim was subsequently appointed as the Executive Vice President –Human Resources & Personnel on January 5, 2009.

Corporate Governance

The Company complies with all applicable corporate governance requirements, including the listing agreement with the Stock Exchanges and the SEBI Regulations, including constitution of the Board and committees thereof. The corporate governance framework of the Company is based on an effective independent Board of Directors, separation of the supervisory role of the Board of Directors from the executive management team and proper constitution of committees of the Board of Directors. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas. The executive management of the Company provides the Board of Directors with detailed reports on the performance of the Company periodically.

Currently the Board of Directors consists of 15 Directors, including one alternate Director. In compliance with the requirements of Clause 49 of the equity listing agreement entered into with the Stock Exchanges, the Board of Directors consists of six independent directors.

Committees of the Board of Directors

The Company has five Board-level committees, which have been constituted and function in accordance with the relevant provisions of the Companies Act and the Equity Listing Agreement: (i) Audit Committee, (ii) Remuneration Committee, (iii) Shareholders' Grievance Redressal Committee (iv) Share Transfer Committee, and (v) Banking Operations Committee. The Company also has an Executive Committee comprising of Key Management Personnel.

Audit Committee

The Audit Committee consists of the following directors:

- R G Kapadia;
- Bhaskar Mitter;
- S N Mookerjee; and
- Vijay Aggarwal.

T V Ramanathan, A K Mukherjee and the Chief – Internal Audit are permanent invitees to the Audit Committee while Supriya Coomer serves as the secretary to the Audit Committee. The Audit Committee reviews the adequacy of internal control systems, financial disclosures and the accounting policies of the Company.

The terms of reference of the Audit Committee include:

- Overseeing the company's financial reporting process and the disclosure of its financial information;

- Recommending to the Board, the appointment, reappointment and if required, the replacement or removal of statutory auditor and the fixation of audit fees;

- Approval of payment to statutory auditors for any other services rendered by the statutory Auditors;

- Appointment, removal and terms of remuneration of internal auditors;

- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    a. Matters required to be mentioned in the Director's responsibility statement which are to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;

    b. Changes, if any in accounting policies and practices and reasons for the same;

    c. Major accounting entries involving estimates based on the exercise of judgement by management;

    d. Significant adjustments made in the financial statements arising out of audit findings;

    e. Compliance with listing and other legal requirements relating to the financial statements;

f. Disclosure of any significant related party transactions; and

g. Qualifications in the draft audit report, if any.

- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

- Reviewing with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

- Discussion with internal auditors on any significant findings and follow up thereon;

- Reviewing internal audit reports in relation to internal control weakness;

- Reviewing management letters/ letters of internal control weakness issued by the statutory auditors;

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any area of concern; and

- To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors, if any.

During the nine month period ended December 31, 2009, the Audit Committee held three meetings.

Remuneration Committee

The Remuneration Committee consists of the following Directors:

- Bhaskar Mitter;
- R G Kapadia;
- T V Ramanathan;
- S N Mookerjee; and
- Vijay Aggarwal.

The terms of reference of the Remuneration Committee include:

- To recommend and review remuneration package of Executive/Non-Executive Directors.

During the nine month period ended December 31, 2009, the Remuneration Committee held one meeting.

Shareholders' Grievance Redressal Committee

The Shareholders' Grievance Redressal Committee consists of the following Directors:

- Bhaskar Mitter;

- T V Ramanathan; and
- G Chatterjee.

The terms of reference of the Shareholders' Grievance Redressal Committee are as per Clause 49 of the listing agreement. Primary functions carried out by Shareholders' Grievance Redressal Committee include looking into investors' complaints like transfer of shares, non-receipt of annual accounts, non-receipt of declared dividends etc. The Shareholders' Grievance Redressal Committee oversees all matters encompassing shareholders/investor-related issues.

During the nine month period ended December 31, 2009, the Shareholder's Grievance Redressal Committee held one meeting.

Share Transfer Committee

The Share Transfer Committee consists of the following Directors:

- T V Ramanathan;
- G Chatterjee;
- P K Kataky; and
- A K Mukherjee.

The terms of reference of the Share Transfer Committee include approving the share transfers, sub-division/ consolidation of shares and issue of duplicate share certificates.

During the nine month period ended December 31, 2009, the Share Transfer Committee held eleven meetings.

Banking Operations Committee

The Banking Operations Committee consists of the following Directors:

- T V Ramanathan;
- P K Kataky;
- G Chatterjee; and
- A K Mukherjee.

The terms of reference of the Banking Operations Committee include approving opening and closing of bank accounts, change in bank signatories and other routine banking operations.

During the nine month period ended December 31, 2009, the Banking Operations Committee held two meetings.

Executive Committee

The Executive Committee consists of the following Directors and Key Management Personnel:

- T V Ramanathan;
- G Chatterjee;
- Dr. S K Mittal:
- P K Kataky;
- A K Mukherjee;
- S Coomer; and
- N Kazim.

The Executive Committee focuses on the strategic management issues of the Company, subject to the overall supervision of the Board of Directors.

During the nine month period ended December 31, 2009, the Executive Committee held seven meetings.

Policy on disclosures and internal procedure for prevention of insider trading

All Directors, officers and employees of the Company are required to comply with the Insider Trading Regulations and also adhere to the model code of conduct for prevention of insider trading for listed companies as prescribed under the Insider Trading Regulations. Pursuant to the model code of conduct, employees/Directors of the Company shall maintain the confidentiality of all price sensitive information about the Company, which is not in the public domain and constitutes insider information, and shall not pass on such information to any person, directly or indirectly, by way of making a recommendation for the purchase or sale of securities.

ISSUE PROCEDURE

Below is a summary intended to present a general outline of the procedure relating to the bidding, payment, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and the investors are assumed to have appraised themselves of the same from the Company or the Joint Global Coordinators and Book Running Lead Managers. The prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Please see "Selling Restrictions" and "Transfer Restrictions" on page 132 and 135, respectively, of this Placement Document.

Qualified Institutions Placements

The Issue is being made in reliance upon Chapter VIII of the SEBI Regulations through the mechanism of a QIP, pursuant to which a listed company in India may issue and allot equity shares, non-convertible debt instruments along with warrants or convertible securities other than warrants, on a private placement basis to QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations, provided that:

- a special resolution approving the QIP has been passed by its shareholders;
- the equity shares of the same class of such issuer are listed on a stock exchange in India that has nationwide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution; and
- such issuer complies with the minimum public shareholding requirements set out in the listing agreement with the stock exchange referred to above.

Additionally, there is a minimum pricing requirement under the SEBI Regulations. The issue price of the securities shall not be less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date.

The "relevant date" refers to the date of the meeting at which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognized stock exchanges in which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be allotted within twelve (12) months from the date of the shareholders resolution approving the QIP. The securities issued pursuant to the QIP must be issued on the basis of a placement document that shall contain all material information including the information specified in Schedule XVIII of the SEBI Regulations. The placement document is a private document provided to less than 49 investors through serially numbered copies and is required to be placed on the website of the concerned stock exchange and of the issuer with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors. A copy of the placement document is required to be filed with the SEBI for record purposes within 30 days of the allotment of the securities.

Pursuant to the provisions of Section 67 of the Companies Act, for a transaction that is not a public offering, an invitation or offer may not be made to more than 49 persons.

The minimum number of allottees for each qualified institutional placement shall not be less than:

- two, where the issue size is less than or equal to Rs. 2.5 billion; and
- five, where the issue size is greater than Rs. 2.5 billion.

No single allottee shall be allotted more than 50% of the issue size.

QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee.

The aggregate of the proposed QIP and all previous QIPs made in the same financial year shall not exceed five times the net worth of the issuer as per its audited balance sheet of the previous financial year. The issuer shall furnish a copy of the placement document to each stock exchange on which its equity shares are listed.

Securities allotted to a QIB pursuant to a QIP shall not be sold for a period of one year from the date of allotment except on a recognised stock exchange in India.

The Company has also filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

Issue Procedure

1. The Company and the Joint Global Coordinators and Book Running Lead Managers shall circulate serially numbered copies of the Preliminary Placement Document, the Application Form, the Placement Document, and the CAN either in electronic form or physical form to not more than 49 QIBs.

2. The list of QIBs to whom the Application Form is delivered shall be determined by the Joint Global Coordinators and Book Running Lead Managers in consultation with the Company. The Joint Global Coordinators and Book Running Lead Managers shall deliver to the QIBs determined by the Joint Global Coordinators and Book Running Lead Managers an Application Form for the submission of their respective bids and application of the QIBs. Unless the Preliminary Placement Document and Application Form is numbered serially and addressed to a particular QIB, no invitation to subscribe shall be deemed to have been made to such QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person.

3. QIBs may submit their Bids/applications through the Application Form, including any revisions thereof, during the bidding period to the Joint Global Coordinators and Book Running Lead Managers.

4. Once the Application Form is submitted by a QIB, such Application Form constitutes an irrevocable offer and it cannot be withdrawn after the Bid Closing Date.

5. QIBs must indicate the following in the Application Form:
   (a) the full official name of the QIB to whom Equity Shares are to be allotted;
   (b) the number of Equity Shares bid for;
   (c) the price at which they are willing to subscribe to the Equity Shares, provided that QIBs may also indicate that they are willing to submit a bid at "Cut-off Price", which shall be any price that may be determined by the Company in consultation with the Joint Global Coordinators and Book Running Lead Managers at or above the minimum price calculated in accordance with Regulation 85(1) of the SEBI Regulations (the "Floor Price") which for this Issue, is Rs. 107.86); and
   (d) the details of the dematerialized account(s) to which the Equity Shares should be credited.

   Note: Each sub-account of an FII will be considered as an individual QIB and a separate Application Form would be required from each sub-account for submitting Bids.

6. The Bid Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after the receipt of the Bid cum Application Form.

7. Based on the Application Forms received from the QIBs who have received a serially numbered copy of the Preliminary Placement Document either in electronic form or physical form, the Company shall decide: (i) the price at which the Equity Shares will be offered (the **"Offer Price"**), which shall be at or

above the Floor Price; and (ii) the number of Equity Shares to be issued, in each case, in consultation with the Joint Global Coordinators and Book Running Lead Managers. The Company shall notify the BSE, the NSE and the CSE of the Offer Price. On determination of the Offer Price, each QIB to whom an Allocation shall be made shall be sent CAN. The dispatch of the CAN shall be deemed a valid, binding and irrevocable contract for the QIBs to pay the entire Offer Price for all the Equity Shares Allocated to such QIB. Each CAN shall contain details of the number of Equity Shares Allocated to the QIB, the payment instructions, including details of the amounts payable by the QIB for the Allotment of Equity Shares in its name, and the date applicable to the respective QIB on which payment of the application monies is required to be made in respect of the Equity Shares. The Company's decision and that of the Joint Global Coordinators and Book Running Lead Managers in this regard shall be at the Company's and their sole and absolute discretion.

8. After the receipt of the Application Forms, the Bid Closing Date shall be notified to the BSE, the NSE and the CSE and the QIBs shall be deemed to have been given notice of the same. Pursuant to receiving a CAN, each QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Offer Price, through electronic transfer only to the Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective QIBs. The Company shall not allot Equity Shares to more than 49 QIBs to whom an invitation or offer has been made. Upon receipt of the application monies from the QIBs, the Company's Board will approve the Allotment of Equity Shares pursuant to a Board Resolution and the Equity Shares shall be issued and Allotted to those QIBs as per the details provided for in their respective CANs. The Company shall inform the BSE, the NSE and the CSE of the details of such allotment.

9. After adopting the Allotment resolution and prior to crediting the Equity Shares into the depository participant accounts of the QIBs, the Company shall have received in-principle approval of the Stock Exchanges for listing of the Equity Shares.

10. After receipt of the in-principle approval of the BSE, the NSE and the CSE, the Equity Shares shall be credited to the depository participant accounts of the respective QIBs.

11. The Company shall then apply for the final trading and listing permissions from the BSE, the NSE and the CSE.

12. The Equity Shares that have been so Allotted and credited to the depository participant accounts of the QIBs shall be eligible for trading on the BSE, the NSE and the CSE only upon the receipt of final trading and listing approvals from the BSE, the NSE and the CSE.

13. Subsequent to receipt of the notification of the final trading and listing approvals from the BSE, the NSE and the CSE, the Company shall communicate the receipt thereof to those QIBs to whom the Equity Shares have been Allotted. The Company shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the BSE, the NSE and the CSE or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to appraise themselves of the status of the receipt of the permissions from the Company or the BSE, the NSE and the CSE.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the SEBI Regulations and not otherwise excluded pursuant to Regulation 86 of the SEBI Regulations are eligible to invest. Currently a QIB means:

- public financial institutions as defined in Section 4A of the Companies Act, 1956;
- scheduled commercial banks;
- mutual funds registered with the SEBI (“Mutual Funds”);
- a foreign institutional investor and sub-accounts registered with SEBI, other than sub-accounts which are

foreign corporates or foreign individuals;
- multilateral and bilateral development financial institutions;
- venture capital funds registered with the SEBI;
- foreign venture capital investors registered with the SEBI;
- state industrial development corporations;
- insurance companies registered with the Insurance Regulatory and Development Authority;
- provident funds with a minimum corpus of Rs. 250 million;
- pension funds with a minimum corpus of Rs. 250 million;
- the National Investment Fund set up by resolution No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- insurance funds set up and managed by army, navy or air force of the Union of India.

Please note that pursuant to amendments to the SEBI regulations, a sub-account that is a foreign corporate or foreign individual is no longer included under the definition of a QIB.

FIIs are permitted to participate in the Issue through the portfolio investment scheme. FIIs are permitted to participate in the Issue, subject to compliance with all applicable laws and such that the shareholding of the FIIs does not exceed the specified limits as prescribed under the applicable laws in this regard.

FIIs can hold up to a maximum of 24% of the paid-up equity share capital of the Company.

The issue of Equity Shares to a single FII should not exceed 10% of the Company's post-Issue, issued capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account must not exceed 10% of the Company's total issued capital, or 5% of the Company's total issued capital in the case where such sub-account is a foreign corporate or an individual. As of December 31, 2009 FIIs held 9.56% of the Company's total issued capital.

No Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB which is a Promoter or any person related to the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders’ agreement or voting agreement entered into with a Promoter or persons related to a Promoter;

- veto rights; or

- a right to appoint any nominee director on the Company's Boards;

provided, however, that a QIB which does not hold any of the Company's equity shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

The Company, and the Joint Global Coordinators and Book Running Lead Managers, are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the Placement Document is filed with the BSE, the NSE and the CSE. QIBs are advised to make their own independent investigations and satisfy themselves that they are eligible to bid. QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that may be held by them under applicable laws or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that any requisite compliance pursuant to this allotment such as public disclosures under applicable laws is complied with. QIBs are advised to consult their advisors in this regard. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code.

A minimum of 10% of the Equity Shares in this Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part

thereof may be Allotted to other QIBs.

Note: Affiliates or associates of the Joint Global Coordinators and Book Running Lead Managers who are QIBs may participate in the Issue in compliance with applicable laws.

Application and Bidding

Application Form

QIBs shall only use the serially numbered Application Form supplied by the Joint Global Coordinators and Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a bid (including revision of a Bid) in accordance with the terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including any revision thereof) for Equity Shares pursuant to the terms of this Placement Document, each QIB will be deemed to have given the following representations and warranties and the representations, warranties and agreements made under the sections and paragraphs "***Notice to Investors – Representation by Investors***" and "***Transfer Restrictions***", namely:

(a) the QIB confirms that it is a Qualified Institutional Buyer in terms of Regulation 2(1)(zd) of SEBI Regulations and is eligible to participate in the Issue;

(b) the QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly, and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or a person related to the Promoter of the Company;

(c) the QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Company or the Promoter or the persons related to the Promoter, no veto rights or right to appoint any nominee director on the Company's Board other than that acquired in the capacity of a lender;

(d) the QIB has no right to withdraw its Bid after the Bid Closing Date;

(e) the QIB confirms that if allotted Equity Shares pursuant to this Placement Document, it shall, for a period of one year from allotment, sell the Equity Shares so acquired only on the floor of a recognized stock exchange;

(f) the QIB confirms that it is eligible to bid for and hold Equity Shares so allotted and together with any Equity Shares held by the QIB prior to the Issue and the QIB further confirms that the holdings of the QIB do not, and shall not, exceed the level permissible as per any regulations applicable to the QIB;

(g) the QIB confirms that the bid would not eventually result in triggering an open offer under the Takeover Code; and

(h) the QIB confirms that, to the best of its knowledge and belief, together with other QIBs in the Issue that belong to the same group or are under common control, the allotment to the QIB or such group of QIBs shall not exceed 50% of the aggregate amount of the Issue. For the purposes of this statement:

    a. The expression "belongs to the same group" shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act;

    b. "Control" shall have the same meaning as is assigned to it by clause 1(c) of Regulation 2 of the Takeover Code.

The QIB shall not undertake any trade in the Equity Shares credited to its depository participant account until such time that the final listing and trading approvals for the Equity Shares are issued by the BSE, CSE and NSE.

QIBs WOULD NEED TO PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBs ARE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

Demographic details like address, bank account etc. will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of Application Form by the QIBs would be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for its share of Allotment (as indicated by the CAN) and becomes a binding contract on the QIB, upon issuance of the CAN by the Company in favour of the QIB.

Submission of Application Form

All Application Forms shall be duly completed including price and the number of Equity Shares bid. All Application Forms duly completed, along with a copy of the PAN card or the PAN allotment letter, shall be submitted to the Joint Global Coordinators and Book Running Lead Managers. The Application Form shall be submitted within the Bidding Period to the Joint Global Coordinators and Book Running Lead Managers either in electronic form or through physical delivery at the following address:

Name:	DSP Merrill Lynch Limited
Address:	10th Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021
Contact Person:	Sanjeev Jha
Email:	sanjeev.jha@baml.com
Phone:	+91 22 6632 8562

Name:	Enam Securities Private Limited
Address:	801 / 802, Dalamal Towers, Nariman Point, Mumbai 400021
Contact Person:	G Venkatesh
Email:	venkatesh@enam.com
Phone:	+91 22 66381800

Name:	Morgan Stanley India Company Private Limited
Address:	Forbes Building, Chiranjit Rai Marg, Fort, Mumbai - 400001
Contact Person:	Mr. Jayesh Jamsandekar
Email:	jayesh.jamsandekar@morganstanley.com
Phone:	+91 22 22097017

Name:	UBS Securities India Private Limited
Address:	2 / F, 2 North Avenue, Maker Maxity, Bandra Kurla Complex, Bandra (E), Mumbai 400 051
Contact Person:	Puneet Gandhi
Email:	puneet.gandhi@ubs.com
Phone:	+91 22 6155 6000

Pricing and Allocation

Build-up of the Book

The QIBs shall submit their Bids through the Application Forms within the Bidding Period to the Joint Global Coordinators and Book Running Lead Managers who shall maintain the Book. The Joint Global Coordinators and Book Running Lead Managers shall not be required to provide any written acknowledgement to the investors.

Price Discovery and Allocation

The Company, in consultation with the Joint Global Coordinators and Book Running Lead Managers, are required to finalize the Offer Price, which shall be at or above the Floor Price.

Method of Allocation

The Company shall determine the allocation in consultation with the Joint Global Coordinators and Book Running Lead Managers in compliance with Chapter VIII of the SEBI Regulations.

Bids received from QIBs at or above the Offer Price shall be grouped together to determine the total demand. Any allocation to all such QIBs will be made at the Offer Price. Allocation shall be decided by the Company in consultation with the Joint Global Coordinators and Book Running Lead Managers on a discretionary basis for a maximum of 49 investors.

Allocation to Mutual Funds for up to a minimum of 10% of the aggregate amount of the Issue is required to be undertaken subject to valid Bids being received at or above the Offer Price.

THE COMPANY'S DECISION AND THAT OF THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE BINDING ON ALL QIBs. QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE COMPANY'S SOLE AND ABSOLUTE DISCRETION AND QIBs MAY NOT RECEIVE ANY ALLOCATION, EVEN IF THEY HAVE SUBMITTED VALID BIDS AT OR ABOVE THE OFFER PRICE. NEITHER THE COMPANY NOR THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASONS FOR SUCH NON-ALLOCATION.

THE COMPANY'S DECISION AND THAT OF THE JOINT GLOBAL COORDINATORS AND BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOTMENT SHALL BE FINAL AND BINDING ON ALL QIBs.

The maximum number of allottees of Equity Shares shall not be greater than 49. The minimum number of allottees of Equity Shares shall not be less than (i) two, where the Issue Size is less than or equal to Rs. 2.5 billion, and or (ii) five, where the Issue Size is greater than Rs. 2.5 billion. No single allottee shall be allotted more than fifty percent of the Issue Size. Further the Equity Shares will be allotted within 12 months from the date of the shareholders resolution approving the Issue.

CAN

Based on the Application Forms received, the Company and the Joint Global Coordinators and Book Running Lead Managers shall decide the list of QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of the Equity Shares in their respective names shall be notified to such Investors. Additionally, the CAN would include details of the bank account(s) for electronic transfer of funds and the Pay-In Date as well as the probable designated date ("Designated Date"), being the date of credit of the Equity Shares to the respective QIB's account.

The eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the CAN by the QIB shall be deemed to be a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by the Joint Global Coordinators and Book Running Lead Managers and to pay the entire Offer Price for all the Equity Shares allocated to such QIB.

QIBs WOULD NEED TO PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, EACH SUB-ACCOUNT OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

By submitting the Application Form, the QIB will be deemed to have made the representations and warranties as specified under the section "Notice to Investors" and further that such QIB shall not undertake any trade in the Equity Shares credited to its depository participant account until such time as the final listing and trading approval for the Equity Shares is issued by the BSE, the NSE and the CSE.

QIBs ARE ADVISED TO INSTRUCT THEIR DEPOSITORY PARTICIPANT TO ACCEPT THE EQUITY SHARES THAT MAY BE ALLOCATED/ALLOTTED TO THEM PURSUANT TO THIS ISSUE.

Bank Account for Payment of Application Money

The Company has opened a special bank account (the **"Account"**) with HDFC Bank Limited, in terms of the arrangement between the Company and the Bank. Each QIB will be required to deposit the entire amount payable for the Shares allocated to it by the Pay-In Date as mentioned in the CAN. If the payment is not made in favor of the Account within the time stipulated in the CAN, the CAN of the concerned QIBs is liable to be cancelled. In the case of cancellations or default by the QIBs, the Company and the Joint Global Coordinators and Book Running Lead Managers have the right to reallocate the Equity Shares at the Offer Price among existing or new QIBs at their sole and absolute discretion.

Payment Instructions

The payment of the application money shall be made by the QIBs in the name of "EIL QIP Account" as per the payment instructions provided in the CAN. QIBs may make payment only through electronic fund transfer.

Designated Date and Allotment of Equity Shares

(a) The Equity Shares will not be allotted unless the QIBs pay the Offer Price to the Account as stated above.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and allotment shall be made only in dematerialized form to QIBs. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act, 1996.

(c) The Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

(d) After the Allotment and credit of Equity Shares into the QIBs' depositories accounts, the Company will apply for final trading/listing approvals from the BSE, the NSE and the CSE.

(e) The Payment Collection Bank shall not release the monies lying to the credit of the Account to the Company until such time as the Company delivers to the Payment Collection Bank the approval of the BSE, the NSE and the CSE for the final listing and trading of the Equity Shares offered in this Issue.

(f) In the unlikely event of any delay in the allotment or credit of the Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty will be payable by the Company.

(g) The Escrow Bank is not permitted to release the monies lying to the credit of the Escrow Cash Account to the Company, till such time as the Company delivers to the Escrow Agent the approval of the Stock Exchanges, for the listing and trading of the Shares issued pursuant to the Issue.

(h) After finalisation of the Issue Price, the Company has updated the Preliminary Placement Document with the Issue details and filed the same with the Stock Exchanges as the Placement Document.

Submissions to the SEBI

The Company is required to submit this Placement Document to the SEBI within 30 days of the date of allotment for record purposes.

Other Instructions

Permanent Account Number

The copy of the PAN card or PAN allotment letter is required to be submitted along with the Application form. Without this information, the CAN will be liable to be rejected / cancelled. It is to be specifically noted that the applicant should not submit the 'General Index Registrar' number or any other identification number instead of the PAN as the bids are liable to be rejected on this ground.

The Company's Right to Reject Bids

The Company, in consultation with the Joint Global Coordinators and Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reasons whatsoever. The Company's decision and that of the Joint Global Coordinators and Book Running Lead Managers in relation to a Bid shall be final and binding.

Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the allotment of Equity Shares pursuant to the Issue shall be only in a dematerialized form (i.e. not in the form of physical certificates but to be fungible and to be represented by the statement issued electronically).

(a) A QIB applying for Equity Shares must have at least one beneficiary account with either of the depository participants of either NSDL or CDSL prior to making the Bid.

(b) Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

(c) Equity Shares in electronic form can be traded only on those stock exchanges which have electronic connectivity with NSDL and CDSL. All the stock exchanges where the Equity Shares are proposed to be listed have electronic connectivity with NSDL and CDSL.

(d) The trading of the Equity Shares will be in dematerialized form only for all QIBs in the dematerialized segment of the respective stock exchanges.

(e) The Company will not be responsible or liable for the delay in the credit of Equity Shares due to errors in the Application Form on part of the QIBs.

PLACEMENT

Placement Agreement

The Joint Global Coordinators and Book Running Lead Managers have entered into a Placement Agreement with the Company (the "**Placement Agreement**"), pursuant to which the Joint Global Coordinators and Book Running Lead Managers have agreed to place, on a reasonable effort basis, up to such number of the Equity Shares the aggregate subscription amount of which shall be up to Rs. 5,395 million, to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI Regulations, outside the United States, in offshore transactions, to eligible investors in reliance on Regulation S of the Securities Act.

The Placement Agreement contains customary representations and warranties, as well as indemnities from the Company and is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than QIBs.

In connection with the Issue, the Joint Global Coordinators and Book Running Lead Managers (or their respective affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Joint Global Coordinators and Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Joint Global Coordinators and Book Running Lead Managers may purchase Equity Shares and be allocated Equity Shares for proprietary purposes and not with a view to distribution or in connection with the issuance of P-Notes. Please see "*Off-shore Derivative Instruments*" on page 9 of this Placement Document.

Lock-in

The Company has undertaken that it will not for a period of 180 days from the date of Allotment, without the prior written consent of the Joint Global Coordinators and Book Running Lead Managers, directly or indirectly, (*a*) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act of 1933, as amended, with respect to any of the foregoing, or (*b*) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (*c*) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (*d*) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above; provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares pursuant to the Issue.

The Company acknowledges that the Promoter has also entered into a lock-up agreement for a period of 180 days from the date of Allotment on the terms as set out above.

SELLING RESTRICTIONS

No action has been taken or will be taken by the Company or the Joint Global Coordinators and Book Running Lead Managers that would, or is intended to, permit an offer of the Equity Shares or possession or distribution of this Placement Document or any other offering or publicity material relating to the Equity Shares in any country or jurisdiction, except under circumstances that would result in compliance in all material respects with any applicable laws and regulations and all offers and sales of Equity Shares will be made on the same terms.

United States

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

United Kingdom

Each of the Company and the Joint Global Coordinators and Book Running Lead Managers has:

(1) only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity [within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")] received by it in connection with the issue or sale of any Equity Shares in circumstances in which section 21(1) of FSMA does not apply to the Company; and

(2) complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any Equity Shares which are the subject of the offer contemplated by this Placement Document may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State: (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities, (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts, (c) by the Joint Global Coordinators and Book Running Lead Managers to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Global Coordinators and Book Running Lead Managers for any such offer or (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Joint Global Coordinators and Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase any Equity Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, as amended (the "FIEL"). The Joint Global Coordinators and Book Running Lead Managers purchases will not, directly or indirectly, offer or sell any Equity Shares in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"). The Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Equity Shares be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person falling within Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act or (c) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Equity Shares, namely a person who is:

(a) a corporate (which is not an accredited investor), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Equity Shares under Section 275 of the Securities and Futures Act except:

   (1) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;

   (2) where no consideration is given for the transfer; or

   (3) by operation of law.

Hong Kong

Each of the Company and the Joint Global Coordinators and Book Running Lead Managers (i) has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Equity Shares other than (a) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent), or (b) in other circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) ("CO"), or (c) to "professional investors" within the meaning of the Securities and Futures

Ordinance (Cap. 571) ("SFO") and any rules made under the SFO, or (d) in other circumstances which do not result in the document being a "prospectus" within the meaning of the CO; and (ii) has not issued, or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Equity Shares which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

United Arab Emirates

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Placement Document does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

TRANSFER RESTRICTIONS

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except on the floor of a recognized stock exchange. Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, re-sale, pledge or transfer of the Shares.

General

Each purchaser of the Equity Shares outside the United States pursuant to Regulation S, by accepting delivery of this Placement Document and the Equity Shares, will be deemed to have represented, acknowledged and agreed with the Company and the Joint Global Coordinators and Joint Bookrunning Lead Managers that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(i) It is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

(ii) It understands that the Equity Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer.

(iii) It is and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Issue, was located outside the United States at the time the buy order for such Equity Shares was originated and continues to be located outside the United States and has not entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States.

(iv) It is not an affiliate of the Company or a person acting on behalf of an affiliate.

(v) It is relying on this Placement Document and not on any other information or the representation concerning the Company or the Equity Shares and neither the Company nor any other person responsible for this document or any part of it or the Joint Global Coordinators and Joint Book Running Lead Managers will have any liability for any such other information or representation.

(vi) The Company, the Joint Global Coordinators and Joint Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares issued pursuant to this Issue are no longer accurate, it will promptly notify the Company, and if it is acquiring any of the Equity Shares issued pursuant to this Issue as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

The Company will not recognize any offer, sale, pledge or other transfer of the Equity Shares issued pursuant to this Issue made other than in compliance with the above-stated restrictions.

SECURITIES MARKET OF INDIA

The information in this Section has been extracted from publicly available documents; including officially prepared materials from the SEBI, the CSE, the BSE and the NSE and has not been prepared or independently verified by the Company, the Joint Global Coordinators and Book Running Lead Managers or any of their respective affiliates or advisers.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The SEBI Act granted powers to SEBI to regulate the Indian securities markets, including stock exchanges and other intermediaries in the capital markets, to promote and monitor self-regulatory organisations, to prohibit fraudulent and unfair trade practices and insider trading and to regulate the substantial acquisition of shares and takeovers of companies. SEBI has also issued guidelines and regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, the substantial acquisition of shares and takeovers of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stock brokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital markets participants.

Stock Exchange Regulation

India's stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Stock Exchange Division, under the SCRA and the SCRR, which along with the rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner in which contracts are entered into and enforced between members.

Listing

The listing of securities on recognized Indian stock exchanges is regulated by the SCRR, the Companies Act, the SCRA, the SEBI Act, various guidelines, rules and regulations issued by SEBI and the listing agreements of the respective stock exchanges. Under the SCRR, the governing body of each stock exchange is empowered to suspend trading of or dealing in a listed security for the breach of the company's obligations under such agreement, subject to the company receiving prior notice in writing of the intent of the exchange. In the event that a suspension of a company's securities continues for a period in excess of three months, the company may appeal to the Securities Appellate Tribunal established under the SEBI Act to set aside the suspension. The Securities Appellate Tribunal has the power to set aside the decision of the stock exchange in this regard, after giving the stock exchange an opportunity of being heard.

SEBI also has the power to amend the bye-laws of stock exchanges in India.

Minimum Level of Public Shareholding

All listed companies are required to ensure that their minimum level of public shareholding remains at or above 25%, however, this requirement does not apply to those companies who in the past had offered at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, or to companies that have reached a size of Rs. 20 million or more in terms of the number of outstanding listed shares and Rs. 10 billion or more in terms of market capitalisation. Such listed companies are required to maintain the minimum level of public shareholding at 10% of the total number of issued shares of a class or kind for the purposes of listing. Failure to comply with this requirement in the listing agreement may result in the delisting of such listed company's shares pursuant to the terms of the Delisting Regulations and may result in penal action being taken under the SEBI Act and SCRA.

Delisting of Securities

SEBI has pursuant to a notification dated 10 June, 2009, issued the Delisting Regulations.

The Delisting Regulations are applicable to: (i) voluntary delisting of securities by promoters of a company; (ii) any acquisition of shares of a company or a scheme or arrangement, consequent to which the public shareholding in such company falls below the minimum limits specified in the listing conditions or listing agreement that may result in delisting of securities; (iii) companies which may be compulsorily delisted by the stock exchanges on account of, among other things, violation of stock exchange bye-laws. Following a compulsory delisting, a company, its full-time directors, its promoters and the firms promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of ten years from the date of such delisting.

A company, whose securities have been listed for a minimum period of three years on any stock exchange, may delist its securities from the stock exchanges, after obtaining in-principle approval from the stock exchange, by providing an exit opportunity to the public shareholders (i.e., shareholders other than the promoters and parties acting in concert with the promoters) ("**Delisting Offer**"). This exit opportunity involves a price discovery process known as the "book-building process". A Delisting Offer can be launched by any promoter or acquirer desirous of delisting the securities of a company. However, the Delisting Offer needs to be supported by a resolution passed by the board of directors of the company. Further, a resolution must be approved by three-fourths of the shareholders of the listed company through a postal ballot. However, the special resolution should be acted upon only if the votes cast by public shareholders in favour of the proposal are at least two times the number of votes cast by public shareholders against it. The concerned promoters or acquirer can also vote on the delisting proposal. Further, the above-mentioned in-principal approval is also required to be obtained.

Following receipt of in-principle approval from the stock exchange, the promoter or acquirer will issue a public announcement (i.e., a public notice) in relation to the Delisting Offer. This typically contains a date on which the Delisting Offer is proposed to be launched. The offer price shall have a floor price which shall be determined by calculating (where shares are frequently traded) the average of the weekly high and low of the closing prices during the last twenty six weeks or two weeks preceding the date on which the recognized stock exchange was notified of the board meeting in which the delisting proposal was considered, whichever is higher. The promoter has a right to accept or reject the price determined by the book building process. For the Delisting Offer to be successful, the shareholding of the promoter (along with persons acting in concert) together with the shares accepted in the offer should reach the higher of: (i) 90% of the total issued equity capital; or the aggregate percentage of pre-offer promoter shareholding (along with persons acting in concert) and 50% of the offer size.

A company may also be compulsorily delisted by the stock exchange due to any acquisition of shares of the company or other arrangement or consolidation of holdings which results in the public shareholding of the company falling below the minimum level specified in the listing conditions or in the listing agreements.

The Delisting Regulations permit stock exchanges to delist the securities of companies that have not complied with the relevant provisions of the SCRA after giving the company a reasonable opportunity of being heard. The Delisting Regulations also provide that in the event that the securities of a company are delisted by a stock exchange, the fair value of securities shall be determined by persons appointed by the stock exchange out of a panel of experts, which shall also be selected by the stock exchange.

Further, on 10 June, 2009, the Ministry of Finance proposed certain amendments to the SCRR ("**MoF Notification**") in relation to voluntary and compulsory delisting, to bring them in line with the Delisting Regulations. The MoF Notification shall become effective from the date that it is published in the Official Gazette. Due to their recent issuance, the applicability of the Delisting Regulations and MoF Notification have not been tested in any manner and it is recommended investors consult their advisors before taking any steps under the Delisting Regulations.

Public Issuances of Securities and Disclosures under the Companies Act and Securities Regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act and SEBI Regulations, as amended. The prospectus must be filed with the RoC having jurisdiction over the place where a company's registered office is situated, which in the company's case is the RoC located in Kolkata, West Bengal. A company's directors and promoters are subject to civil and criminal liability for misstatements/ misrepresentations in a prospectus. The Companies Act also sets forth procedures for the acceptance of subscriptions and the allotment of securities among subscribers and establishes maximum commission rates for the sale of securities. SEBI has issued detailed guidelines concerning disclosures by public companies and investor protection.

Public limited companies are required under the Companies Act and relevant securities regulations to prepare, file with the ROC and circulate to their shareholders audited annual accounts which comply with the Companies Act disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the listing agreement. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of its listing agreement with the relevant stock exchange. Accordingly, listed companies are now required to publish unaudited (subject to a limited review by auditors) or audited financial statements on a quarterly basis. They are also required to inform stock exchanges immediately regarding any price-sensitive information.

Indian Stock Exchanges

There are now twenty three stock exchanges in India. Most of the stock exchanges have their own governing board for self-regulation. A number of these exchanges have been directed by SEBI to file schemes for demutualisation as a measure for moving towards greater investor protection.

The BSE and the NSE together hold a dominant position among the Indian stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

With effect from April 1, 2003, the stock exchanges in India operate on a trading day plus two, or T+2, rolling settlement system. At the end of the T+2 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Wednesday. In order to contain the risk arising out of the transactions entered into by the members of various stock exchanges either on their own account or on behalf of their clients, the stock exchanges have designed risk management procedures, which include compulsory prescribed margins on the individual broker members, based on their outstanding exposure in the market, as well as stock-specific margins from the members.

Market Wide Circuit Breakers

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed the stock exchanges to apply daily circuit breakers, which do not allow transactions beyond certain price volatility. An index based market-wide (equity and equity derivatives) circuit breaker system has been implemented and the circuit breakers are applied to the market for movement by 10%, 15% and 20% for two prescribed market indices: the BSE SENSEX for the BSE and the NIFTY for the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted.

Price Bands

In addition to the market-wide index based circuit breakers, there are currently in place varying individual scrip wise bands (except for scrips on which derivative products are available or scrips included in indices on which derivative products are available) of 20% either ways for all other scrips.

BSE

The BSE was established in 1875. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from 19 August, 2005, the BSE has been incorporated and is now a company under the Companies Act.

Today, BSE is the world's foremost exchange in terms of the number of listed companies and the world's fifth in transaction numbers. The BSE switched over from an open outcry trading system to an online trading network in May 1995 and has today expanded this network to over 359 towns and cities in India. As of December 31, 2009, the BSE had 1,007 members, comprising 173 individual members, 811 Indian companies and 23 FIIs. Only a member of the BSE has the right to trade in the stocks listed on the BSE. As of December 31, 2009, there were 4,955 listed companies trading on the BSE and the estimated market capitalization of stocks trading on the BSE was Rs. 60,799 billion. In December 2009, the average daily turnover on the BSE was Rs. 46,706 million. As of December 2009, the BSE had 15,493 trader work stations spread over 332 cities.

NSE

The NSE was established by financial institutions and banks to provide nationwide on-line satellite-linked screen-based trading facilities with market makers and electronic clearing and settlement for securities including Government securities, debentures, public sector notes and units. Deliveries for trades executed "on-market" are exchanged through the National Securities Clearing Corporation Limited. NSE does not categorise shares into groups as in the case of BSE, except in respect of the trade-to-trade category.

On its recognition as a stock exchange under the SCRA in April 1993, the NSE commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on 1 January, 1996. The securities in the NSE 50 Index are highly liquid. As of December 31, 2009, there were 1,303 listed companies available for trading on the NSE and the estimated market capitalization of stocks trading on the NSE was Rs. 56,996 billion. In December 2009, the average daily turnover on the NSE was Rs. 139,480 million.

CSE

At the time of incorporation in 1908, the CSE had 150 members. Today the total membership has risen to more than 900, which contains several corporate and institutional members. The number of companies listed on the CSE is more than 3,500. The CSE has been granted permanent recognition by the Central Government with effect from April 14, 1980 under the relevant provisions of the Securities Contracts (Regulation) Act, 1956.

On February 26, 1997 the CSE replaced the old manual trading system with completely computerized on-line trading & reporting system known as C-STAR (CSE Screen Based Trading and Reporting). The computerized trading started initially with 101 "B" Group scrips. Subsequently with effect from March 7, 1997 the remaining "B" Group and all "Permitted Group" scrips were transferred on to the C-STAR systems. The CSE finally shifted the entire "A" Group scrips on the computerized system with effect from April 4, 1997. The current total membership of the CSE exceeds 900, and the number of companies listed on the CSE exceeds 3,500.

Stock Market Indices

S&P CNX NIFTY is a diversified 50 stocks index accounting for 22 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. S&P CNX NIFTY is owned and managed by India Index Services and Products Limited.

The two indices which are generally used in tracking the aggregate price movements on BSE are SENSEX and BSE 100 Index. The BSE Sensitive Index, or the SENSEX, consists of listed shares of thirty large market capitalization companies. The companies are selected on the basis of market capitalization, liquidity and industry representation. SENSEX was first compiled in 1986 with 1978-1979 as the base year. The BSE 100 Index (formerly the BSE National Index) contains listed shares of hundred companies including the thirty in SENSEX with 1983-1984 as the base year.

Internet-Based Securities Trading and Services

SEBI approved internet trading in January 2000. Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by the SEBI.

Trading Hours

Trading on the BSE and the NSE occurs from Monday through Friday, in the equity and equity derivative segments between 9:00 a.m. and 3:30 p.m. The BSE and NSE are closed on public holidays.

Trading Procedure

Electronic trading was introduced in India by NSE, which developed its technology in-house. The NSE introduced for the first time in India, fully automated screen based trading, which uses a modern, fully computerised trading system designed to offer investors across the length and breadth of the country a safe and easy way to invest. The NSE trading system called "National Exchange for Automated Trading" is a fully automated screen based trading system, which adopts the principle of an order driven market.

In order to facilitate smooth transactions, in 1995, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. The totally automated screen-based trading in securities has been put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothing settlement cycles and improving efficiency in back-office work.

Takeover Code

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the Takeover Code which prescribes certain thresholds or trigger points that give rise to these obligations, as applicable.

Any acquirer (meaning a person who, directly or indirectly, acquires or agrees to acquire equity shares or voting rights or control in a company, either by himself or with any person acting in concert) who acquires equity shares or voting rights that would entitle him to more than 5%, 10%, 14%, 54% or 74% of the equity shares or voting rights in a company (together with the company's equity shares or voting rights, if any, already held by such acquirer) is required to disclose at every stage the aggregate of his equity shareholding or voting rights in that company to the company and to each of the stock exchanges on which the company's equity shares are listed within two days of (i) the receipt of intimation of allotment of shares; or (ii) the acquisition of equity shares or voting rights, as the case may be. The company in turn is required to disclose such shareholding to each of the stock exchanges on which the company's equity shares are listed. The term “shares” has been defined under the Takeover Code to mean shares in the share capital of a company carrying voting rights and includes any other security which entitles a person to acquire shares with voting rights but does not include preference shares.

A person who, together with persons acting in concert with him, holds 15% or more but less than 55% of the equity shares or voting rights in any company is required to disclose any purchase or sale representing 2% or more of the equity shares or voting rights of that company (together with the aggregate shareholding after such acquisition or sale) to that company and stock exchanges on which the company's equity shares are listed within two days of the purchase or sale. Every person who holds more than 15% of the equity shares or voting rights in any company is required to make an annual disclosure of his holdings as on 31 March to that company within twenty one days from the financial year ending 31 March.

Promoters or persons in control of a company are also required to make an annual disclosure of their holding in a specified manner. The company is also required to make an annual disclosure of holdings of its promoters or persons in control within 30 days of a financial year ending March 31 for the respective year, as well as the record date of the company for the purposes of declaration of dividend, to each of the stock exchanges on which its equity shares are listed.

SEBI has recently amended the Takeover Code to make it mandatory for the promoters and promoter group of listed companies to disclose the creation and enforcement of a pledge on the equity shares held by such persons.

Without making a public announcement in accordance with the provisions of the Takeover Code an acquirer may not:

(i) acquire equity shares or voting rights which (taken together with the existing equity shares or voting rights, if any, held by him or by persons acting in concert with him) would entitle such acquirer to exercise 15% or more of the voting rights in a company;

(ii) if together with persons acting in concert with him, has acquired, in accordance with law, 15% or more but less than 55% of the shares or voting rights in a company, acquire, either by himself or through or with persons acting in concert with him, additional shares or voting rights that would entitle him to exercise more than 5% of the voting rights in any financial year; or

(iii) if together with persons acting in concert with him, has acquired, in accordance with law, 55% or more but less than 75% of the equity shares or voting rights in a company (or, where the company concerned had obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the SCRR, less than 90% of the shares or voting rights in the company) may not, either by itself or through persons acting in concert with it, acquire any additional equity shares or voting rights in the company.

Provided that an acquirer together with persons acting in concert may acquire additional shares or voting rights entitling him to up to 5% voting rights in a company without making a public announcement if (i) the acquisition is made through open market purchase on the stock exchanges or the increase in the shares or voting rights is pursuant to a buy-back of shares by the target company; and (ii) the post acquisition shareholding of the acquirer and persons acting in concert does not exceed 75%.

In addition, regardless of whether there has been any acquisition of equity shares or voting rights in a company, an acquirer cannot directly or indirectly acquire control over a company (for example, by way of acquiring the right to appoint a majority of the directors or to control the management or the policy decisions of the company) unless such acquirer makes a public announcement offering to acquire a minimum of 20% of the voting capital of the company.

The Takeover Code sets out the contents of the required public announcements as well as the minimum offer price. The minimum open offer price depends on whether the shares of the company are "frequently" or "infrequently" traded (as defined in the Takeover Code). In case the shares of the company are frequently traded, the offer price shall be the higher of:

(i) the negotiated price under the agreement for the acquisition of shares in the company;

(ii) the highest price paid by the acquirer or persons acting in concert with him for any acquisitions, including through an allotment in a public, preferential or rights issue, during the 26 week period prior to the date of public announcement; and

(iii) the average of the weekly high and low of the closing prices of the shares of the company quoted on the stock exchange where the shares of the company are most frequently traded during the 26 week period prior to the date of public announcement, or the average of the daily high and low of the prices of the shares as quoted on the stock exchange where the shares of the company are most frequently traded during the two weeks preceding the date of public announcement, whichever is higher.

The Takeover Code permits conditional offers as well as consequent delisting of the shares of a company and provides specific guidelines for the gradual acquisition of shares or voting rights. Specific obligations of the acquirer and the board of directors of the target company in the offer process have also been specified. Acquirers making a public offer are also required to deposit in an escrow account a percentage of the total consideration which will be forfeited in the event that the acquirer does not fulfill his obligations.

It has been clarified by SEBI on 6 August, 2009 that the acquisition of 5% by a person holding between 55% and 75% of the share capital of a company, without making a public announcement, is permitted subject to: (i) such shares may be acquired in one or more tranches, without any restriction on the time-frame within which the same can be acquired; (ii) shall be calculated by aggregating all purchases, without netting the sales; and (iii) consequent to such acquisition, the percentage of shareholding/ voting rights of the acquirer, together with persons acting in concert with him, shall not increase beyond 75% irrespective of the level of minimum public shareholding required to be maintained by the target company in terms of Clause 40A of the Listing Agreement.

Insider Trading Regulations

The Insider Trading Regulations, have been notified by SEBI to prevent insider trading in India. The Insider Trading Regulations prohibit an "insider" from dealing, either on his own behalf or on behalf of any other person, in the securities of a company listed on any stock exchange when in possession of unpublished price-sensitive information. The terms "unpublished" and "price sensitive information" are defined by the Insider Trading Regulations. The Insider Trading Regulations define an insider to mean any person who (i) is or was connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or (ii) has received or has had access to such unpublished price sensitive information.

Unpublished information means information which is not published by the company or its agents and is not specific in nature. The Insider Trading Regulations clarify that speculative reports in print or electronic media shall not be considered as published information. Price sensitive information means any information which relates directly or indirectly to a company and which if published, is likely to materially affect the price of securities of the company, such as the periodical financial results, intended declaration of dividends (both interim and final), issue of securities or buy-back of securities.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities associated with the securities market to establish an internal code of conduct to prevent insider trading and also to regulate disclosure of unpublished price-sensitive information within such entities so as to minimize misuse of such information. To this end, the Insider Trading Regulations provide a model code of conduct. Further, the Insider Trading Regulations specify a model code of corporate disclosure practices to prevent insider trading which must be implemented by all listed companies.

The Insider Trading Regulations require any person who holds more than 5% of the outstanding shares or voting rights in any listed company to disclose to the company the number of shares or voting rights held by such person on becoming such holder within two working days of:

(i) the receipt of intimation of allotment of shares; or

(ii) the acquisition of the shares or voting rights, as the case may be.

On a continuing basis, under the Insider Trading Regulations, any person who holds more than 5% of the shares or of the voting rights in any listed company is required to disclose to the company, the number of shares or voting rights held by him and any change in shareholding or voting rights, (even if such change results in the shareholding falling below 5%) if there has been change in such holdings from the last disclosure made, provided such change exceeds 2% of the total shareholding or voting rights in the company. Such disclosure is required to be made within two working days of:

(i) the receipt of intimation of allotment of the shares; or

(ii) the acquisition or the sale of the shares or voting rights, as the case may be.

The company in turn is responsible for disclosing such information to the stock exchanges within five days of receipt of such information.

Furthermore, all directors and officers of a listed company are required to disclose to the company the number of shares or voting rights held and positions taken by such person in such company within two working days of becoming a director or officer of such company. All directors and officers of a listed company are also required to make periodic disclosures of their shareholding in the company to the company and the stock exchange, as specified in the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended which provide for the formation of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, the company, the beneficial owners and the issuers. The depository system has significantly improved the operations of Indian securities markets.

Trading of securities in book-entry form commenced in December 1996. In January 1998, SEBI notified scripts of various companies for compulsory dematerialized trading by certain categories of investors such as foreign institutional investors and other institutional investors and has also notified compulsory dematerialized trading in specified scrips for all retail investors. SEBI has subsequently significantly increased the number of scrips in which dematerialized trading is compulsory for all investors.

SEBI has also provided that the issue and allotment of shares in initial public offerings and/or the trading of shares shall only be in electronic form, and the company gives an option to subscribers, shareholders or investors either to receive the security certificates or to hold the securities in book-entry form with a depository.

Transfers of shares in book-entry form require both the seller and the purchaser of the shares to establish accounts with depository participants registered with the depositories established under the Depositories Act. Upon delivery, the shares shall be registered in the name of the relevant depository in the company's books and this depository shall enter the name of the investor in its records as the beneficial owner, thus effecting the transfer of beneficial ownership. The beneficial owner shall be entitled to all rights and benefits of a shareholder and be subject to all liabilities in respect of his shares held by a depository. Every person holding equity shares of the company and whose name is entered as a beneficial owner in the records of the depository is deemed to be a member of the concerned company.

The Companies Act compulsorily provides that Indian companies making any initial public offerings of securities for or in excess of Rs. 100 million should issue the securities in dematerialized form.

Derivatives

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivative contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivative exchange or derivative segment of a stock exchange functions as a self-regulatory organization under the supervision of the SEBI. Derivative products have been introduced in a phased manner in India.

DESCRIPTION OF SHARES

Set forth below is certain information relating to the Company's share capital, including a brief summary of some of the provisions of the Company's Memorandum of Association and Articles of Association, the Companies Act and certain related legislation of India, all as currently in effect.

The following description of Shares is subject to and qualified in its entirety by the Company's Memorandum and Articles of Association and by the provisions of the Companies Act, which governs its affairs, and other applicable provisions of Indian law.

General

The authorized share capital of the Company is Rs. 1,000,000,000 comprising 1,000,000,000 equity shares of Re. 1 each.

The equity shares have been listed on the CSE since 1960, on the BSE since 1979, and on the NSE since 2003.

Division of shares

The Companies Act provides that a company may subdivide its share capital if so authorised by its articles of association, by an ordinary resolution passed in its general meeting.

The Articles of Association allows the Company, in its general meeting, to consolidate and divide or subdivide its shares or any of them.

Dividends

Under the Companies Act, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the members, who have the right to decrease but not to increase the amount of the dividend recommended by the board of directors. However, the board of directors is not obligated to recommend a dividend. The decision of the Board of Directors and shareholders of the Company may depend on a number of factors, including but not limited to the Company's profits, capital requirements and overall financial condition. According to the Articles of Association of the Company, the net profits of the Company, subject to the rights of holders of shares issued upon special conditions (if any), shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.

Under the equity listing agreement, listed companies are mandated to declare dividend on per share basis only. The directors may pay interim dividend to the members as, in their opinion, the position of the Company justifies. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders or those persons whose names are entered as beneficial owners in the record of the depository on the date specified as the "record date" or "book closure date."

No unpaid or unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of sections 205A of the Companies Act in respect of unpaid or unclaimed dividend. Where the Company had declared a dividend which has not been paid or claimed by the shareholders entitled to the payment of such dividend, the Company shall within seven days from the expiry of 30 days from declaration of such dividend open a special account in any scheduled bank called "Unpaid Dividend Account of Exide Industries Limited" and transfer to the same the amount that remains unpaid. Any dividend payments unclaimed by the shareholders for seven years from the date of disbursement is required to be deposited by the Company with the Investor Education and Protection Fund constituted by the Central Government, from where the amounts deposited can neither be claimed by the shareholders nor by the Company.

Under the Companies Act, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous Fiscal Years or out of both in compliance with the provisions of Companies (Declaration of Dividend out of Reserves) Rules, 1975. Under the Companies Act, a company may pay a dividend in excess of 10% of paid-up capital in respect of any year out of the profits of that year only after it has transferred to the reserves of the company a percentage of its profits for that year, ranging between 2.5% to 10% depending on the rate of dividend proposed to be declared in that year. The Companies Act further provides that if the profit for a year is insufficient, the dividend for that year may be declared out of the accumulated profits earned in previous years and transferred to reserves, subject to the following conditions: (i) the rate of dividend to be declared may not exceed the lesser of the average of the rates at which dividends were declared in the five years immediately preceding the year, or 10% of paid-up capital; (ii) the total amount to be drawn from the accumulated profits from previous years may not exceed an amount equivalent to 10% of paid-up capital and reserves and the amount so drawn is first to be used to set off the losses incurred in the financial year before any dividends in respect of preference shares or shares is paid; and (iii) the balance of reserves after withdrawals must not be below 15% of paid-up capital.

Capitalization of Reserves and Issue of Bonus Shares

The Company may capitalise the whole or part of the amount for the time being standing in credit of any of the Company’s reserve accounts or to the profit or loss account or available for distribution, upon recommendation of the Board of Directors.

The Company's Articles of Association provide that the Company may, in a general meeting, resolve that any monies, investments or other assets forming part of the undivided profits of the Company standing to the credit of the reserve fund, or any capital redemption reserve fund, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the share premium account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend.

In addition to permitting dividends to be paid out of current or retained earnings, the Companies Act permits a company to distribute an amount transferred from the general reserve or surplus in its profit and loss account to its shareholders in the form of bonus shares, which are similar to a stock dividend. The Companies Act also permits the issue of bonus shares from a share premium account. Bonus shares are distributed to shareholders in the proportion of the number of shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to guidelines issued by SEBI.

The relevant SEBI guidelines and regulations prescribe that no company shall, pending conversion of convertible securities, issue any shares by way of bonus unless similar benefit is extended to the holders of such convertible securities, through reservation of shares in proportion to such conversion. Further, as per the Companies Act, for the issuance of bonus shares a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption of such debentures. The bonus issue must be made out of free reserves built out of genuine profits or share premium account collected in cash only. The issuance of bonus shares must be implemented within two months from the date of approval by the board of directors, in the event such an issue requires prior shareholder approval.

Pre-Emptive Rights and Alteration of Share Capital

The Company in a general meeting may upon the recommendation of the Board of Directors resolve to capitalize the whole or any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution. The Companies Act and the Articles of the Company give the shareholders the pre-emptive right to subscribe for new shares in proportion to their respective existing shareholdings unless the shareholders elect otherwise by a special resolution. The offer must include: (a) the right, exercisable by the shareholders of record, to renounce the shares offered in favour of any person; and (b) the number of shares offered and the period of the offer, which may not be less than 15 days from the date of offer. If the offer is not accepted it is deemed to have been declined. The Board of Directors is authorised to distribute any new shares not purchased by the pre-emptive rights holders in the manner that it deems most beneficial to the company.

Preference shares

Preference share capital is that part of the paid-up capital of a company which fulfils both of the following requirements, namely:

(a) that in respect of dividends, it carries a preferential right to be paid a fixed amount or an amount calculated at a fixed rate; and

(b) that in respect of capital, it carries, on a winding-up of the company, a preferential right to be repaid the amount of the capital paid-up or deemed to have been paid-up subject to the provisions of the Companies Act. The preference shares do not confer any further rights to participate in the company's profits or assets. Holders of preference shares are not entitled to vote at general meetings of the company except where the dividend due on such capital has remained unpaid:

(i) in the case of cumulative preference shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and

(ii) in the case of non-cumulative preference shares, either in respect of a period of not less than two years or in respect of an aggregate period of not less than three years comprised in the six years ending with the expiry of the financial year immediately preceding the commencement of the meeting.

In any such case, however, the holders of preference shares have a right to vote only on those resolutions which directly affect the rights attached to their preference shares. Under the Companies Act, a company may issue redeemable preference shares if so authorised by the articles of association of the company. The Articles of Association of the Company give the Company the power to issue preference shares but the Companies Act lays down certain restrictions in relation to the issue and redemption of preference shares: (i) no such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; (ii) no such shares shall be redeemed unless they are fully paid; (iii) the premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the shares are redeemed; (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for Dividend, be transferred to a reserve fund, to be called the Capital Redemption Reserve Account, a sum equal to the nominal amount of the shares redeemed; and the provisions of the Companies Act relating to the reduction of the share capital of the Company shall, except as provided in the Companies Act, apply as if such reserve account were paid-up share capital of such company; (v) the redemption of preference shares by the company shall not be taken as reduction of share capital; and (vi) the Capital Redemption Reserve Account may be applied by the Company in paying up un-issued shares of the Company to be issued to the members as fully paid bonus shares. Preference shares must be redeemable before the expiry of a period of 20 years from the date of their issue.

General Meetings of Shareholders

In accordance with section 166 of the Companies Act, a company must hold its annual general meeting each year within 15 months of the previous annual general meeting or within six months after the end of each accounting year, whichever is earlier, unless extended by the Registrar of Companies at the request of the company for any special reason.

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting in accordance with section 171 of the

Companies Act. A general meeting may be called after giving shorter notice if consent is received from all shareholders at an AGM, or from shareholders holding not less than 95% of the paid-up capital of the company, at any other general meeting. The accidental omission to give notice of any meeting to or the non-receipt of any notice by the member or other person to whom it should be given shall not invalidate the proceedings at the meetings. The Articles of the Company provide that no business shall be transacted at any general meeting unless a quorum of members is present. Five members present in person shall constitute the quorum. If the quorum is not present within half an hour of the time appointed for a meeting, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned in accordance with provisions of sub-sections (3), (4) and (5) of Section 174 of the Companies Act.

Voting Rights

Every member present in person shall have one vote and on poll, the voting rights shall be as laid down in section 87 of the Companies Act, subject to any rights or restrictions for the time being attached to any class or classes of shares. The Articles of the Company provide that the holders of preference shares shall have no voting rights except on a resolution placed before the meeting which directly affects the rights attached to his preference shares.

The instrument appointing a proxy is required to be lodged with the company at least 48 hours before the time of the meeting. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the company at the office before the vote is given. Further no member shall be entitled to exercise any voting right personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid in regard to which the Company has exercised any right of lien.

Convertible securities / warrants

The Company may, subject to the provisions of the Articles, issue warrants, options or other documents entitling the holders thereof to subscribe to and be allotted equity shares, debentures and/or other securities of the Company at such price and on such terms and conditions as may be determined by the Board from time to time. Any debentures, debenture-stock or other securities may, subject to the other provisions of the Articles, be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only subject to the provisions of the Articles, and with the consent of the company in the general meeting.

Postal ballot

Under the provisions of the Companies Act, the Government has framed rules for listed companies for voting by postal ballot instead of transacting the business in a general meeting of the company, in the case of resolutions including resolutions for alteration of the objects clause in the company's memorandum of association, buy-back of shares, issue of shares with differential voting rights, a sale of the whole or substantially the whole of an undertaking of a company, giving loans and extending guarantees in excess of prescribed limits, for change of the registered office of the company in certain circumstances and for variation in the rights attached to a class of shares or debentures. The resolution passed by means of postal ballot shall be deemed to have been duly passed at a general meeting physically convened. A notice to all the shareholders has to be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the notice. Postal voting includes voting in electronic form.

Registration of Transfers and Register of Members

The Company is required to maintain a register of members wherein the particulars of the members of the Company are entered. For the purpose of determining the shareholders the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the board of directors may deem expedient in accordance with the provisions of the Companies Act. Under the listing agreements of the stock exchanges on which the Company's outstanding Shares are listed, the Company may, upon at least seven days' advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Directors

The Articles of the Company provide that the number of directors of the Company shall not be less than three and not be more than 16. The directors shall be appointed by the Company in the general meeting subject to the provisions of the Companies Act and the Articles of Association.

The Company may by ordinary resolution increase or reduce the number of its directors subject to the provisions of section 259 of the Companies Act. The directors have the power to appoint any other persons as an addition to the board of directors but any director so appointed shall hold office only up to the date of the next following annual general meeting of the Company but shall be eligible for re-election at such meeting. Subject to the provisions of section 313 of the Companies Act the board of directors shall also have the power to appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months. A director is not required to hold any qualification shares. Pursuant to the Companies Act, not less than two-thirds of the total numbers of directors shall be persons whose period of office is subject to retirement by rotation and one third of such directors, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office at every annual general meeting. The directors to retire would be those who have been the longest in the office since their last appointment.

Annual Report and Financial Results

The annual report must be laid before the annual general meeting of the shareholders of a company. This includes financial information about the company such as the audited financial statements as of the date of closing of the financial year, directors' report, management's discussion and analysis and a corporate governance section, and is sent to the shareholders of the company. Under the Companies Act, a company must file the annual report with the Registrar of Companies within 30 days from the date of the annual general meeting. As required under the listing agreements with the stock exchanges, copies are required to be simultaneously sent to the stock exchanges. The Company must also file its financial results in at least one English language daily newspaper circulating the whole or substantially the whole of India and also in a newspaper published in the language of the region where the registered office of the Company is situate. The Company files certain information on-line, including its Annual Report, financial statements and the shareholding pattern statement, in accordance with the requirements of the listing agreements and as may be specified by SEBI from time to time.

Transfer of shares

Following the introduction of the Depositories Act, and the repeal of Section 22A of the SCRA, which enabled companies to refuse to register transfer of shares in some circumstances, the equity shares of a public company became freely transferable, subject only to the provisions of Section 111A of the Companies Act. Since the Company is a public company, the provisions of Section 111A will apply to it. Furthermore, in accordance with the provisions of Section 111A(2) of the Companies Act, the Board may exercise their discretion if they have sufficient cause to do so. If the Board, without sufficient cause, refuse to register a transfer of shares within two months from the date on which the instrument of transfer or intimation of transfer, as the case may be, is delivered to the company, the shareholder wishing to transfer his, her or its shares may file an appeal with the CLB and the CLB can direct the company to register such transfer.

Pursuant to Section 111A(3), if a transfer of shares contravenes any of the provisions of the SEBI Act, or the regulations used thereunder or the SICA or any other Indian laws, the CLB may, on application made by the company, a depository, a participant, an investor or the SEBI, within two months from the date of transfer of any shares or debentures held by a depository or from the date on which the instrument of transfer or the intimation of the transmission was delivered to the company, as the case may be, after such inquiry as it thinks fit, direct the rectification of the register of records. The CLB may, in its discretion, issue an interim order suspending the voting rights attached to the relevant shares before making or completing its investigation into the alleged contravention. Further, the provisions of Section 111A do not restrict the right of a holder of shares or debentures to transfer such shares or debentures and any person acquiring such shares or debentures shall be entitled to voting rights unless the voting rights have been suspended by the CLB.

By the Companies (Second Amendment) Act, 2002, the CLB is proposed to be replaced by NCLT, which is expected to be set up shortly. All powers of the CLB would then be conferred on the NCLT. Further, the SICA is sought to be repealed by the Sick Industrial Companies (Special Provisions) Repeal Act, 2003. However, this Act has not yet been brought into force.

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownerships of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with NSDL and CDSL, and Integrated Enterprises (India) Limited are the registrars who maintain all records pertaining to physical transfer and transmission of shares and details of transfers and transmissions in electronic form through electronic connectivity with NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

Pursuant to the Listing Agreement, in the event the Company has not effected the transfer of shares within one month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

The Companies Act provides that the shares or debentures of a public listed company (such as the Company) shall be freely transferable. The Articles of Association provide for certain restrictions on the transfer of shares, including granting power to the Board, in certain circumstances, to refuse to register or acknowledge transfer of shares issued by the Company. However, the applicable case law suggests that *inter se* arrangements between shareholders of a company cannot bind a company in this regard and, therefore, the enforceability of such restrictions under the Companies Act may not be possible.

Acquisition by the Company of its own shares

A company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75 per cent of the shareholders present and voting on the matter and is also sanctioned by the High Court of the city where the registered office is situated. Moreover, subject to certain conditions, a company is prohibited from giving, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or its holding company.

Pursuant to the insertion of Section 77A into the Companies Act, a company has been empowered to purchase its own shares or other specified securities out of its free reserves, or the securities premium account or the

proceeds of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back) subject to certain conditions, including:
(i) the buy-back should be authorised by the articles of association of the company;
(ii) a special resolution has been passed in the general meeting of the company authorising the buy-back;
(iii) the buy-back is limited to 25 per cent. of the total paid-up capital and free reserves provided that the buy-back of equity shares in any financial year shall not exceed 25 per cent. of the total paid-up equity share capital in that year;
(iv) the ratio of debt owed by the company is not more than twice the capital and free reserves after such buy-back;
(v) all the shares or other specified securities for buy-back are fully paid-up; and
(vi) the buy-back is in accordance with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

The condition mentioned above in (ii) would not be applicable if the buy-back is for less than 10 per cent. of the total paid-up equity capital and free reserves of the company and provided that such buy-back has been authorised by the board. Further, a company buying back its securities is not permitted to buy back any securities for a period of 365 days reckoned from the preceding buy-back. The aforesaid restriction relating to the 365-day period does not apply to a buy-back authorised by a special resolution of the shareholders in general meeting. Moreover, a company is not permitted to issue new securities of the same kind as those bought back for six months from the buy-back date except by way of a bonus issue or in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares. Every buy-back shall be completed within 12 months from the date of passing the special resolution or a resolution passed by the Board, as the case may be. A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buy-back.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by trustees of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit or interest, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act.

The buy-back of securities can be from existing security holders on a proportionate basis or from the open market or from odd lots, that is to say, where the lot of securities of a public company, whose shares are listed on a recognised stock exchange, is smaller than such marketable lot, as may be specified by the stock exchange, or by purchasing securities issued to the employees of the company pursuant to a scheme of stock option or sweat equity.

Liquidation rights

Subject to the provisions of the Companies Act (including in particular the rights of employees, creditors, workmen, the requirement to pay statutory dues as contained in Sections 529A and 530 thereof) and the rights of the holders of any other shares entitled by their terms of issue to preferential repayment over the Shares, in the event of the winding-up of the Company, the holders of the shares are entitled to be repaid the amounts of capital paid-up or credited as paid-up on such shares or in case of shortfall proportionately. All surplus assets after payments due to workmen, statutory dues, the holders of any preference shares and other creditors belong to the holders of the equity shares in proportion to the amount paid-up or credited as paid-up on such shares respectively at the commencement of the winding-up.

The Articles of Association of the Company provide that on winding up (whether voluntary, under supervision or compulsory), the liquidator may, with the sanction of a special resolution and subject to the other provisions of the Articles, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company. The liquidator may also, with the like sanction, vest any part of the assets of the Company in trustees, upon such trusts for the benefit of the contributories, as the liquidator, with like sanction shall think fit.

Disclosure of ownership interest

Section 187C of the Companies Act requires beneficial owners of shares of Indian companies who are not holders of record to declare to that company the details of the holder of record and the holder of record to declare details of the beneficial owner. Any lien, promissory note or other collateral agreement created, executed or entered into with respect to any equity share by its registered owner, or any hypothecation by the registered owner of any equity share, shall not be enforceable by the beneficial owner or any person claiming through the beneficial owner if such declaration is not made. Failure by a person to comply with Section 187C will not affect the Company's obligation to register a transfer of shares or to pay any dividends to the registered holder of any shares in respect of which the declaration has not been made.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

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

Dear Sirs,

We hereby confirm that the enclosed annexure, prepared by Exide Industries Limited ('the Company'), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ('IT Act') and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the enclosed Annexure are not exhaustive. The preparation of the contents stated in the enclosed Annexure is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future; or

- the conditions prescribed for availing the benefits, where applicable have been/ would be met.

This report is intended solely for your information and the content of the Annexure in entirety are also intended for the inclusion in the Offer Document in connection with the proposed Qualified Institutions Placement (QIP) of the Company. The report is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Price Waterhouse & Co.
Chartered Accountants

Subhankar Sinha
Partner
Membership No: 053958

Place: Kolkata
Date: January 05, 2010

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME -TAX ACT, 1961 AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA

TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

- This Statement sets out below the possible tax benefits available to the Company and to the shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions;

- This Statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

- In respect of non-residents, the tax rates and the consequent taxation, mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and

- The stated benefits will be available only to the sole / first named holder in case the shares are held by joint shareholders.

(A) Tax Benefits available to the Company under the Income-tax Act, 1961 ("IT Act")

1. *Dividends exempt under Section 10(34) and 10(35) of the IT Act.*

Dividend (whether interim or final) received by the Company from its investment in shares of another domestic company would be exempted in the hands of the Company as per the provisions of Section 10(34) read with Section 115-O of the IT Act.

In terms of Section 10(35) of the IT Act, any income (other than income on transfer) received from:
- units of a Mutual Fund specified under Section 10(23D) of the IT Act; or
- units of Administrator of specified undertaking; or
- units of specified company

is exempt from tax.

2. *Computation of capital gains*

Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. All capital assets [except shares held in a company or any other security listed in a recognised stock exchange in India or units of Unit Trust of India ('UTI') or Mutual Fund units specified under Section 10(23D) of the IT Act or zero coupon bonds] are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or UTI or Mutual Fund units specified under Section 10(23D) of the IT Act or zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve (12) months.

As per the provisions of Section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. However, in respect of long-term capital gains arising to a company, a benefit is permitted to substitute the cost of acquisition/ improvement with the indexed cost of acquisition/ improvement. The indexed cost of acquisition/ improvement, adjusts the cost of acquisition/ improvement by a cost inflation index, as prescribed from time to time.

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising to the Company from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India or unit of an equity oriented fund, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 on a recognised Stock Exchange in India and the transaction is chargeable to Securities Transaction Tax ('STT').

As per the provisions of Section 112 of the IT Act, long-term capital gains [other than those covered under Section 10(38) of the IT Act] are subject to tax at a rate of 20% (plus applicable surcharge and cess). However, proviso to Section 112(1) specifies that if the long-term capital gains [other than those covered under Section 10(38) of the IT Act] arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and cess).

However, from Assessment Year 2007-08, such long-term capital gains will be included while computing book profits for the purpose of payment of Minimum Alternate Tax ("MAT") under the provisions of Section 115JB of the IT Act.

As per provisions of Section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented fund shall be taxable at the rate of 15% (plus applicable surcharge and cess), if such sale is entered into on or after October 1, 2004 and the transaction is chargeable to STT.

3. *Exemption of capital gain from income-tax*

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein capital gains arising to a company on transfer of a long-term capital asset [other than those covered under Section 10(38) of the IT Act] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of such capital gain is invested, the exemption shall be proportionately reduced and the balance will be subject to tax in the year of sale.

However, if the Company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year. The bonds specified for this Section are bonds issued on or after April 1, 2007 by National Highways Authorities of India (NHAI) and Rural Electrification Corporation Limited (REC). The IT Act has restricted the maximum investment in such bonds upto Rs. 50 lacs per assessee during any financial year.

4. *Shares held as stock-in-trade*

- Gains or losses arising on shares held as stock-in-trade would be chargeable to tax under the head 'Profits and Gains of Business or Profession'.
- In terms of Section 36(1)(xv) of the IT Act, STT paid in respect of taxable securities transactions entered into in the course of business during the year shall be deductible if the income arising from such taxable securities transactions is considered as business income.

5. *Securities Transaction Tax (STT)*

In terms of STT, transactions for purchase and sale of the taxable securities in the recognized stock exchange by the shareholder, will be chargeable to STT. As per the said provisions, any delivery based purchase and sale of an equity share in a company or units of the equity oriented fund through a recognized stock exchange is liable to STT @ 0.125% of the value payable by both buyer and seller individually.

The non-delivery based sale transactions are liable to STT @ 0.025% of the value payable by the seller.

6. *Deductions in computing business income*

Subject to fulfillment of conditions, the Company will be eligible, inter alia, for the following specified deductions in computing its business income:-

(a) Section 35(1)(i) and (iv) of the IT Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company;

(b) Subject to compliance with certain conditions laid down in Section 32 of the IT Act, the Company will be entitled to deduction for depreciation:

(i) In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income-tax Rules, 1962;

(ii) In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article of thing, a further sum of 20% of the actual cost of such machinery or plant;

(c) As per the provisions of Section 35DDA of the IT Act, any expenditure incurred in any previous year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, 1/5th of the amount so paid shall be deducted in computing the profits and gains of the business for that previous year, and the balance shall be deducted in equal installments for each of the four immediately succeeding previous year.

(d) Subject to fulfillment of certain conditions laid down in Section 80JJAA of the IT Act, 1961 the company will be entitled to deduction for 30% of the additional wages paid to the new regular workmen employed during the previous year. This deduction will be allowed for 3 assessment years, including the assessment year relevant to the previous year in which such employment is provided.

(B) Benefits to the Resident shareholders of the Company under the IT Act

1. Dividends exempt under Section 10(34) of the IT Act

Dividends (whether interim or final) received by a resident shareholder from investment in shares of a domestic company would be exempt in the hands of the resident shareholder as per the provisions of Section 10(34) read with Section 115-O of the IT Act.

However, the Company has to pay dividend distribution tax (DDT) on the amount of dividend declared, distributed or paid.

2. Computation of capital gains

Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. All capital assets [except shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under Section 10(23D) of the IT Act or zero coupon bonds] are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under Section 10(23D) of the IT Act or zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve (12) months.

As per the provisions of Section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. However, in respect of long-term capital gains arising to a resident shareholder, a benefit is permitted to substitute the cost of acquisition/ improvement with the indexed cost of acquisition/ improvement. The indexed cost of acquisition/ improvement, adjusts the cost of acquisition/ improvement by a cost inflation index, as prescribed from time to time.

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising to a resident shareholder from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India or unit of an equity oriented fund, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 on a recognised Stock Exchange in India and the transaction is chargeable to STT.

As per the provisions of Section 112 of the IT Act, long-term capital gains [other than those covered under Section 10(38) of the IT Act] are subject to tax at a rate of 20% (plus applicable surcharge and cess)*. However, proviso to Section 112(1) specifies that if the long-term capital gains [other than those covered under Section 10(38) of the IT Act] arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and cess)*.

As per provisions of Section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented fund shall be taxable @ 15% (plus applicable surcharge and cess)*, if such sale is entered into on or after October 1, 2004 and the transaction is chargeable to STT.

* *Note that surcharge will be applicable only in case of companies, having a total income exceeding Rs 1 crore.*

3. Exemption of capital gains arising from income tax

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein capital gains arising to a resident shareholder on transfer of a long-term capital asset [other than those covered under Section 10(38) of the IT Act] shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of such capital gain is invested, the exemption shall be proportionately reduced.

However, if the resident shareholder transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year. The bonds specified for this Section are bonds issued on or after April 1, 2007 by NHAI and REC. The IT Act has restricted the maximum investment in such bonds upto Rs 50 lacs per assessee during any financial year.

Further, as per the provisions of Section 54F of the IT Act and subject to conditions specified therein, long-term capital gains [other than capital gains arising on sale of residential house and those covered under

Section 10(38) of the IT Act] arising to an individual or Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempted from capital gains tax, if the net consideration from such shares are used for either purchase of residential house property within a period of one year before or two years after the date on which the transfer took place, or for construction of residential house property within a period of three years after the date of transfer.

4. Shares held as stock-in-trade

- Gains or losses arising on shares held as stock-in-trade would be chargeable to tax under the head 'Profits and Gains of Business or Profession'.
- In terms of Section 36(1)(xv) of the IT Act, STT paid in respect of taxable securities transactions entered into in the course of business during the year shall be deductible if the income arising from such taxable securities transactions is considered as business income.

5. STT

In terms of STT, transactions for purchase and sale of the taxable securities in the recognized stock exchange by the shareholder, will be chargeable to STT. As per the said provisions, any delivery based purchase and sale of an equity share in a company or a unit of an equity oriented fund through a recognized stock exchange is liable to STT @ 0.125% of the value payable by both buyer and seller individually.

The non-delivery based sale transactions are liable to STT @ 0.025% of the value payable by the seller.

(C) Benefits to the non-resident shareholders of the Company

1. Dividends exempt under Section 10(34) of the IT Act

Dividend (whether interim or final) received by a non-resident shareholder from its investment in shares of a domestic company would be exempt in the hands of the non-resident shareholder as per the provisions of Section 10(34) read with Section 115-O of the IT Act.

However, the Company has to pay dividend distribution tax (DDT) on the amount of dividend declared, distributed or paid.

2. Computation of capital gains

Capital assets are to be categorised into short-term capital assets and long-term capital assets based on the period of holding. All capital assets [except shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under Section 10(23D) of the IT Act or zero coupon bonds] are considered to be long-term capital assets, if they are held for a period exceeding thirty-six months. Shares held in a company or any other security listed in a recognised stock exchange in India or units of UTI or Mutual Fund units specified under Section 10(23D) of the IT Act or zero coupon bonds are considered as long-term capital assets, if these are held for a period exceeding twelve (12) months.

As per the provisions of Section 48 of the IT Act, the amount of capital gain shall be computed by deducting from the sale the consideration, the cost of acquisition and expenses incurred in connection with the transfer of a capital asset. Under first proviso to Section 48 of the IT Act, the taxable capital gains arising on the transfer of capital assets being shares or debentures of an Indian company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be done at the prescribed rates prevailing on dates stipulated. Hence, in computing such gains, the benefit of indexation is not available to nonresident shareholders.

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising to a non-resident shareholder from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004 on a recognised Stock Exchange in India and the transaction is chargeable to STT.

As per the provisions of Section 112 of the IT Act, long-term capital gains (other than those covered under Section 10(38) of the IT Act) are subject to tax at a rate of 20% (plus applicable surcharge and cess)*. However, proviso to Section 112(1) specifies that if the long-term capital gains [other than those covered under second proviso to Section 48 and under Section 10(38) of the IT Act] arising on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20% with indexation benefit exceeds the capital gains computed at the rate of 10% without indexation benefit, then such capital gains are chargeable to tax at the rate of 10% without indexation benefit (plus applicable surcharge and cess)*.

As per provisions of Section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented fund shall be taxable @ 15% (plus applicable surcharge and cess)*, if such sale is entered into on or after October 1, 2004 and the transaction is chargeable to STT.

**Note that surcharge will be applicable only in case of foreign companies, having a total income of more than Rs 1 crore.*

3. Exemption of capital gain from income-tax

As per the provisions of Section 54EC of the IT Act and subject to the conditions specified therein capital gains arising to a non-resident shareholder on transfer of a long-term capital asset (other than those covered under Section 10(38) of the IT Act) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of such capital gain is invested, the exemption shall be proportionately reduced.

However, if the non-resident shareholder transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year. The bonds specified for this Section are bonds issued on or after April 1, 2007 by NHAI and REC. The IT Act has restricted the maximum investment in such bonds upto Rs 50 lacs per assessee during any financial year.

Further, as per the provisions of Section 54F of the IT Act and subject to conditions specified therein, long-term capital gains (other than capital gains arising on sale of residential house and those covered under Section 10(38) of the IT Act) arising to an individual or HUF on transfer of shares of the Company will be exempted from capital gains tax, if the net consideration from such shares are used for either purchase of residential house property (subject to prior approval from Reserve Bank of India) within a period of one year before or two years after the date on which the transfer took place, or for construction of residential house property within a period of three years after the date of transfer.

4. Shares held as stock-in-trade

- Gains or losses arising on shares held as stock-in-trade would be chargeable under the head ‘Profits and Gains of Business or Profession’.
- In terms of Section 36(1)(xv) of the IT Act, STT paid in respect of taxable securities transactions entered into in the course of business during the year shall be deductible if the income arising from such taxable securities transactions is considered as business income.

5. STT

In terms of STT, transactions for purchase and sale of the taxable securities in the recognized stock exchange by the shareholder, will be chargeable to STT. As per the said provisions, any delivery based purchase and sale of an equity share in a company or a unit of an equity oriented fund through the recognized stock exchange is liable to STT @ 0.125% of the value payable by both buyer and seller individually.

The non-delivery based sale transactions are liable to STT @ 0.025% of the value payable by the seller.

6. Tax Treaty Benefits

As per Section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident shareholder. Thus, a non-resident shareholder can opt to be governed by the beneficial provisions of an applicable tax treaty.

7. Taxation of non-resident Indians

Non-resident Indian#, being shareholder of an Indian Company, has the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles him to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange.

(a) As per the provisions of Section 115E of the IT Act, income [other than dividend income which is exempt under Section 10(34) of the IT Act] from investments and long term capital gains from assets [other than specified asset## or long term capital gain exempt under Section 10(38) of the IT Act] shall be taxable @ 20% (plus applicable cess). No deductions under Chapter VI-A of the IT Act or in respect of any expenditure will be allowed from such income.

    As per Section 115E of the IT Act, long term capital gains [other than long term capital gains exempt under Section 10(38) of the IT Act] arising from transfer of specified asset## shall be taxable @ 10% (plus applicable cess).

(b) Under provisions of Section 115F of the IT Act, long-term capital gains [in cases not covered under Section 10(38) of the IT Act] arising to a non-resident Indian# from the transfer of shares of the Company subscribed to in convertible foreign exchange will be exempt from income tax, if the net consideration is reinvested in specified assets## within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced.

    For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

    Further, if the specified asset## or savings certificates in which the investment has been made is transferred within a period of three years from the date of investment, then the amount of capital gains tax exempted earlier would be chargeable to tax as long term capital gain in the year in which such specified asset## or savings certificates are transferred.

(c) Under provisions of Section 115G of the IT Act, non-resident Indians# are not required to file a return of income under Section 139(1) of the IT Act, if their only income is income from investment in the shares of the Company acquired or purchased with or subscribed to in convertible foreign exchange or long-term capital gains in respect of those assets or both, provided tax is deductible at source from such income as per the provisions of Chapter XVIIB of the IT Act.

(d) Under Section 115H of the IT Act, where the non-resident Indian# becomes assessable as a resident in India, such person may furnish a declaration in writing to the Assessing Officer, along with the return of income for that year under Section 139 of the IT Act to the effect that the provisions of the Chapter XII-A of the IT Act will continue to apply to such person in relation to the investment income derived from the specified assets## for that year and subsequent assessment years until such assets are converted into money.

(e) As per the provisions of Section 115I of the IT Act, a non-resident Indian# may elect not to be governed by the provisions of Chapter XII-A of the IT Act for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A of the IT Act shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

As per Section 115C(e) of the IT Act, non-resident Indian means an individual, being a citizen of India or a person of Indian origin who is not a resident as per the provisions of the Act.

As per Section 115C(f) of the IT Act, specified asset means shares in an Indian Company, debentures issued by an Indian Company which is not a private company, deposits with an Indian company which is not a private company, any security of the Central Government and such other assets as the Central Government may specify in this behalf by notification in the official Gazette.

(D) Benefits available to Foreign Institutional Investors (FII)

1. Dividends exempt under Section 10(34) of the IT Act

By virtue of Section 10(34) of the IT Act, income earned by way of dividend income (interim or final) from a domestic company referred to, in Section 115-O of the IT Act (i.e. dividends declared, distributed and paid on or after 1st April, 2003), are exempt from tax in the hands of the shareholders.

However, the Company has to pay dividend distribution tax (DDT) on the amount of dividend declared, distributed or paid.

2. Long term capital gains exempt under Section 10(38) of the IT Act.

As per the provisions of Section 10(38) of the IT Act, long term capital gain arising to the FII from transfer of a long term capital asset being an equity share in a company listed on a recognized stock exchange in India, shall be exempt from tax, if such sale is entered into on or after October 1, 2004, on a recognised Stock Exchange in India and the transaction is chargeable to STT.

3. Capital gains

As per the provisions of Section 115AD of the Act, FII's are taxed on the capital gains income at the following rates:

Nature of Income	**Rate of tax (%) ***
Long-term capital gains [not covered under Section 10(38) of the IT Act]	10
Short-term capital gains [under Section 111A of the IT Act]	15
Short-term capital gains	30

The benefits of foreign currency fluctuation protection and indexation as provided by Section 48 of the IT Act are not available to a FII.

As per provisions of Section 111A of the IT Act, short term capital gains arising from transfer of short term capital asset, being an equity share in a company or a unit of an equity oriented fund shall be taxable at the rate of 15%*, if such sale is entered into on or after October 1, 2004 through recognized stock exchange and is chargeable to STT.

If the income realized from the disposition of equity shares is chargeable to tax in India as 'business income', Business profits in the hands of FII may be subject to tax @ 30%* (other than foreign company)/ 40%* (in case of foreign company). However, the benefit of Double Taxation Avoidance Agreement (DTAA) can be examined in such a case.

**Plus applicable surcharge and cess. No surcharge will be levied in case the FII does not qualify as a foreign company.*

4. Shares held as stock-in-trade

- Gains or losses arising on shares held as stock-in-trade would be chargeable under the head 'Profits and Gains of Business or Profession'.
- In terms of Section 36(1)(xv) of the IT Act, STT paid in respect of taxable securities transactions entered into in the course of business during the year shall be deductible if the income arising from such taxable securities transactions is considered as business income.

5. STT

In terms of STT, transactions for purchase and sale of the taxable securities in the recognized stock exchange by the shareholder, will be chargeable to STT. As per the said provisions, any delivery based purchase and sale of an equity share in a company or a unit of an equity oriented fund through the recognized stock exchange is liable to STT @ 0.125% of the value payable by both buyer and seller individually.

The non-delivery based sale transactions are liable to STT @ 0.025% of the value payable by the seller.

6. Tax Treaty Benefits

As per Section 90(2) of the IT Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the FII. Thus, an FII can opt to be governed by provisions of the IT Act or the applicable tax treaty whichever is more beneficial.

(E) Benefits available to Mutual Funds

1. Dividend Income

Dividend income, if any, received by the shareholders from its investment in shares of a domestic Company will be tax exempt under Section 10(34) read with Section 115-O of the IT Act. As per the provisions of Section 10(23D) of the IT Act, any income of Mutual Funds registered with the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorized by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions.

However, the Company has to pay dividend distribution tax (DDT) on the amount of dividend declared, distributed or paid.

(F) Benefits available under the Wealth-tax Act, 1957 (Common to all)

Asset as defined under Section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

Notes:

1. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law.
2. The above statement of possible tax benefits are as per the current direct tax laws relevant for the Assessment Year 2010-11. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.
3. The Company has no unabsorbed losses or depreciation for carry forward to future years.
4. No assurance is given that the revenue authorities / courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as disclosed in the following paragraphs, neither the Company, and none of its respective property is subject to, any pending legal proceedings which the Company considers to be potentially material to its respective business. This section on Outstanding Litigations and Material Developments includes disclosures of (i) all criminal proceedings to which the Company is currently a party, and (ii) all civil proceedings in which the amount involved exceeds Rs. 10,000,000. Aggregate disputed amounts have been disclosed in respect of tax-related cases filed against the Company.

A. CRIMINAL CASES FILED AGAINST THE COMPANY

1. ***Maharashtra Pollution Control Board vs. Chloride India Limited.***

   Maharashtra Pollution Control Board filed this Criminal Complaint in the Court of the Chief Judicial Magistrate, Pune u/s 41, 43, 44, 45A, read with Section 24, 25, 26 and 33A of the Water (Prevention and Control of Pollution) Act, 1974. The cause of action is the alleged delay in upgradation of the effluent treatment plant at the Company's Chinchwad factory.

   Current Status: The Company has filed a criminal revisional application being Cr. No. 4799 of 2003 in the High Court at Bombay for quashing and staying the proceedings in this matter, and has obtained a stay thereof on October 21, 2004. The matter is currently pending.

   Amount involved: Not quantifiable.

2. ***Mithilesh Kumar Singh, Proprietor of M/s. Em Kay Enterprises of Ranchi, Jharkhand vs. (i) D.K. Verma, (ii) Alok Kumar Ghai, (iii) F.J. Guzdar, all of Standard Batteries Limited ("SBL") (iv) T.V. Ramanathan, and (v) Barun Das, both of Exide Industries Limited.***

   This criminal case was filed against the said persons for alleged offences under Sections 403, 406, 420, 468 and 120B of the Indian Penal Code, 1860. The cause of action is the alleged non-refund of security deposit of Rs. 1,000,000 furnished to SBL as the clearing and forwarding agent of M/s. Em Kay Enterprises.

   Current Status: The Company has filed a special leave petition being SLP No. 6500 of 2006 in the Supreme Court of India and has obtained a stay of the proceedings pending before the Ld. Judicial Magistrate, Ranchi on January 3, 2007. The matter is currently pending.

   Amount Involved: Not quantifiable.

3. ***Vipul Agrawal vs. 1. Exide Industries Limited, Kolkata through Mr. S B Raheja, Director, 2. Exide Industries Limited, New Delhi, through Mr. Sanjeev Sinha, Head Co-ordination and 3. Exide Industries Limited, Ghaziabad through Mr. Deep Das Gupta, Area Manager.***

   Mr. Vipul Agrawal filed this criminal complaint under Sections 406, 409, 420 and120B of the Indian Penal Code, 1860 in the Court of the Chief Judicial Magistrate, Ghaziabad. The cause of action is that the Company allegedly did not supply batteries despite receipt of Rs. 1,515,000 through demand drafts.

   Current Status: The Company has filed a criminal revisional application being Cr No. 6085 of 2009 in the High Court at Allahabad for quashing and staying of the proceedings in this matter and has obtained a stay thereof on March 17, 2009. The matter is currently pending.

   Amount involved: Not quantifiable.

4. ***State vs. Mr Subir Roy, Assistant Manager-Projects, Exide Industries Limited***

This complaint has been filed before the Learned Municipal Magistrate, Kolkata against Mr. Subir Roy, Assistant Manager-Projects of the Company under Section 401A of the Kolkata Municipal Corporation Act, 1980. The cause of action is the alleged unauthorised construction at 6A Hatibagan Road, Entally, Kolkata 700 014, in contravention of the above Act.

Current Status: The Company has filed a criminal revisional application being Cr. No. 1327 of 2008 in the High Court at Calcutta for quashing and staying of the proceedings in the complaint filed before the Municipal Magistrate and has obtained a stay thereof on May 2, 2008. The matter is currently pending.

Amount involved: Not quantifiable.

5. ***State of Maharashtra through Government Labour Officer & Inspector under the Contract Labour (Regulation & Abolition) Act, 1970 vs. 1. Exide Industries Limited, Taloja, 2. Mr. A L Chhabriya, and 3. Mr. S Chand.***

State of Maharashtra through Government Labour Officer & Inspector under the Contract Labour (Regulation & Abolition) Act, 1970 filed this criminal complaint under Sections 9(a) and 21(4) of the Contract Labour (Regulation & Abolition) Act, 1970 and rules 18(3) and 61(1) of the Rules made thereunder. The cause of action is that the Company as the principal employer allegedly employed contract labour without registration, and did not apply for registration in the prescribed format at its Taloja factory. Summons dated June 15, 2009 was issued by the Ld. Judicial Magistrate First Class, Panvel.

Current Status: The Company has filed Criminal Writ Petition No. 2426 of 2009 in the High Court at Bombay for quashing and staying of the proceedings in the trial court. The matter is currently pending.

Amount involved: Not quantifiable.

6. ***State of Uttar Pradesh vs. Sunil Agarwal, Area Manager & Branch in-charge, Exide Industries Limited, Lucknow***

A complaint was filed by the State of Uttar Pradesh through the Labour Commissioner, Lucknow under Sections 28 and 29 of the Payment of Bonus Act, 1965 and the Rules made thereunder. The cause of action is alleged non-compliance with the above-mentioned Act and Rules by the Company. The Chief Judicial Magistrate, Lucknow took cognizance of the complaint vide order dated April 18, 2007.

Current Status: The Company has filed a criminal revisional application being Cr No. 2210 of 2008 in the High Court at Allahabad, Lucknow Bench, for quashing and staying of the proceedings in this matter and has obtained a stay thereof on June 25, 2008. The matter is currently pending.

Amount involved: Not quantifiable.

7. ***State of Orissa vs. Sumantra Mazumdar, Area Manager and Branch-in-Charge, Exide Industries Limited, Bhubaneswar***

FIR filed by Khordha Town Police Station being Case No. 292 of 2009 corresponding to G R Case No. 956 of 2009 pending before Ld Sub-Divisional Judicial Magistrate, Khurda against Sumantra Mazumdar, Area Manager Bhubaneswar of the Company.

State of Orissa through Kalu Charan Behera, Sergeant of Police, M. V. Section, R. O. Khordha filed a first information report on September 4, 2009 with Khordha Town Police Station, Khordha, Orissa. The cause of action is that the Company has allegedly not supplied seven batteries after receiving a sum of Rs. 35,842 from Orissa Police Motor Transport, Cuttack.

Current Status: Mr. Sumantra Mazumdar filed an application for anticipatory bail in the Orissa High Court and obtained the same on October 14, 2009. Mr. Mazumdar thereafter appeared before the Court of the Ld. Sub-Divisional Judicial Magistrate, Khurda on October 19, 2009 and obtained regular bail. The matter is currently pending.

Amount involved: Not quantifiable.

B. CIVIL CASES FILED AGAINST THE COMPANY

1. ***In the matter of: M/s. JVC Industrial Corporation (complainant no. 1) & Univolt Electro Devices Pvt. Ltd. (complainant no. 2), vs. Exide Industries Limited, respondent.***

   JVC Industrial Corporation and Univolt Electro Devices Pvt. Ltd. have filed the above applications before the erstwhile Monopolies & Restrictive Trade Practices Commission (MRTP Commission) *inter alia* praying that the Company be directed to pay Rs. 64,000,000 towards damages suffered by them due to alleged illegal termination of dealership. They have also filed a summary suit against the Company before the Court of the District Judge at Delhi on the same cause of action praying for a decree of Rs. 463,940.

   Current status: The application before the MRTP Commission has since been transferred to the Competition Commission and is yet to be taken up for hearing. The summary suit is pending before the Court of District Judge at Delhi

   Amount involved: Rs. 64,463,940.

C. TAX CASES FILED AGAINST THE COMPANY

1. **Sales Tax:** The Company is involved in 86 Sales Tax disputes for its units under the applicable local Sales Tax and the Central Sales Tax as of December 31, 2009, inter alia, pertaining to assessment of dues, disputes relating to octroi, rejection of Form C and local forms, late payment of tax, seizure case, scrap purchase, late filing of return, sales enhancement and pending forms. Such disputes are pending, *inter alia*, before the Appellate Tribunal, Tax Tribunal, Assessment Authority and Civil Court at various stages. The aggregate disputed amount as on December 31, 2009 is Rs. 174,959,000.

2. **Excise Duty:** The Company is involved in 47 Excise Duty disputes for its units, pertaining, *inter alia*, to disallowance of Cenvat, valuation dispute, wrong credit availment, erroneous refund etc. Such disputes are pending hearing and/or adjudication, inter alia, before the Joint Commissioner, CESTAT, Commissioner (Appeals), Deputy Commissioner, Addl. Commissioner. The aggregate disputed amount as on December 31, 2009 is Rs. 78,749,000.

3. **Income Tax:** The Company is involved in two Income Tax disputes for the assessment year 2005-2006, pertaining, *inter alia*, to refund due, re-assessment proceedings, improper adjustment of minimum alternate tax credit and various disallowances, inter alia, before the Hon'ble High Court at Calcutta, the Assessment Authority and the Income Tax Appellate Tribunal. The aggregate disputed amount as on December 31, 2009 is Rs. 10,672,000.

D. DETAILS OF PAST PENALTIES IMPOSED ON THE COMPANY OR ANY OF THE DIRECTORS OF THE COMPANY.

There have been no instances in the past of any significant penalties that have been imposed on the Company or the Company's Directors by any statutory authorities.

E. CASES FILED BY OR AGAINST THE PROMOTER OF THE COMPANY

There are no litigations against the Promoter of the Company.

F. CASES FILED BY OR AGAINST VENTURES PROMOTED BY THE PROMOTER OF THE COMPANY

As on date there are no cases filed by or against ventures promoted by the Promoter of the Company.

GENERAL INFORMATION

1. The Company was incorporated on January 31, 1947 as Associated Battery Makers (Eastern) Limited under the Indian Companies Act, 1913 with registration number 14919 of 1947. With the repeal of the Indian Companies Act, 1913 the Company is an "existing company" under the Companies Act, 1956. The name of the Company was changed to Chloride India Limited w.e.f. August 2, 1972, then to Chloride Industries Limited w.e.f October 12, 1988, and to its existing name w.e.f. August 25, 1995.

2. The Company's Registered Office is located at Exide House, 59E Chowringhee Road, Kolkata – 700 020, West Bengal, India. The Company is registered with the Registrar of Companies, West Bengal, Kolkata under CIN L31402WB1970PLC014919.

3. The Issue was authorised and approved by the Board of Directors on November 18, 2009 and approved by the shareholders via postal ballot on January 2, 2010.

4. The Company has applied for in-principle approval to list the Equity Shares on the NSE, BSE and the CSE.

5. Copies of the Memorandum and Articles of Association of the Company will be available for inspection during usual business hours on any working day between 10.00 A.M. to 1.00 P.M. (except Saturdays, Sundays and public holidays) at the Company's Registered Office.

6. The Company has obtained all consents, approvals and authorizations required in connection with this Issue.

7. There has been no material change in the Group's financial or trading position since March 31, 2009, the date of the latest reformatted consolidated financial statements included in this Placement Document, except as disclosed herein.

8. Except as disclosed in this Placement Document, there are no litigation or arbitration proceedings against or affecting the Company or its assets or revenues, nor is the Company aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of the Issue.

9. The Company's statutory auditors are S. R. Batliboi & Co., Chartered Accountants, who have audited the consolidated financial statements of the Company as of and for the years ended March 31, 2007, 2008 and 2009. S. R. Batliboi & Co., Chartered Accountants have also carried out a limited review on the Company's unaudited non-consolidated financial statements for the nine month periods ending December 31, 2008 and 2009 in accordance with SRE 2400 issued by ICAI.

10. The Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the listing agreements with the Stock Exchanges.

The Floor Price for the Issue is Rs. 107.86 per Equity Share, calculated in accordance with Chapter VIII of the SEBI Regulations.

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FINANCIAL STATEMENTS

EXAMINATION REPORT ON THE REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED MARCH 31, 2009, 2008, AND 2007

To
The Board of Directors
Exide Industries Limited
Exide House
59E, Chowringhee Road
Kolkata 700 020
India

Dear Sirs,

1. We have examined the Reformatted Audited Consolidated Financial Statements (the **"Reformatted Statements"**) of Exide Industries Limited (the **"Company"**) along with its subsidiaries (hereinafter collectively referred to as the **"Group"**) as at and for the years ended March 31, 2009, March 31, 2008 and March 31,2007 annexed to this report for the purposes of inclusion in the Placement Document prepared by the Company in connection with the Qualified Institutions Placement (**"QIP"**) of its equity shares in accordance with the provisions of Chapter VIII of the Securities and Exchange Board of India ("Issue of Capital and Disclosure Requirements") Regulation, 2009. The preparation of these Reformatted Statements is the responsibility of the Company's management. Our responsibility is to report on such statements based on our procedures.
2. We have examined the Reformatted Statements, prepared by the Company based on the Audited Consolidated Financial Statements, and approved by the Board of Directors, in accordance with the requirements of:

    a. The Securities and Exchange Board of India ("Issue of Capital and Disclosure Requirements") Regulation, 2009;

    b. The (Revised) Guidance Note on Reports in Company Prospectuses issued by Institute of Chartered Accountants of India.

3. We report that the figures disclosed in such Reformatted Statements have been extracted by the Management from the Audited Consolidated Financial Statements of the Group as at and for each of the years ended March 31, 2009, March 31, 2008 and March 31, 2007, approved by the Board of Directors, which has been audited by us and in respect of which we have issued audit opinions dated April 27, 2009, June 12, 2008 and June 16, 2007 respectively to the Board of Directors of the Company.

4. For the purpose of our audit of the consolidated financial statements of the Group for the years ended March 31, 2009, March 31, 2008 and March 31, 2007, we have placed reliance on the financial statements of the Company's subsidiaries for the years ended March 31, 2009, March 31, 2008 and March 31, 2007, which have been audited and reported upon by other auditors. The financial statements of these subsidiaries reflect total assets of Rs. 2,427.7 Million, Rs 1,896.4 Million and Rs. 1,070.9 Million representing 10.38 %, 8.67 % and 6.88% of the Group's total assets as at March 31, 2009, March 31, 2008 and March 31, 2007 respectively and total revenues of Rs. 8,493.5 Million, Rs 3,008.0 Million and Rs. 1,846.4 Million representing 20.00 %, 9.54 % and 8.94 % of the Group's total revenues and cash flows of Rs. (31.4) Million, Rs 34.0 Million and Rs. 10.6 Million representing (10.06) %, 87.50 % and (7.14)% of the Group's Cash Flows respectively for each of the years ended on those dates. We also did not audit the financial statements of certain associate Companies for the year ended March 31, 2009, March 31, 2008 and March 31, 2007, whose share of losses attributable to the Group are Rs. 995.9 Million, Rs. 953.5 Million and Rs. 887.5 Million for the respective years. The reports of the other auditors have been furnished to us, and

our opinion, insofar as it relates to the amounts included in respect of the subsidiaries and the associates is based solely on the reports of the other auditors.

5. In the presentation of the Reformatted Statements based on the audited consolidated financial statements as referred to in paragraphs 3 and 4 above, no adjustments have been made for any events occurring subsequent to the dates of the audit reports specified herein.

6. As stated in our audit reports referred to in paragraph 3 above, we conducted our audit in accordance with the auditing standards generally accepted in India to enable us to issue an opinion on the General Purpose Financial Statements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

7. Our audits referred to in paragraph 3 above were carried out for the purpose of certifying the General Purpose Financial Statements taken as a whole. For none of the periods referred to in paragraph 3 above, did we perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

8. We report that the consolidated financial statements of the Group as at and for each of the years ended March 31st, 2009, March 31st, 2008 and March 31st, 2007 have been prepared by the Management of the Company 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.

9. We have not audited any consolidated financial statements of the Group as of any date or for any period subsequent to March 31st, 2009. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31st, 2009.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. These Reformatted Financial Statements, being special purpose financial statements, are presented in a form decided by the management and does not necessarily conform to the requirements of either the Companies Act, 1956 or Accounting Standards in India.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this be construed as a new opinion on any of the financial statements referred to herein.

13. This report is intended solely for your information and for inclusion in the documents prepared in connection with the proposed issue of equity shares to qualified institution bidders by the Company and is not to be used, referred to or distributed for any other purpose, without our prior written consent.

For S.R.Batliboi & Co.
Chartered Accountants

Per R K Agrawal
Partner
Membership No. 16667

Place: Kolkata
Date: 16th January, 2010

EXIDE INDUSTRIES LIMITED
Reformatted Audited Consolidated Balance Sheet as at 31st March, 2009, 2008 and 2007

(Rs. in Million)

	Schedule	31.03.2009	31.03.2008	31.03.2007
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	`1'	800.0	800.0	750.0
Reserves and Surplus	`2'	9,128.9	7,666.3	4,958.9
		9,928.9	**8,466.3**	**5,708.9**
Loan Funds	`3'			
Secured Loans		2,207.7	2,959.3	2,947.1
Unsecured Loans		1,402.7	801.3	468.3
		3,610.4	**3,760.6**	**3,415.4**
Minority Interest	`4'	178.3	80.5	72.0
Deferred Tax Liability (net)	`5'	434.9	496.0	448.5
TOTAL		**14,152.5**	**12,803.4**	**9,644.8**
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	`6'	13,917.8	11,778.8	9,889.1
Less: Accumulated Depreciation /Amortisation		6,181.4	5,661.7	5,015.3
Net Block		7,736.4	6,117.1	4,873.8
Add: Capital Work-in-Progress including Capital Advances		197.7	471.4	334.8
		7,934.1	**6,588.5**	**5,208.6**
Investments	`7'	**2,756.3**	**2,562.0**	**2,378.1**
Deferred Tax Asset (refer note no "III'u'(ii)" on schedule"25")		**3.1**	**2.1**	**2.5**
Current Assets, Loans And Advances				
Inventories	`8'	5,242.4	6,403.8	4,242.5
Sundry Debtors	`9'	2,657.4	2,917.7	1,777.4
Cash and Bank Balances	`10'	389.6	76.7	37.8
Loans and Advances	`11'	473.5	467.5	295.1
		8,762.9	**9,865.7**	**6,352.8**
Less:				
Current Liabilities And Provisions				
Current Liabilities	`12'	4,182.6	5,106.1	3,389.0
Provisions	`13'	1,121.3	1,108.8	908.2
		5,303.9	**6,214.9**	**4,297.2**
Net Current Assets		3,459.0	3,650.8	2,055.6
TOTAL		**14,152.5**	**12,803.4**	**9,644.8**
Significant Accounting Policies and Notes on Accounts	'25'			

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

As per our examination report of even date.

S. R. Batliboi & Co.,
Chartered Accountants,

Per R.K.Agrawal
Partner
Membership No 16667

Kolkata, 16th January 2010 Secretary Directors

EXIDE INDUSTRIES LIMITED
Reformatted Audited Consolidated Profit and Loss Account for the years ended 31st March, 2009, 2008 and 2007

(Rs. in Million)

INCOME	Schedule	2008-09	2007-08	2006-07
INCOME				
Gross Sales	`14'	43,440.1	37,575.5	24,967.0
Less: Excise Duty		5,452.1	4,626.7	3,026.9
: Sales Tax, Value Added Tax & Octroi		3,939.3	3,150.5	2,131.8
Net Sales		**34,048.7**	**29,798.3**	**19,808.3**
Other Income	`15'	58.7	79.2	69.2
		34,107.4	**29,877.5**	**19,877.5**
EXPENDITURE				
(Increase)/ Decrease in Stocks	`16'	115.3	(1,013.2)	(976.2)
Materials Consumed	`17'	20,042.8	19,007.4	12,582.1
Purchase of Trading Goods		1,392.8	1,510.4	457.3
Personnel Costs	`18'	2,010.8	1,718.3	1,429.4
Expenses	`19'	4,715.9	3,705.7	3,137.7
Interest and Finance Costs	`20'	587.4	410.1	293.2
Depreciation /Amortisation	`21'	719.6	640.3	558.6
		29,584.6	**25,979.0**	**17,482.1**
PROFIT BEFORE TAX		**4,522.8**	**3,898.5**	**2,395.4**
Taxation (net)	`22'	1,578.9	1,281.6	815.0
PROFIT AFTER TAX		**2,943.9**	**2,616.9**	**1,580.4**
Less: Minority Interest		33.1	19.7	10.5
Less: Share of Loss of Associate Companies		995.9	953.6	884.5
NET PROFIT		**1,914.9**	**1,643.6**	**685.4**
Balance brought forward		799.6	53.7	33.2
PROFIT AVAILABLE FOR APPROPRIATION		**2,714.5**	**1,697.3**	**718.6**
APPROPRIATIONS				
General Reserve		1,862.1	523.1	357.5
Interim Dividend		320.0	-	-
Tax on Interim Dividend		54.4	-	-
Final Dividend		162.7	320.0	262.5
Tax on Final Dividend		26.9	54.6	45.0
Balance Carried Forward		288.4	799.6	53.6
		2,714.5	**1,697.3**	**718.6**
Earnings per Share (EPS):				
Basic & Diluted- (Nominal Value Per Share Re 1)	Rs	2.4	2.2	0.9
(Refer note no "III 'v'" on schedule"25")				
Significant Accounting Policies and Notes on Accounts	'25'			

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

As per our examination report of even date.
S. R. Batliboi & Co.,
Chartered Accountants

Per R.K. Agrawal
Partner
Membership No 16667

Kolkata, 16th January 2010 Secretary Directors

EXIDE INDUSTRIES LIMITED

Reformatted Audited Consolidated Cash Flow for the years ended 31st March 2009, 2008 and 2007

(Rs. in Million)

		2008-09	2007-08	2006-07
(A) CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		**4,522.8**	**3,898.5**	**2,395.4**
Adjustment for :				
Depreciation		719.6	640.3	558.6
Profit on Fixed Assets sold/discarded		(25.2)	(33.6)	(5.8)
Loss on Fixed Assets sold / discarded		8.4	0.7	-
Profit on sale of Investments		-	(18.8)	(24.7)
Provision for Diminution in Value in Investments		10.2	0.1	-
Provision for Doubtful Loans and Advances		25.8	-	-
Dividend Income		(7.3)	(4.5)	(22.4)
Interest Expense		469.4	420.5	301.5
Interest Income		(10.5)	(10.3)	(8.3)
Unrealised (Gain)/Loss on Foreign Exchange		128.3	(40.3)	(5.9)
Rent Income		-	-	(1.8)
Operating profit before working capital changes		**5,841.5**	**4,852.6**	**3,186.6**
(Increase)/Decrease in Sundry Debtors(net of provision)		260.3	(1,140.3)	37.0
(Increase) / Decrease in Inventories		1,161.4	(2,161.3)	(1,599.1)
(Increase) / Decrease in Loans & Advances		(26.3)	(171.4)	(0.2)
Increase / (Decrease) in Trade Payables		(775.8)	1,633.2	1,096.3
Cash generation from operations		6,461.1	3,012.8	2,720.6
Direct Taxes Paid (net of refund)		(1,456.0)	(1,230.3)	(846.9)
Net Cash from operating activities		**5,005.1**	**1,782.5**	**1,873.7**
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		(1,790.4)	(1,627.2)	(1,084.2)
Sale of Fixed Assets		44.9	44.1	44.6
Sale of Investments		-	18.8	50.0
Acquisition of Shares		(959.1)	(1,372.7)	(1,005.0)
Purchase of Mutual Funds		(1,250.0)	(950.0)	(1,965.0)
Sale of Mutual Funds		700.0	950.0	1,965.0
Interest Received		9.8	6.7	8.5
Dividend received		4.3	4.5	22.4
Rent received		-	-	1.8
Net Cash used in investing activities		**(3,240.5)**	**(2,925.8)**	**(1,961.9)**
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Long Term Borrowings		601.5	343.5	1,159.2
Repayment of Long Term Borrowings		(1,010.0)	(20.6)	(997.8)
Net increase/(decrease) in other borrowings		130.0	62.3	289.8
Net Proceeds from Rights Issue		-	1,485.8	-
Dividends Paid (including tax)		(743.9)	(307.4)	(257.2)
Interest Paid		(450.5)	(394.7)	(258.3)
Net Cash used in financing activities		**(1,472.9)**	**1,168.9**	**(64.3)**
Net increase / (decrease) in cash and cash equivalents		291.7	25.6	(152.5)
Effect of Foreign Currency Translation		21.2	13.3	3.5
Cash and cash equivalents as at 1st April #		76.7	37.8	186.8
Cash and Cash Equivalents as at 31st March #		**389.6**	**76.7**	**37.8**

as disclosed in Schedule 10" Note:
Closing Cash and cash equivalents includes Rs. 17.0 mil., Rs. 11.9 mil., Rs. 11.2 mil. as at 31st March 2009, 2008 and 2007, respectively, lying in designated account with a Scheduled Bank on account of Unclaimed Dividend, which are not available for use by the Company.

As per our examination report of even date.

S. R. Batliboi & Co.

Chartered Accountants

Per R.K. Agrawal
Partner
Membership No 16667
Kolkata,16th January 2010

Secretary Directors

EXIDE INDUSTRIES LIMITED
Schedules forming a part of the Reformatted Audited Consolidated Balance Sheet

SCHEDULE '1' SHARE CAPITAL

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Authorised			
1,000,000,000 Equity Shares (Par value Re 1)	1,000.0	1,000.0	1,000.0
Issued, Subscribed and paid up			
800,000,000 Equity Shares fully paid up (Par value Re 1) *	800.0	800.0	750.0
	800.0	**800.0**	**750.0**

* The above 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. (Refer note nos III "f" and "g" on schedule"25")

SCHEDULE '2' RESERVES AND SURPLUS

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Revaluation Reserve -			
Balance as per Last Account	451.3	460.7	534.6
Add: On revaluation of assets during the year	115.9	57.9	-
Less: Adjustment towards assets sold/discarded	(12.0)	(23.5)	(26.5)
Less: Transfer to Depreciation Account	(38.1)	(43.8)	(47.4)
	517.1	**451.3**	**460.7**
Securities Premium Account			
Balance as per Last Account	2,131.6	695.8	695.8
Add: Amount received on right issue of shares	-	1,450.0	-
Less: Right Issue Expenses Adjusted	-	(14.2)	-
	2,131.6	**2,131.6**	**695.8**
General Reserve			
Balance as per Last Account	4,253.7	3,732.5	3,381.8
Add: Transfer from Profit & Loss Account	1,862.1	523.2	357.5
Less: Issue of Bonus Shares by Caldyne Automatics Limited	(18.0)	-	-
Less: Adjustment towards AS 15 (revised)	-	(2.0)	(6.8)
	6,097.8	**4,253.7**	**3,732.5**
Capital Reserve			
Balance as per Last Account	10.9	10.9	10.9
Add: Arisen on issue of Bonus Shares by Caldyne Automatics Limited	18.0	-	-
Add: Share of loss in CEIL Motive Power Pty Limited, Australia *	24.6	-	-
	53.5	**10.9**	**10.9**
Foreign Currency Translation Reserve	40.5	19.2	5.4
Profit & Loss Account Balance	288.4	799.6	53.6
	9,128.9	**7,666.3**	**4,958.9**

* Represents the share of loss in the CEIL Motive Power Pty Limited, Australia, an Associate Company, since the relevant investment has been fully provided for.

SCHEDULE ‘3’ LOAN FUNDS

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
SECURED			
Term Loans -			
Hongkong & Shanghai Banking Corporation Ltd	-	500.0	500.0
Citi Bank N.A. (a)	1,000.0	1,500.0	1,500.0
HDFC Bank	-	10.0	20.0
Equipment / Vehicle term Loan -			
Kotak Mahindra bank (b)	4.6	-	-
Bank Overdraft (c)	1,203.1	949.3	925.9
Hire Purchase Contract	-	-	1.2
(A)	**2,207.7**	**2,959.3**	**2,947.1**
UNSECURED			
Sales tax loan from West Bengal Industrial Development Corpn Limited	-	-	3.6
Sales tax loan from Small Industries Promotion Council of Tamil Nadu	654.4	589.8	464.7
Sales tax deferral scheme	27.1	27.1	-
Term loan from Bank of America NA	500.0	184.4	-
Term loan from Standard Chartered Bank	221.2	-	-
(B) *	**1,402.7**	**801.3**	**468.3**
(A)+(B)	**3,610.4**	**3,760.6**	**3,415.4**

* Includes repayable within one year Rs 531.1 mil., Rs Nil and Rs 10.6 mil. as at 31st March 2009,2008 and 2007, respectively.

Securities

(a) Secured by hypothecation of Plant and Machinery, Moulds and other movable assets of the Company located at its various factories.

(b) Secured by vehicles/equipments purchased under the facility.

(c) Secured by hypothecation of stocks & book debts, both present and future. The borrowings in case of certain subsidaries are further secured by a charge on their respective immovable properties.

SCHEDULE ‘4’ MINORITY INTEREST

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Balance of equity as on acquisition date	42.6	46.1	46.1
Less: On acquisition of entire stake in Caldyne Automatics Ltd.	-	(3.5)	-
Add: On acquisition of Leadage Alloys India Ltd.	70.0	-	-
Add: Movement in equity from acquisition date to 31st March	65.7	37.9	25.9
	178.3	**80.5**	**72.0**

(Refer note no III " (a) vi'" on schedule"25")

SCHEDULE ‘5’ DEFERRED TAX LIABILITY (NET)

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Balance as per Last Account	496.0	448.5	514.5
Less: Opening effect of AS 15	-	-	(3.5)
Add/(Less): Deferred Tax Liability / (Asset) for the year	(61.1)	47.5	(62.5)
	434.9	**496.0**	**448.5**

(Refer note no III "(u)i '" on schedule"25")

SCHEDULE '6' FIXED ASSETS

(Rs. in Million)

2008-09	**Gross Block**					**Accumulated Depreciation/Amortisation**					**Net Value**	
	Cost/Valuation as at 1.4.2008	Additions on acquisition of a Subsidiary (h)	Other Additions	Deductions	Cost/Valuation as at 31.03.2009	As at 1.4.2008	Additions on acquisition of a Subsidiary (h)	For the year	Less: On Sales/ Adjustments	As at 31.03.2009	As at 31.03.2009	As at 31.3.2008
	Rs.		Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	217.2	(a) 261.3	-	-	478.5	33.5	-	-	-	33.5	445.0	183.7
Land												
Freehold	375.9	45.0	34.9	3.3	452.5		-	-	-	-	452.5	375.9
Leasehold	212.0	-	0.1	10.5	201.6	21.7	-	2.5	-	24.2	177.4	190.3
Buildings	2,021.1	63.3	219.3	33.2	2,270.5	(c) 475.3	1.9	63.5		531.9	1,738.6	1,545.8
Plant & Machinery	7,610.4	95.0	1,528.2	143.8	9,089.8	4,232.4	11.7	583.6	134.7	4,693.0	4,396.8	3,377.9
Moulds	949.0	-	139.5	91.3	997.2	638.9	-	66.3	87.5	617.7	379.5	310.1
Furniture & Fittings	148.8	1.5	16.4	4.3	162.4	103.6	0.2	11.6	5.5	109.9	52.5	45.2
Motor Vehicles	51.5	9.4	6.0	7.0	59.9	29.8	1.7	6.9	5.5	32.9	27.0	21.8
Computers	192.9	1.0	23.6	12.1	205.4	126.6	0.3	23.3	(e) 11.9	138.3	67.1	66.3
Total	11,778.8	476.5	1,968.0	305.5	13,917.8	5,661.8	15.8	757.7	253.9	6,181.4	7,736.4	6,117.0
Previous year's Total	9,889.1	259.5	1,736.9	106.7	11,778.8	5,015.3	38.9	684.1	76.5	5,661.8		
Capital Work-in-progress (f)											197.7	471.4
											7,934.1	6,588.4

2007-2008	**Gross Block**					**Accumulated Depreciation/ Amortisation**					**Net Value**	
	Cost/Valuation as at 1.4.2007	Additions on acquisition of a Subsidiary (h)	Other Additions	Deductions	Cost/Valuation *as at 31.03.2008*	As at 1.4.2007	Additions on acquisition of a Subsidiary (h)	For the year	Less: On Sales/ Adjustments	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
	Rs.		Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	33.5	(a) 183.7	-	-	217.2	33.5	-	-	-	33.5	83.7	-
Land												

Freehold	328.6	2.6	50.5	5.8	375.9		-	-	-		-	-	375.9	328.6
Leasehold	193.7	-	18.3	-	212.0		19.3	-	2.4		-	21.7	190.3	174.4
Buildings	1,788.5	12.5	241.1	21.0	2,021.1	(c)	425.5	4.7	49.6		4.5	475.3	1,545.8	1363.0
Plant & Machinery	6,337.2	58.3	1,238.9	24.1	7,610.3		3,698.1	33.0	523.1		21.8	4,232.4	3,377.9	2639.1
Moulds	851.8	-	114.7	17.5	949.0		578.8	-	74.4		14.3	638.9	310.1	273.0
Furniture & Fittings	143.4	0.3	9.9	4.8	148.8		98.5	0.1	9.3		4.3	103.6	45.2	44.9
Motor Vehicles	48.7	1.6	12.1	10.8	51.6		32.2	0.6	6.3		9.3	29.8	21.8	16.5
Computers	163.7	0.5	51.4	22.7	192.9		129.4	0.5	19.0	(e)	22.3	126.6	66.3	34.3
Total	9,889.1	259.5	1,736.9	106.7	11,778.8		5,015.3	38.9	684.1		76.5	5,661.8	6,117.0	4,873.8
Previous year's Total	9,236.0	-	836.5	183.4	9,889.1		4,522.4	-	606.0		113.1	5,015.3		
Capital Work-in-progress (f)													471.4	334.8
													6,588.4	5,208.6

SCHEDULE '6' FIXED ASSETS

2006-07

	Gross Block					Accumulated Depreciation/ Amortisation					Net Value	
	Cost/Valuation as at 1.4.2006	Additions on acquisition of a Subsidiary	Other Additions	Deductions	Cost/Valuation as at 31.03.2007	As at 1.4.2006	Additions on acquisition of a Subsidiary (h)	For the year	Less: On Sales/ Adjustments	As at 31.03.2007	As at 31.03.2007	As at 31.3.2006
	Rs.		Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
Goodwill	33.5 (a)	-	-	-	33.5	33.5	-	-	-	33.5	-	-
Land												
Freehold	328.1	-	3.1	2.6	328.6	-	-	-	-	-	328.6	328.1
Leasehold	193.7	-	-	-	193.7	16.9	-	2.4	-	19.3	174.4	176.8
Buildings	1,754.8	-	93.5	59.8	1,788.5 (c)	385.2	-	47.8	7.5	425.5	1,363.0	1,369.6
Plant & Machinery	5,777.8	-	649.7	90.3	6,337.2	3,313.9	-	462.4	78.2	3,698.1	2,639.1	2,463.8
Moulds	801.3	-	63.6	13.1	851.8	528.5	-	62.2	11.9	578.8	273.0	272.8
Furniture & Fittings	137.5	-	10.3	4.4	143.4	93.0	-	9.0	3.5	98.5	44.9	44.6
Motor Vehicles	46.7	-	6.0	4.0	48.7	29.4	-	6.1	3.3	32.2	16.5	17.3
Computers	162.6	-	10.3	9.2	163.7	122.0	-	16.1 (e)	8.7	129.4	34.3	40.6
Assets given on lease:												
Plant & Machinery	-	-	-	-	-	-	-	-	-	-	-	-
Total	9,236.0	-	836.5	183.4	9,889.1	4,522.4	-	606.0	113.1	5,015.3	4,873.8	4,713.6
Previous year's	8,964.6	-	375.2	103.8	9,236.0	3,967.2	-	612.4	57.2	4,522.4		
Capital Work-in-progress (f)											334.8	66.2
											5,208.6	4,779.8

a. Includes Trade Marks, Patents and other intangibles.
b. Conveyance deeds for certain immovable properties valued at Rs 37.7 mil are pending execution as at 31st March 2009, 2008 and 2007. c. Includes Rs 1.0 mil as at 31st March 2009, 2008 and 2007 being the cost of shares in Co-operative Housing Societies.
d. Estimated outstanding commitments for Capital Expenditure Rs 236.1 mil., Rs 238.1 mil.and Rs 150.0 mil. as at 31st March 2009,2008 and 2007 respectively.
e. The fixed assets of the group were revalued as under:
i) Land, Buildings and Plant & Machinery of EIL as on 31 March 1991 and 1999.
ii) Land, Buildings and Electrical installations of Caldyne Automatics Limited as on 31 March 2006.
iii) Land, Buildings and Plant & Machinery of Leadage alloys Limited as on 12 May 2008.
iv) Property, Plant and equipment of CBSEA as on 31 March 1992. v) Land and Building of ABML during the financial year 1990 / 1991.
vi) Land, Buildings and Plant & Machinery of CML as on 31 March 2008.

The revaluation was carried out by approved valuers and the 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.

f. Includes assets in transit

g. Land and Buildings with an aggregate written down value of Rs 217.0 mil situated at Kanjumarg and Guindy units of the company are not in use as at 31st March 2009.Management is in the process of developing a utilisation plan for these assets.

h. Refer note nos. III 'a(iv) & (v)' on schedule 25

SCHEDULE '7' INVESTMENTS

(Rs. in Million)

	No.	Face Value per Share/Debenture	31.03.2009	31.03.2008	31.03.2007
Long Term -Unquoted					
Government Securities*			0.1	0.1	0.1
(Lodged as Security Deposit with various authorities)					
Fully paid up Equity Shares in Associates:					
MSA (India) Limited	510,000	Rs 10	-	-	9.5
Add: Post Acquisition profit			-	-	16.4
Less: Sale of Investments			-	-	(25.9)
Net Balance			-	-	-
ING VYSYA Life Insurance Company Limited**	31.03.09-520,000,000 31.03.08-457,500,000 31.03.07-345,000,000	Rs 10	5,319.9	4,694.8	3,569.8
Less: Post Acquisition loss			(3,130.7)	(2,158.2)	(1,206.0)
Net Balance			2,189.2	2,536.6	2,363.8
CEIL Motive Power Pty Ltd., Australia#	26	Australian $ 1	-	10.2	-
Less: Post Acquisition loss			-	(1.3)	-
Net Balance			-	8.9	-
Others:					
Arkay Energy (Rameswaram) Limited	700,000	10	7.0	7.0	7.0
Haldia Integrated Development Agency Ltd	500,000	10	5.0	5.0	5.0
Browns Group Motels Limited	20,000	10	0.1	0.1	0.1
Fully paid up Debentures*			-	-	-
Woodlands Hospital and Medical Research Centre Ltd					
1/2% Debentures $	45	100.00	-	-	-
5% Non-redeemable Registered Debentures $	1	6,000.00	-	-	-
5% Non-redeemable Registered Debentures $	1	6,500.00	-	-	-
61/2% Debentures $	2	1,000.00	-	-	-
Investment in Property*			4.8	4.2	-
Current – Quoted					
Browns Beach Hotel*	10,400	Sri Lankan Rp 10	0.1	0.1	0.1
Hatton National Bank Limited*	300,902	Sri Lankan Rp 10	-	-	2.0
Asia Capital Limited*	11,000	Sri Lankan Rp 5	-	-	-
Units of Mutual fund *			550.0	-	-
(Refer note no III " (x) on schedule"25")			**2,756.3**	**2,562.0**	**2,378.1**

* All the above investments, except those marked with an asterisk, are trade investments
** Includes 10,425,000 shares and 62,500,000 shares awaiting allotment as at 31st March 2009 and 2008 respectively.
# Balance as at 31st March 2009 is net of provision for diminution in value of investments of Rs 10.2 mil
$ Figures being less than Rs 50,000 in each case, has not been disclosed

SCHEDULE '8' INVENTORIES

(At lower of Cost or net Realisable Value) (Rs. in Million)

	31.03.2009	**31.03.2008**	**31.03.2007**
Stores, Spare parts, Loose Tools etc.	132.9	124.7	127.0
Raw Materials and Components @	1,788.3	2,843.1	1,692.7
Work-in-Process	1,409.1	1,324.2	804.4
Finished Goods @	1,414.1	1,520.9	1,146.5
Excise Duty on Finished Goods Inventory	203.4	283.0	271.0
Trading Goods	294.1	307.9	200.9
Assets held for Sale	0.5	-	-
	5,242.4	**6,403.8**	**4,242.5**

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

SCHEDULE '9' SUNDRY DEBTORS

(Unsecured, considered good) (Rs. in Million)

	31.03.2009	**31.03.2008**	**31.03.2007**
Debts over six months *	130.3	70.8	85.9
Other Debts	2,527.1	2,846.9	1,691.5
	2,657.4	**2,917.7**	**1,777.4**
* Net of doubtful debts fully provided for.	53.3	3.0	57.0

SCHEDULE '10' CASH AND BANK BALANCES

(Rs. in Million)

	31.03.2009	**31.03.2008**	**31.03.2007**
Cash & Cheques in hand (including Remittances in Transit)	217.4	13.2	2.1
Balances with Scheduled banks on:			
Current Account	142.1	49.1	22.7
Deposit Account	13.2	2.6	1.8
Unpaid Dividend Account	16.9	11.8	11.2
	389.6	**76.7**	**37.8**

SCHEDULE '11' LOANS AND ADVANCES

(Unsecured, Considered good) (Rs. in Millions)

	31.03.2009	**31.03.2008**	**31.03.2007**
Interest Accrued on loans	1.4	1.0	0.4
Dividend Receivable	3.0	-	-
Loans **	0.1	27.1	0.1
Advances recoverable in cash or in kind or for value to be received or pending adjustments	302.7	284.8	160.1
Advance payment of Tax - net of provision Rs 34.5 mil., Rs 0.5 mil and Rs Nil as at 31st March 2009,2008 and 2007 respectively	2.3	0.7	-
Balance with Customs, Sales Tax & Excise Authorities	56.9	45.9	41.1
Deposits - Others	107.1	108.0	93.4
	473.5	**467.5**	**295.1**

** Balance as on 31st March 2009 is net of provision for doubtful loans Rs 25.8 mil

SCHEDULE ‘12’ CURRENT LIABILITIES

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Sundry Creditors			
- Due to Micro, Small and Medium enterprises	82.9	16.9	18.7
- Due to others	3,170.8	4,314.2	2,767.8
Others Liabilities	448.8	93.7	32.1
Acceptances	337.1	548.4	441.4
Advances from customers	92.5	106.2	110.0
Investor Education and Protection Fund (Refer note no III ' t 'on Schedule 25)	17.3	12.4	11.9
Interest accrued but not due on Loans	33.2	14.3	7.1
	4,182.6	**5,106.1**	**3,389.0**

SCHEDULE ‘13’PROVISIONS

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Employee Benefits	144.6	134.3	128.3
Product related Warranty/Guarantees (Refer note no III"r"' on schedule"25")	536.1	533.2	427.4
Taxation (Net of advance tax and tax deducted at source)	251.0	66.7	45.0
Proposed Dividend	162.7	320.0	262.5
Tax on Proposed Dividend	26.9	54.6	45.0
	1,121.3	**1,108.8**	**908.2**

SCHEDULE ‘14’ SALES

(Rs. in Million)

	2008-09	2007-08	2006-07
A. Sales and Services			
Storage Batteries	42,050.0	36,576.1	24,452.3
Trading Items			
Batteries	178.2	254.7	254.2
Battery chargers, UPS, etc.	150.6	140.6	107.6
Solar Lanterns and Homelights	38.2	130.2	103.6
Lead and lead Alloy	992.5	458.2	-
Others	30.6	15.7	49.3
Gross Sales *	**43,440.1**	**37,575.5**	**24,967.0**

* Includes Exchange Gain of Rs. 87.0 mil.and Rs. 20.2 mil. for the year ended 31st March 2009 and 2007 respectively and net of Exchange Loss of Rs 26.9 mil. for the year ended 31st March 2008.

SCHEDULE ‘15’OTHER INCOME

(Rs. in Million)

	2008-09	2007-08	2006-07
Dividend from Long Term Trade Investments	-	-	5.6
Dividend from Short Term Non-Trade Investments	7.3	4.5	16.8
Profit on Sale of Investments	-	18.8	24.7
Profit on assets sold / discarded	25.2	33.6	5.8
Bad debts recovered	1.8	2.2	1.6
Sundry Income	24.4	20.1	14.7
	58.7	**79.2**	**69.2**

SCHEDULE '16' (INCREASE)/ DECREASE IN STOCKS

(Rs. in Million)

	2008-09	2007-08	2006-07
Opening Stocks:			
Work-in-Process	1,324.2	804.4	534.6
Finished Goods	1,520.9	1,146.5	622.1
Trading Goods	307.9	200.9	137.4
(A)	**3,153.0**	**2,151.8**	**1,294.1**
Less: Closing Stocks:			
Work-in-Process	1,409.1	1,324.2	804.4
Finished Goods	1,414.1	1,520.9	1,146.5
Trading Goods	294.1	307.9	200.9
(B)	**3,117.3**	**3,153.0**	**2,151.8**
(A-B)	**35.7**	**(1,001.2)**	**(857.7)**
Excise Duty *	79.6	(12.0)	(118.5)
	115.3	**(1,013.2)**	**(976.2)**

* Represents Excise duty on (Increase)/Decrease of Finished goods inventory

SCHEDULE '17' MATERIALS CONSUMED

(Rs. in Million)

	2008-09	2007-08	2006-07
Raw Materials, Components etc:			
Opening Stock	2,843.1	1,692.7	1,080.3
Add: Purchases (including Processing charges, Procurement	18,988.0	20,157.8	13,194.5
expenses etc and after adjusting Cenvat Credit)			
Less: Closing Stock	(1,788.3)	(2,843.1)	(1,692.7)
(Refer note no III ' q ' on Schedule 25)			
	20,042.8	**19,007.4**	**12,582.1**

SCHEDULE '18' PERSONNEL COSTS

(Rs. in Million)

	2008-09	2007-08	2006-07
Salaries, Wages & Bonus	1,603.6	1,426.8	1,160.5
Contribution to Provident & Other Funds (net)	174.4	98.7	109.3
Welfare Expenses	232.8	192.8	159.6
	2,010.8	**1,718.3**	**1,429.4**

SCHEDULE '19'EXPENSES

(Rs. in Million)

	2008-09	2007-08	2006-07
Stores and Spare parts consumed	358.4	320.4	267.9
Power and Fuel	1,292.8	1,062.5	922.4
Battery Charging / Battery Assembly expenses	69.7	48.2	43.8
Repairs & Maintenance			
Buildings	49.6	47.3	43.3
Machinery	194.5	158.3	127.1
Computer & Softwares	42.6	50.9	47.5
Others	33.0	24.9	18.2
Rent & Hire Charges	88.9	59.5	44.6
Rates and Taxes	24.2	16.3	15.2
Insurance	20.1	23.4	25.6
Commission	76.3	48.2	34.8
Royalty and Technical Aid Fees	50.3	35.2	46.4
Publicity and Sales Promotion	294.1	367.5	341.0
Freight & Forwarding (net)	950.1	635.2	546.1
Selling Expenses (refer schedule '23')	581.6	401.6	264.2
Travelling & Conveyance	131.1	126.0	108.7
Bank Charges	61.3	33.9	23.8
Communication Costs	58.0	46.9	42.4
Donations	0.2	0.7	1.8
Auditors' Remuneration	8.3	8.7	6.5
Directors' Fees	0.2	0.2	0.2
Loss on assets sold/discarded	8.4	0.7	-
Bad Debts written off	52.1	10.4	15.0
Less: Adjusted against provision	(0.4)	(10.4)	-
Provision for Doubtful Loans and Advances	25.8	-	-
Provision for Diminution in value of investment	10.2	0.1	-
Miscellaneous Expenses (refer schedule '24')	234.5	189.1	151.2
	4,715.9	**3,705.7**	**3,137.7**

SCHEDULE '20' INTEREST AND FINANCE CHARGES

(Rs. in Million)

(Rs. in Million)

	2008-09	2007-08	2006-07
Interest on:			
Term Loans	148.6	160.4	132.4
Working Capital Borrowings *	448.2	259.2	161.4
Fund Mobilisation Costs	1.1	0.8	7.9
Less: Interest Received on loans, deposits etc. (including tax deducted at source Rs. 0.6 mil., Rs 0.7 mil. and Rs 1.3 mil. for the years ended 31st March 2009, 2008 and 2007 respectively)	(10.5)	(10.3)	(8.5)
	587.4	**410.1**	**293.2**

* Includes net Exchange Loss of Rs 137.2 mil. for the year ended 31st March 2009 and net of Exchange Gain of Rs 40.2 mil. and Rs. 6.0 mil. for the years ended 31st March 2008 and 2007 respectively.

SCHEDULE ‘21’ DEPRECIATION/AMORTISATION

(Rs. in Million)

	2008-09	2007-08	2006-07
Charge for the year	757.7	684.1	606.0
Less: Transfer from Revaluation Reserve	(38.1)	(43.8)	(47.4)
	719.6	**640.3**	**558.6**

SCHEDULE '22' TAXATION

(Rs. in Million)

	2008-09	2007-08	2006-07
Provision for Income tax *	1,559.6	1,264.8	799.4
Provision for Wealth tax	2.3	2.3	2.6
Provision for Fringe Benefit tax	17.0	14.5	13.0
	1,578.9	**1,281.6**	**815.0**

* 2008-09 includes Deferred Tax release Rs 62.1 mil. and provision for earlier years Rs 15.0 mil.
* 2007-08 includes Deferred Tax charge Rs 32.5 mil and net of excess provision write back Rs 54.3 mil.
* 2006-07 includes Deferred Tax release Rs 62.5 mil. and provision for earlier years Rs 75.9 mil.

SCHEDULE ‘23’ SELLING EXPENSES

(Rs. in Million)

	2008-09	2007-08	2006-07
Testing Charges	4.6	7.1	7.5
Liquidated Damages, Claims and Breakages	6.9	4.9	4.0
Cash Discounts	324.8	207.3	110.5
After Sales Services	143.0	134.1	108.3
C & F Expenses	100.0	45.9	31.9
Installation Costs	2.3	2.3	2.0
	581.6	**401.6**	**264.2**

SCHEDULE ‘24’ MISCELLANEOUS EXPENSES

(Rs. in Million)

	2008-09	2007-08	2006-07
Motor Vehicle Running Expenses	42.2	27.5	19.8
Consultancy & Services outsourced	79.6	66.3	51.6
Security Service Charges	36.9	30.1	24.9
General Expenses	11.3	14.1	11.1
Legal Expenses	10.5	10.4	8.0
Printing & Stationery	34.6	27.4	23.2
TQM Expenses	3.3	3.0	2.5
CSR Expenses	3.3	2.2	-
Pollution Control Expenses	12.8	8.1	10.1
	234.5	**189.1**	**151.2**

SCHEDULE ‘25’ – NOTES TO REFORMATTED AUDITED CONSOLIDATED ACCOUNTS

I. CONTINGENCIES

(Rs. in Million)

	31.03.2009	31.03.2008	31.03.2007
Contingent liabilities not provided for in respect of			
- Indemnity for Letters of Credit	-	1.4	6.3
- Outstanding Bank Guarantees / Indemnity Bonds	103.0	111.7	109.0
- Sales tax demands	5.6	11.1	11.4
- Excise Duty demands	6.8	16.9	16.9
- Income Tax demands	63.7	-	-
- Other claims being disputed by the Company	28.6	5.4	2.5
- Share of contingent liabilities of Associate Companies	48.7	18.0	4.9
- Claim from a landlord, and appeal whereby is pending in Hon’ble Bombay High Court	Not ascertainable	Not ascertainable	-
- Bill Discounted with Scheduled Banks	-	-	318.9

SCHEDULE ‘25’ – NOTES TO REFORMATTED AUDITED CONSOLIDATED ACCOUNTS

II. DIRECTORS' REMUNERATION

(Rs. in Million)

	2008-09	2007-08	2006-07
Salary	61.7	39.8	33.3
Contribution to Provident and other Funds	7.5	6.6	5.0
Cost of other benefits	6.7	5.1	3.6
Commission	15.1	13.5	10.2
Sitting Fees	0.1	0.2	0.2
	91.1	**65.2**	**52.3**

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 over the book value of its investments 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 2008-09, EIL has acquired 51% shares of Leadage Alloys India Ltd. for Rs. 334.2 mil.

v) During the year 2007-08, EIL has acquired 100% share of Chloride Metals Ltd. (Formerly Tandon Metals Ltd.) for Rs. 220.0 mil. and balance 49% shares of Caldyne Automatics Ltd. for Rs. 17.5 mil.

vi) The subsidiary companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of Voting power as on March 31, 2009	% of Voting power as on March 31, 2008	% of Voting power as on March 31, 2007
Chloride International Limited (CIL)	India	100	100	100
Caldyne Automatics Ltd (CALDYNE)	India	100	100	51
Chloride Batteries S.E. Asia Pte Ltd. (CBSEA) and its wholly owned subsidiary (Exide Batteries Pvt. Ltd.)	Singapore	100	100	100
Espex Batteries Limited (ESPEX)	UK	51	51	51
Associated Battery Manufacturers (Ceylon) Ltd. (ABML)	Sri Lanka	61.50	61.50	61.50
Chloride Metals Ltd. (CML); (Formerly Tandon Metals Ltd.)	India	100	100	-
Leadage Alloys India Ltd. (LAIL)	India	51	-	-

vii. 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 for the financial years 2006-07, 2007-08 and 2008-09, Leadage Alloys India Limited, for the financial year 2008-09, and Caldyne Automatics Ltd. for the financial year 2006-07, all being non-fully owned subsidiaries.

b) Investment 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 over the book value in the associates is disclosed in the financial statements as goodwill / capital reserve.
iv. Investment in an associate MSA (India) Ltd. (MSA) has been sold during the year 2006-07 for Rs. 50 mil. and surplus on sale of investment Rs. 24.1 mil. (including capital reserve of Rs. 0.7 mil.) has

been accounted for in the Consolidated Financial Statements.

v. Investment in an associate CEIL Motive Power Pty Ltd., Australia is made on 13th December, 2007 for Rs. 10.2 mil.

vi) The 'associate' considered in the financial statements are as follows:

Name	**Country of Incorporation**	**% of Voting power as on March 31, 2009**	**% of Voting power as on March 31, 2008**	**% of Voting power as on March 31, 2007**
ING Vysya Life Insurance Company Ltd.	India	50	50	50
CEIL Motive Power Pty Ltd.	Australia	26	26	-
MSA (India) Ltd.	India	-	-	Divested on & from 2 Mar,2007

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

d) Excise Duty includes Rs. 119.6 mil., Rs. 131.5 mil. and Rs. 116.5 mil. paid on issue of batteries on account of warranty for the financial year 2008-09, 2007-08 & 2006-07 respectively.

e) Stores and Spares consumed is exclusive of Rs. 2.9 mil., Rs. 2.5 mil. and Rs. 3.9 mil. being the amounts allocated to other heads of expenses for the financial year 2008-09, 2007-08 & 2006-07 respectively.

f) During the year 2006-07, pursuant to the approval of the Shareholders at the 59th Annual General Meeting of the EIL held on July 21, 2006, the equity shares of the Company of the face value of Rs 10 each where subdivided into Equity Shares of Re 1 each with effect from September 15, 2006, being the record date fixed by the Board of Directors for the purpose.

g) During the year 2007-08, EIL issued 50 mil. shares of Re 1 each on Rights basis to its shareholders at a premium of Rs. 29/- per share, in the ratio of 1:15, in order to generate funds for meeting its long-term working capital requirements. The Company received a total sum of Rs. 1500 mil. (Rs. 50 mil. towards Share Capital and Rs. 1450 mil. towards Securities Premium) which was utilized as under:-

(a). Long term Working Capital requirements	Rs. 1485.8 mil.
(b). Rights Issue Expenses (Including Auditor's remuneration – Rs. 2 mil.)	Rs. 14.2 mil
	Rs. 1500.0 mil.

h) Diminution, based on the net worth as per the latest audited accounts of the relevant companies, in the value of certain long term unquoted investments as at 31st March 2009, being temporary in nature, has not been provided.

i) During the year 2008-09, the group has continued the accounting for transactions in foreign currency as per Accounting Standard 11 – Effects of changes in foreign exchange rates and not to exercise the option of deferment of exchange fluctuation on long term liabilities granted by Companies (Accounting Standard) Amendment Rules, 2009 issued by the Ministry of Corporate Affairs on 31 March 2009.

j) EIL has paid Rs 5.3 mil, Rs 6.0 mil. and Rs. 6.8 mil. towards lease of residential apartments, godowns, office premises, etc. for the financial years 2008-09, 2007-08, and 2006-07 respectively. 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.

Operating Lease Commitments

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

(Rs in Million)

	2008-2009	2007-2008	2006-2007

Not later than one financial year	3.6	3.2	2.2
Later than one financial year but not later than five financial years	14.3	10.3	9.1
Later than five financial years	76.9	67.5	85.0

k) Depreciation for the year 2007-08 includes Rs. 43.2 mil. provided by EIL for earlier years due to revision in the estimates regarding salvage value of fixed assets at the end of their respective useful life.

l) During the year 2007-08, EIL has closed operations at its Guindy and Kanjurmarg units. The plant and machinery of these units have been transferred to other existing units of the Company and the expenses towards separation costs for the employees, aggregating to Rs. 57.4 mil. (including Voluntary Retirement Scheme expenditure of Rs. 38.4 mil.), have been fully charged off in these accounts.

m) During the year 2008-09, pursuant to the approval of the Central Government, Tandon Metals Limited has changed its name to Chloride Metals Limited with effect from 1st December 2008.

n) For CML, the management, during the year 2008-09, has reviewed the useful life of the stationery furnace plant based on technical estimate and determined the balance useful life at 5 years. Accordingly the company is depreciating the said asset @19%, after considering the residual value to be 5% at the end of the useful life. On account of this change, depreciation for the year is higher and consequently the profit for the year is lower by Rs. 1.6 mil. and the amount withdrawn from revaluation reserve is higher by Rs. 0.3 mil.

o) LAIL during the year 2008-09 has changed its method of valuing inventory from FIFO to weighted average to fall in line with the method of inventory valuation followed by the parent company. Owing to this, the valuation of inventory and consequently the profit before tax is higher by Rs. 34.8 mil.

p) Foreign currency exposure outstanding at the year end are as follows:

(Rs in Million)

	31.03.2009	31.03.2008	31.03.2007
Foreign Debtors	197.1	289.2	123.3
Investments in foreign Associates	10.2	10.2	Nil
Foreign Creditors	567.1	687.8	598.6
Loan given to a foreign Associates	25.8	27.0	Nil
Borrowing in Foreign Currency	721.2	184.0	Nil

Of the above, foreign debtors, investments in foreign associates, foreign creditors and loan given to a foreign associates by EIL are not hedged by any derivative instrument. However, the borrowing in foreign currency of EIL has been fully hedged by a Rupee swap

q) Raw Materials consumed (Schedule 17) includes the following:

(Rs in Million)

	2008-09	2007-08	2006-07
Warranty costs	375.9	397.9	428.1
Exchange fluctuation loss/(gain)	406.4	(204.8)	(58.9)
(Export incentives)	(46.4)	(91.0)	(38.6)
Purchase tax set-off	Nil	2.2	Nil

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

(Rs in Million)

	2008-09	2007-08	2006-07
Balance as on 1st April	533.2	427.4	323.8

Add: Amount created during the Year	521.4	554.4	557.4
Less: Product related warranties issued	521.7	448.5	449.3
Effect of Foreign Exchange Movements	(3.2)	(0.1)	(4.5)
Balance as on 31st March	536.1	533.2	427.4

s) Details of Auditor's remuneration: –

(Rs in Million)

	2008-09	2007-08	2006-07
Statutory Audit	5.5	5.7	4.0
Limited Reviews	1.8	1.8	1.8
Tax Audit	0.5	0.4	0.4
In other capacity for certificates etc	0.3	0.6	0.1
Out of Pocket Expenses	0.2	0.2	0.2
Total	8.3	8.7	6.5

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

(Rs in Million)

	2008-09	2007-08	2006-07
Unclaimed Dividend	17.0	11.8	11.2
Unclaimed Public Deposit	0.3	0.6	0.7
Total	17.3	12.4	11.9

u) (i)The break-up of Consolidated Deferred Tax liability of EIL, Caldyne, CML, CBSEA and Leadage is as follows:

(Rs in Million)

A. Deferred Tax Liability	31.03.2009	31.03.2008	31.03.2007
i)Timing Difference in depreciable assets	599.8	513.1	469.3
ii)Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year	79.5	106.1	99.5
Total	679.3	619.2	568.8
B. Deferred Tax Assets			
i)Expenses allowable against taxable income in future years	121.6	23.4	37.0
ii)Expenses disallowed in earlier assessments which are being contested	122.8	99.8	83.3
Total	244.4	123.2	120.3
Net Deferred Tax Liability (A-B)	434.9	496.0	448.5

(ii) The Break-up of Deferred Tax Asset of ABML is as follows:

(Rs in Million)

	31.03.2009	31.03.2008	31.03.2007
A. Deferred Tax Liability on Timing Difference in depreciable assets including Revaluation reserve	5.8	4.7	3.9
B. Deferred Tax Assets on Expenses allowable against taxable income in future years	8.9	6.8	6.4
Net Deferred Tax Liability/(Asset)	**(3.1)**	**(2.1)**	**(2.5)**

As at 31st March 2007, CBSEA had unabsorbed Tax losses of approximately Rs 5.2 mil., which could have been carried forward and utilized to offset against future taxable profits, subject to relevant provisions of the Income Tax Act Cap. 134. However, Deferred tax asset was not recognised on such unabsorbed tax losses as it is not certain that future taxable profits would be available for utilization of such losses.

v) Basis for calculation of basic and diluted earning per share is as under:

	2008-09	2007-08	2006-07
Net Profit as per Profit & Loss Account (Rs mil.)	1914.9	1643.6	685.4
Weighted average number of Equity Shares (No.)	800,000,000	758,743,169	780,487,805
Face Value of Shares(Re.)	1.0	1.0	1.0
Basic and diluted earning per share (Rs.)	2.4	2.2	0.9*

* Re-stated for Rights issue.

w) Business Segment

The group's business is organized in three primary business segments, 'Lead Acid Storage Batteries', 'Lead Smelting' and Solar Lantern & Homelights. Lead Acid Storage batteries being the only reportable segment, in terms of Accounting Standard-17 "Segment Reporting", the segment information for the group is as under:

(Rs in Million)

Business segment	**Lead acid Storage Batteries**			**Others**			**Consolidated Total**		
	2008-09	2007-08	2006-07	2008-09	2007-08	2006-07	2008-09	2007-08	2006-07
REVENUE External Sales	34,054.0	29,484.1	19,777.3	53.4	393.4	100.2	34,107.4	29,877.5	19,877.5
RESULT Segment result in operating profit	4,890.8	4,253.6	2,683.9	219.4	55.0	4.7	5,110.2	4,308.6	2,688.4
Interest expenses	517.7	411.2	300.5	80.2	9.2	1.2	597.9	420.4	301.7
Interest Income	8.8	10.1	8.4	1.7	0.2	0.1	10.5	10.3	8.5

Income taxes	1,525.4	1,264.6	813.7	53.5	17.0	1.3	1,578.9	1,281.6	815.0
Net profit after tax before minority interest	2,856.5	2,587.9	1,578.1	87.4	29.0	2.3	2,943.9	2,616.9	1,580.4
OTHER INFORMATION									
Total Segment assets	18,442.4	18,535.4	13,821.3	1,014.0	482.9	120.7	19,456.4	19,018.3	13,942.0
Total Segment liabilities	8,903.9	10,311.1	8,095.3	445.3	160.4	65.8	9,349.2	10,471.5	8,161.1
Capital expenditure	1,609.0	1,861.4	1,062.6	85.3	12.2	21.6	1,694.3	1,873.6	1,084.2
Depreciation	701.9	658.9	558.2	17.7	(18.6)	0.4	719.6	640.3	558.6

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:

(Rs in Million)

Revenue – Gross Sales	2008-09	2007-08	2006-07
India	40,160.7	35,244.1	22,626.8
Overseas	3,279.4	2,331.4	2,340.2

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:

(Rs in Million)

	Carrying amount of segment assets			**Addition to fixed assets and intangible assets including CWIP**		
	31.3.2009	31.3.2008	31.03.2007	2008-2009	2007-2008	2006-2007
India	18,315.3	17,845.6	5,737.5	1,684.8	1,830.6	824.9
Overseas	1,141.1	1,172.8	617.9	9.5	43.0	11.6
	19,456.4	19,018.4	6,355.4	1,694.3	1,873.6	836.5

x) The detailed break-up of transactions in the Mutual funds during the year is as follows:

Name of the fund	Units Purchased	Units Sold	Closing Units balance	Value (Rs in Million)
ING Vysya Mutual Fund				
2008-09	99,967,010.89	49,983,505.44	49,983,505.45	500.0
2007-08	74,975,258.16	74,975,258.16	-	-
2006-07	19,979,421.20	19,979,421.20	-	-
HSBC Mutual Fund				
2008-09	-	-	-	-
2007-08	4,993,707.93	4,993,707.93	-	-
2006-07	81,451,943.35	81,451,943.35	-	-
HDFC Mutual Fund				
2008-09	9,968,598.91	9,968,598.91	-	-

2007-08	4,984,299.45	4,984,299.45	-	-
2006-07	4,700,838.63	4,700,838.63	-	-
UTI Mutual Fund				
2008-09			-	-
2007-08	50,000.00	50,000.00	-	-
2006-07			-	-
BNP Sundaram Mutual Fund				
2008-09			-	-
2007-08	4,997,501.24	4,997,501.24	-	--
2006-07	14,858,399.45	14,858,399.45	-	-
Name of the fund	Unit Purchased	Units Sold	Closing Units balance	Value (Rs. In Mil.)
DSP Merill Lynch Mutual Fund				
2008-09	49,945.80	49,945.80	-	-
2007-08	-	-	-	-
2006-07	399,920.02	399,920.02	-	-
Reliance Mutual Fund				
2008-09	49,943.24	-	49,943.24	50.0
2007-08	-	-	-	-
2006-07	3,272,658.25	3,272,658.25	-	-
Tata Mutual Fund				
2008-09	4,982,263.14	4,982,263.14	-	-
2007-08	-	-	-	-
2006-07	-	-	-	-
Templeton Mutual Fund				
2008-09	-	-	-	-
2007-08	-	--	-	-
2006-07	299,925.02	299,925.02	-	-
Total				
2008-09	**115,017,761.98**	**64,984,313.29**	**50,033,448.69**	**550.0**
2007-08	**90,000,766.78**	**90,000,766.78**	**-**	**-**
2006-07	**124,963,105.91**	**124,963,105.91**	**-**	**-**

y) Gratuity, compensated absences and other post-employment benefit plans

EIL had decided to early adopt AS 15 (revised)- Employee Benefits, during the year 2006-07 and had accordingly changed its accounting policies for Gratuity, Pension, Post retirement medical benefit and Short term compensated absences. As a result of such change, profit for the year 2006-07 is higher by Rs 1.5 mil. Further, in accordance with the transitional provisions allowed in AS-15, a sum of Rs 6.8 mil.(net of deferred tax assets of Rs 3.5 mil.) being the impact of such change on the respective liabilities up to March 31, 2006, has been adjusted against the opening reserves.

Caldyne has applied AS 15 (revised)- Employee Benefits for the first time in the year 2007-08. As a result of such change, profit for the year 2007-08 is lower by Rs 0.5 mil. Further, in accordance with the transitional provisions allowed in AS-15, a sum of Rs 2.0 mil. being the impact of such change on the respective liabilities up to March 31, 2007, has been adjusted against the opening reserves

LAIL was not making any provision for gratuity as no employees were eligible as at the balance sheet date. However in 2008-09, in accordance with Revised AS-15 (Employee Benefits), the company has carried out actuarial valuation of the gratuity and leave encashment liability under actuarial principles, the total amount being Rs. 0.3 million and Rs. 0.6 million, respectively. The amount being immaterial, the company has not adopted the transitional provisions contained in AS-15 and has charged the full amount to the profit & loss account.

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 retirement/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.

EXIDE INDUSTRIES LIMITED
Schedules forming a part of the Reformatted Audited Consolidated Balance Sheet

		GRATUITY			PENSION			PRMB		
		For the years ended 31st March			For the years ended 31st March			For the years ended 31st March		
		2009	2008	2007	2009	2008	2007	2009	2008	2007
I.	**Expenses recognised in the statement of Profit & Loss Account**					-	-			
	1 Current Service Cost	17.5	15.4	12.5	-			0.7	1.0	1.0
	2 Interest Cost	18.2	16.8	15.0	6.8	8.6	10.2	1.7	1.7	1.6
	3 Expected Return on plan assets	20.7	18.2	18.1	9.5	10.3	12.9	-	-	-
	4 Actuarial (Gains)/Losses	40.8	9.4	14.1	3.0	(19.0)	(16.7)	2.2	(2.2)	(1.7)
	5 Total Expenses	55.8	23.4	23.5	0.3	(20.7)	(19.4)	4.6	0.5	0.9
II.	**Net Asset/(Liability) recognised in the Balance Sheet**									
	1 Present Value of Defined benefit obligation	295.1	234.9	228.2	94.2	86.7	119.1	24.7	21.1	21.5
	2 Fair value of plan Assets	295.0	243.7	232.0	125.3	123.5	145.3			
	3 Net Asset/(Liability)	(0.1)	8.8	3.8	31.1	36.8	26.2	(24.7)	(21.1)	(21.5)
III.	**Change in Obligation during the year**									
	1 Present Value of Defined Benefit Obligation at the beginning of the year	237.7	228.2	212.4	86.7	119.1	149.6	21.1	21.5	21.2
	2 Current Service Cost	17.5	15.4	12.5	-	-	-	0.7	1.0	1.0
	3 Interest Cost	18.2	16.8	14.9	6.8	8.6	10.2	1.7	1.7	1.6
	4 Benefits Paid	20.8	37.1	26.7	4.3	23.4	(26.1)	1.0	(0.9)	(0.6)
	5 Actuarial (Gains)/Losses	42.5	11.6	15.1	5.0	(17.6)	(14.5)	2.2	(2.2)	(1.7)
	6 Present Value of Defined Benefit Obligation at the end of the year	295.1	234.9	228.2	94.2	86.7	119.1	24.7	21.1	21.5
IV.	**Change in Fair Value of Plan Assets during the year**									
	1 Plan assets at the beginning of the year	245.0	232.0	222.7	123.5	145.3	180.6	-	-	-
	2 Expected return on plan assets	20.7	20.4	18.0	9.5	11.7	12.9	-	-	-
	3 Contribution by employer	48.0	28.4	17.0	(5.4)	(10.1)	(24.2)	1.0	0.9	0.6
	4 Actual benefits paid	20.4	37.1	26.7	4.3	23.4	(26.1)	1.0	0.9	0.6
	5 Actuarial (Gains)/Losses	1.7	-	1.0	2.0	-	2.2	-	-	-
	6 Plan assets at the end of the year	295.0	243.7	232.0	125.3	123.5	145.3	-	-	-
	7 Actual return on Plan Assets	22.3	20.4	19.1	11.5	11.7	15.1	-	-	-
V.	In 2009-10 the Company expects to contribute Rs 40 mil. to Gratuity ans Rs 10 mil. to Pension funds									
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%	100%	100%		-	-

VII. Actuarial Assumptions

	EIL			CML			Caldyne			Leadage		
	For the year ended 31st March			For the year ended 31st March			For the year ended 31st March			For the year ended		
	2009	2008	2007	2009	2008	2007	2009	2008	2007	2009	2008	2007
1 Discount Rate	6.50% p.a	8.00% p.a	8.00% p.a	8.00% p.a	8.00% p.a	-	8.00% p.a	8.50% p.a	-	7.00% p.a	-	-
2 Expected rate of return on plan assets	8.00% p.a	8.50% p.a	8.50% p.a	-	-	-	8.50% p.a	8.50% p.a	-	-	-	-
3 Mortality per retirement	Standard table LIC(1994-96) Ultimate	Standard table LIC(1994-96) Ultimate	Standard table LIC(1994-96) Ultimate	-	-	-	Standard table LIC(1994-96) Ultimate	Standard table LIC(1994-96) Ultimate	□	-	□	-
4 Mortality post retirement	Mortality for annuitants LIC(1996-98) Ultimate	Mortality for annuitants LIC(1996-98) Ultimate	Mortality for annuitants LIC(1996-98) Ultimate	-	-							
5 Employee Turnover Rate	19.30%	19.30%	19.30%	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 102.6 mil., Rs 80.3 mil. and Rs 70.8 mil paid towards Defined Contribution Plans for the financial year 2008-09, 2007-08 and 2006-07 respectively.

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

z) Related Party Disclosure:

i) Particulars of related parties:

1. Associated Companies	-	ING VYSYA Life Insurance Company Limited (IVL) MSA India Limited - Upto 1st March 2007 CEIL Motive Power Pty Limited, Australia (CMP) – From 13th December 2007
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. S.B.Ganguly – Upto 30th April 2007 Mr. T V Ramanathan Mr. G Chatterjee Mr. P K Kataky Dr. S K Mittal Mr.A K Mukherjee – From 1st May 2007 Mr.Nadeem Kazim – From 5th January 2009 Mr.Supriya Coomer – From 1st December 2008 Mr. Barun Das - upto 30th November, 2008 Mr. Chng Hee Tech Mr. R M D Bandara Mr. T W Atkins Mr. Partha Sen – From -1st June 2008 Mr. Udayan Mukherjee - upto 15th August 2008 Mr. T Arunkumar – From 1st April 2008 Mr. T Rajkumar - From 1st April 2008 Mr. A B Oke - From 1st November 2007 Mr. S.K.Mukherjee - upto 31st July 2007 Mr. R.P.Ray - upto 31st March 2007 Mr. Ranabir Chakraborty - upto 31st March 2007 Mr. M Chaudhuri - upto 31st March 2007 Mr. A Durairaj - upto 31st March 2007
4. Name of the Companies/firms/ in which Directors/ Key Management Personnel are interested	-	Prism Cement Limited Klevenberg (Pvt) Limited Browns Group Industries Limited Global Lead Alloys – From 1st April 2008

Statement of Aggregated Related Party Transactions as per Accounting Standard - 18 for the reporting period

(Rs. in Million)

Name of the Related Party		Sale of Goods	Balance outstanding as at the year end - Debit	Employee Welfare Expenses	Rights Issue of Shares	Remuneration	Purchase of Goods	Balance outstanding as at the year end - Credit	Job Work Charges Paid	Interest Paid	Technical Assistance Expenses	Trade Mark Expenses	Rent Income
Associate Companies CMP	2008-09 2007-08 2006-07	76.1 172.2 -	2.9 71.3 -	- - -	- - -								
IVL	2008-09 2007-08 2006-07	- - -	- - -	3.2 2.7 -	625.0 1,125.0 -								
Key Management Personnel Directors (Refer note no II of Schedule 25)	2008-09 2007-08 2006-07					91.1 65.2 52.3							
Others	2008-09 2007-08 2006-07					7.4 3.6 6.6							
Companies/firms in which directors/their relatives are interested Global Lead Alloys	2008-09 2007-08 2006-07						25.5 - -	0.2 - -	1.4 - -				
Brown Group Industries Ltd.	2008-09 2007-08 2006-07						30.0 -	3.2 2.0					
Kelevenberg (Pvt) Limited	2008-09	61.6 69.6	25.7 28.0										

	2007-08	-	-										
	2006-07												
Enterprise/individuals having direct or indirect control													
CEIL	2008-09						144.9	21.1		0.3	0.9	0.1	0.4
	2007-08						204.2	50.5		0.4	0.7	0.2	0.3
	2006-07						100.3	0.4		0.0	0.7	-	0.4
Brown & Company PLC	2008-09	410.9	80.4				7.7	10.2					
	2007-08	308.4	63.1				6.3	0.7					
	2006-07	-	-				-	-					
Total	2008-09	548.6	109.0	3.2	625.0	98.5	208.1	34.7	1.4	0.3	0.9	0.1	0.4
	2007-08	550.2	162.4	2.7	1,125.0	68.8	210.5	53.2	-	0.4	0.7	0.2	0.3

aa) Figures for the year ended March 31, 2008 and March 31, 2007 including those given in the brackets have been rearranged / regrouped wherever necessary to confirm to the classification of the figures for the year ended March 31, 2009.

bb) All the figures in the Reformatted Consolidated Financial Statements are extracted from the Audited Consolidated Financial Statements for the year ended March 31, 2009, March 31, 2008 and March 31, 2007 on which the auditors have issued their opinions dated April 27, 2009, June 12, 2008 and June 16, 2007 respectively and any event subsequent to the said dates have not been considered/adjusted.

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 Srilanka 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) 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.

c) Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of duties (net of Cenvat), taxes, incidental expenses, erection/commissioning expenses and interest 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 amount of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external / internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price of assets and their 'Value in use'. The estimated future cash flows are discounted to their present value at the weighted average cost of capital.

d) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Long-Term investments. Current Quoted Investments are stated at lower of cost or market rate on individual investment basis. 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.

e) Depreciation

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

ii. a. Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except for 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:

Class of assets	Useful economic Life	Rate of Depreciation
Air conditioners, Refrigerators, Washing Machines, Water Coolers, Televisions (included in Furniture & Fittings)	6	16.33%
Motor Vehicles	6	16.33%
Computer Hardware	4	24.50%
Weighting Scales & Transformers	15	6.53%
Pallet Trucks	10	9.80%

b. At ABML, the useful life of the assets is estimated as follow

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

c. Acquired Goodwill is written off 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.

f) 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.

g) 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.

h) 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 represent 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.

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 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.

j) 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.

k) Trade & Other Payables

Trade and other payables are recognized at historical costs. At CBSEA and ABML, Long Term Trade and other payables including 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.

l) Earnings 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.

m) 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.

n) 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.

o) 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. ‘y’. 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

p) Taxation

Provision for Income-Tax comprises of current tax, deferred tax charge or release and fringe benefit tax. Current income- tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax 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. Deferred tax assets are not recognized unless there is ‘virtual certainty’ except for the foreign subsidiaries, where that sufficient future taxable income will be available against which such deferred tax assets will be realized.

At each balance sheet date EIL, unrecognized deferred tax assets is re-assessed and is recognised to the extent that it has become reasonable certain or virtually certain, 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 realized.

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.

q) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard-29, 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.

r) Contingent Liabilities

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

Signatures to Schedules 1 to 25

In terms of our examination report of even date

S. R. Batliboi & Co,
Chartered Accountants

Per R K Agrawal
Partner
Membership No. 16667

Kolkata, 16th January, 2010 Secretary Directors

Review Report on Interim Unaudited Financial Statements

To
The Board of Directors
Exide Industries Limited

1. We have reviewed the accompanying Balance Sheet of Exide Industries Limited ('the Company') as at 31st December, 2009 and the related statement of Profit and Loss Account and Cash Flow Statement for the nine months period then ended. These financial statements have been approved by the board of directors of the Company and are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Without qualifying our opinion, attention is drawn to Note No. II 'n' of Schedule 24, relating to Provision for Income Tax including Rs. 81.4 millions with corresponding amount of Deferred Tax Asset there against, towards disallowance of warranty provision based on the assessments completed by the Income tax officer for certain years which is being carried forward till the disposal of the appeals, although a recent Supreme Court ruling has allowed such warranty provision as allowable expenditure. Consequently, Provision for Income Tax is higher and Deferred Tax Liability (net) is lower by the above amount. This, however, has no impact on the profit for the period.

4. As indicated in Note no. II 'p' of Schedule 24, the interim financial statements have been prepared by the company solely for the purpose of inclusion in the "placement document", being prepared for the purpose of issue of Equity Shares to qualified institutional bidders. Although Accounting Standard 25 requires consolidated financial statements also to be prepared and attached with the interim financial statements, yet since Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 does not require such consolidated financial statements to be prepared and attached with the placement document, the company has not prepared and included the consolidated interim financial statements in the placement document.

5. The accompanying financial statements have been prepared by the Company in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified pursuant to the Companies (Accounting Standards) Rules, 2006.

6. Based on our review and read with our comments in para 4 above, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with the Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

7. These interim financial statements have been prepared solely for inclusion in the placement document being prepared for the purpose of issue of equity shares to Qualified Institutional Bidders, in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Our review report is for the above specific purpose only and should not be used for any other purpose without our prior written consent.

For S. R. BATLIBOI & CO.
CHARTERED ACCOUNTANTS

per R. K. AGRAWAL
Partner
Membership No. 16667

Place: Kolkata.
Date: 16th January, 2010

EXIDE INDUSTRIES LIMITED

Unaudited Balance Sheet as at 31st December 2 0 0 9

	SCHEDULE	31.12.2009		31.03.2009	
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	800.0		800.0	
Reserves & Surplus	2	15,154.8	15,954.8	11,703.5	12,503.5
Loan Funds	3				
Secured		3.6		1,796.2	
Unsecured		900.3	903.9	1,375.6	3,171.8
Deferred Tax Liabilities (net)	4		490.0		412.0
			17,348.7		16,087.3
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		12,961.2		12,567.0	
Less: Accumulated Depreciation/ Amortisation		6,493.7		5,887.0	
Net Block		6,467.5		6,680.0	
Add: Capital Work-in-Progress including Capital Advance		298.1	6,765.6	173.1	6,853.1
Investments	6		7,312.2		6,681.8
Current Assets, Loans & Advances					
Inventories	7	5,979.3		4,384.7	
Sundry Debtors	8	2,490.9		2,310.2	
Cash and Bank Balances	9	179.3		337.1	
Loans & Advances	10	291.8		386.8	
		8,941.3		7,418.8	
Less:					
Current Liabilities & Provisions					
Current Liabilities	11	4,857.2		3,807.3	
Provisions	12	813.2		1,059.1	
		5,670.4		4,866.4	
Net Current Assets			3,270.9		2,552.4
			17,348.7		16,087.3
Notes to Accounts	24				

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

As per our review report of even date.

S.R.Batliboi & Co.
Chartered Accountants

Per R.K.Agrawal
Partner

Membership No 16667 Secretary Directors

Kolkata, 16th January 2010

EXIDE INDUSTRIES LIMITED
Unaudited Profit and Loss Account for the 9 Months Ended 31st December 2009

	SCHEDULE	APR-DEC 09		APR-DEC 08	
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
INCOME					
Gross Sales	13	33,082.2		32,580.7	
Less: Excise Duty (refer note no II ' b ' on schedule 24)		2,372.9		3,788.3	
: Sales Tax, Value Added Tax & Octroi		3,049.4		2,845.6	
Net Sales			27,659.9		25,946.8
Other Income	14		41.3		42.6
			27,701.2		25,989.4
EXPENDITURE					
(Increase) / Decrease in Stocks	15		(482.2)		(603.4)
Materials Consumed	16		16,082.5		17,906.0
Purchase of Trading Goods			46.3		102.6
Personnel Costs	17		1,680.4		1,262.1
Expenses	18		3,591.1		3,196.0
Interest and Finance Costs	19		77.0		367.3
Depreciation/Amortisation	20		598.2		505.3
			21,593.3		22,735.9
PROFIT BEFORE TAX			6,107.9		3,253.5
Taxation (net)	21		2,082.5		1,117.5
PROFIT AFTER TAX			4,025.4		2,136.0
Balance brought forward as on 1.4.2009			3,245.9		2,812.9
PROFIT AVAILABLE FOR APPROPRIATION			7,271.3		4,948.9
APPROPRIATIONS					
General Reserve			410.0		-
Interim Dividend			480.0		-
Tax on Interim Dividend			81.6		-
Surplus carried to Balance Sheet			6,299.7		4,948.9
			7,271.3		4,948.9
Earning per share - Basic & Diluted - (Nominal Value Per Share Re 1) - Rupees (refer note no II ' i ' on schedule 24)			5.03		2.67
Notes to Accounts	24				

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

As per our review report of even date.

S.R.Batliboi & Co.
Chartered Accountants

Per R.K.Agrawal
Partner

Membership No 16667 Secretary Directors

Kolkata, 16th January 2010

EXIDE INDUSTRIES LIMITED

Unaudited Cash Flow Statement for the 9 Months ended 31st December, 2009

		APR-DEC 09		APR-DEC 08	
		Rs. in Million	**Rs. in Million**	**Rs. in Million**	**Rs. in Million**
(A)	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before tax		6,107.9		3,253.5
	Adjustment for:				
	Depreciation	598.2		505.3	
	Profit on Fixed Assets sold / discarded	(0.4)		(24.3)	
	Loss on Fixed Assets sold / discarded	0.2		5.8	
	Provision for Diminution in Value of Investments	-		10.2	
	Provision for Doubtful Loans and Advances	-		25.8	
	Dividend Income	(26.1)		(4.3)	
	Interest Expense	115.9		259.9	
	Interest Income	(3.2)		(2.4)	
	Unrealised (Gain) / Loss on Foreign Exchange	(35.7)		109.8	
			648.9		885.8
	Operating profit before working capital changes		6,756.8		4,139.3
	(Increase)/Decrease in Sundry Debtors(net of provision)	(180.7)		(434.6)	
	(Increase) / Decrease in Inventories	(1,594.6)		(300.9)	
	(Increase) / Decrease in Loans & Advances	102.4		93.8	
	Increase / (Decrease) in Trade Payables	1,138.1	(534.8)	63.3	(578.4)
	Cash generation from operations		6,222.0		3,560.9
	Direct Taxes Paid (net of refund)		(2,063.8)		(1,070.2)
	Net Cash from operating activities		4,158.2		2,490.7
(B)	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(583.5)		(1,008.1)	
	Sale of Fixed Assets	2.0		42.1	
	Purchase of Investments				
	- Mutual Fund units	(3,390.0)		-	
	- Others	(937.4)		(959.2)	
	Sale of Investments				
	- Mutual Fund units	3,690.0		-	
	- Others	7.0		-	
	Interest Received	4.5		3.0	
	Dividend received	16.7		5.7	
	Net Cash used in investing activities		(1,190.7)		(1,916.5)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Net increase/(decrease) in Long Term Borrowings	(475.3)		610.8	
	Repayment of Long Term Borrowings	(1,000.0)		(1,000.0)	
	Net increase/(decrease) in other borrowings	(756.9)		446.6	
	Dividends Paid (including tax)	(748.4)		(374.4)	
	Interest Paid	(144.7)		(254.3)	
	Net Cash used in financing activities		(3,125.3)		(571.3)
	Net Increase / (decrease) in cash and cash equivalents		(157.8)		2.9
	Cash and cash equivalents as at 1 April 2009 #		337.1		16.8
	Cash and cash equivalents as at 31 December 2009 #		179.3*		19.7

Details disclosed in Schedule 9

* Includes Rs. 22.6 mil (Rs 16.9 mil) lying in Unclaimed Dividend Account

As per our review report of even date.

S.R. Batliboi & Co.
Chartered Accountants

Per R.K.Agrawal
Partner

Membership No 16667 Secretary Directors

Kolkata, 16th January 2010

EXIDE INDUSTRIES LIMITED
Schedules forming Part of the Accounts as at 31st December 2009

1. SHARE CAPITAL

	Par Value	31.12.2009 Rs. in Million	31.03.2009 Rs. in Million
	Rs.		
Authorised			
1,000,000,000 Equity Shares	1	1,000.0	1,000.0
Issued,Subscribed and paid up			
* 800,000,000 Equity Shares fully paid up	1	800.0	800.0

* 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

	31.12.2009		31.03.2009	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Revaluation Reserve -				
Balance as per Last Account	326.0		369.0	
Less: Adjustment towards assets sold/discarded	-		12.0	
Less: Transfer to Depreciation Account	12.5		31.0	
		313.5		326.0
Securities Premium Account - As per Last Account		2131.6		2131.6
General Reserve				
Balance as per Last Account	6,000.0		4,150.0	
Add: Transfer from Profit & Loss Account	410.0		1,850.0	
		6,410.0		6,000.0
Profit & Loss Account Balance		6,299.7		3,245.9
		15,154.8		11,703.5

3. LOAN FUNDS

		31.12.2009		31.03.2009	
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
SECURED					
Term Loans -					
Citi Bank N.A.	(a)		-		1,000.0
Bank Overdraft	(b)		3.6		796.2
			3.6		1,796.2
UNSECURED					
Sales tax loan from Small Industries Promotion Council of Tamilnadu		650.3		654.4	
Term Loan from Bank of America NA		250.0		500.0	
Term Loan from Standard Chartered Bank		-		221.2	
			900.3*		1,375.6
			903.9		3,171.8

* Includes repayable within one year Rs 134.1 mil (Rs. 477.2 mil)

Securities
(a) Secured by hypothecation of Plant and Machinery, Moulds and other movable assets of the company located at its Hosur factory.
(b) Secured by hypothecation of stocks & book debts, both present and future.

4. DEFERRED TAX LIABILITY (NET)

	31.12.2009		31.03.2009	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Balance as per Last Account		412.0		479.0
Less: Deferred Tax Asset		-		67.0
Add: Deferred Tax Liability		78.0		-
(Refer note no II ' g ' on Schedule 24)		490.0		412.0

5. FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET VALUE	
	Cost/ Valuation as at 1.4.2009 Rs. in Mn.	Additions Rs. in Mn.	Deductions Rs. in Mn.	Cost/Valuation as at 31.12.2009 Rs. in Mn.	As at 1.4.2009 Rs. in Mn.	For the Period Rs. in Mn.	Less: On Sales/ Adjustments Rs. in Mn.	As at As at 31.12.2009 Rs. in Mn.	As at 31.12.2009 Rs. in Mn.	As at 31.03.2009 Rs. in Mn.
Goodwill	10.0(a)	-	-	10.0	10.0	-	-	10.0	-	-
Land										
Freehold	345.8	0.5	-	346.3	-	-	-	-	346.3	345.8
Leasehold	178.7	-	-	178.7	23.4	1.7	-	25.1	153.6	155.2
Buildings	1,990.9	7.6	-	1998.5(c)	463.8	75.8	-	539.6	1,458.9	1,527.1
Plant & Machinery	8,695.1	291.7	3.4	8,983.4	4,542.1	451.7	2.0	4,991.8	3,991.6	4,153.1
Moulds	997.2	93.5	0.3	1,090.4	617.7	55.2	0.1	672.8	417.6	379.5
Furniture & Fittings	122.6	2.9	0.4	125.1	80.0	5.3	0.4	84.9	40.2	42.6
Motor Vehicles	27.8	1.4	1.3	27.9	15.1	2.5	1.2	16.4	11.5	12.7
Computers	198.9	2.3	0.3	200.9	134.9	18.5	0.3	153.1	47.8	64.0
Total	**12,567.0**	**399.9**	**5.7**	**12,961.2**	**5,887.0**	**610.7**	**4.0**	**6,493.7**	**6,467.5**	**6,680.0**
Previous year's Total	10,974.7	1,888.9	296.6	12,567.0	5,423.6	710.4	247.0	5,887.0		
Capital Work-in-progress (f)									298.1	173.1
									6,765.6	**6,853.1**

a. Includes Trade Marks, Patents and other intangibles.

b. Conveyance deeds for certain immovable properties valued at Rs 37.7 mil (Rs 37.7 mil) are pending execution.

c. Includes Rs 1.0 mil (Rs 1.0 mil) being the cost of shares in Co-operative Housing Societies.

d. Estimated outstanding commitments for Capital Expenditure Rs 1160.7 mil (Rs. 154.1 mil).

e. 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 Period on the revalued assets has been appropriated from the Revaluation Reserve.

f. Includes assets in transit

6. INVESTMENTS

	No.	Face Value per Share/ Debenture	31.12.2009 Rs. in Million	31.03.2009 Rs. in Million
Long Term				
Unquoted				
Government Securities			0.1*	0.1
(Lodged as Security Deposit with various authorities)				
Fully paid up Equity Shares				
Subsidiary Companies --				
Chloride International Limited	450,000	Rs 10	2.0	2.0
Caldyne Automatics Limited	19,80,000	Rs 10	29.3	29.3
Chloride Metals Limited	53,46,100	Rs 10	250.0	250.0
Leadage Alloys India Limited	23,86,800	Rs 10	334.1	334.1
Chloride Batteries S.E.Asia Pte Limited	70,00,000	Singapore $ 1	103.5	103.5
Espex Batteries Limited	102,000	GBP 1	7.8	7.8
Associated Battery Manufacturers (Ceylon) Ltd	38,96,640	Sri Lankan Rp 10	73.1	73.1
Others --				
CEIL Motive Power Pty Limited, Australia	- (26)	Australian $ 1	-	-#
ING VYSYA Life Insurance Company Limited	61,37,41,500 **	Rs 10	6,257.3	5,319.9

	(52,00,00,000)			
Arkay Energy (Rameswaram) Limited	- (700,000)	Rs 10	-	7.0
Haldia Integrated Development Agency Ltd	500,000	Rs 10	5.0	5.0
Fully paid up Debentures				
Woodlands Medical Centre Ltd				
1/2% Debentures	20	100	-*^	-
5% Non-redeemable Registered Debentures	1	6,000	-*^	-
Current - Quoted				
Units in Mutual Funds (Aggregate Market Value Rs 268.7 mil (Rs 552.1 mil))			250.0*	550.0
			7,312.2	6,681.8

** Includes 1,04,25,000 Shares awaiting allotment.
# Net of Provision for diminution in value of investments Rs 10.2 mil
^ Figures being less than Rs 50,000 in each case, has not been disclosed
Note: All the above investments, except those marked with an asterisk, are trade investments

7. INVENTORIES
(At Lower of Cost and Net Realisable value)

	31.12.2009		31.03.2009	
	Rs. in Million	**Rs. in Million**	**Rs. in Million**	**Rs. in Million**
Stores, Spare parts, Loose Tools etc.		128.0		122.3
Raw Materials and Components @		2,550.8		1,444.1
Work-in-progress		1,462.1		1,174.5
Finished goods @	1,613.8		1,412.6	
Add: Excise Duty on Finished Goods Inventory	202.7	1,816.5	203.4	1,616.0
Trading Goods		21.9		27.8
		5,979.3		4,384.7

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

8. SUNDRY DEBTORS
(Unsecured, considered good)

	31.12.2009		31.03.2009	
	Rs. in Million	**Rs. in Million**	**Rs. in Million**	**Rs. in Million**
Debts over six months		51.0*		91.3
Other Debts		2,439.9		2,218.9
		2,490.9		2,310.2
* Net of doubtful debts fully provided for		1.9		1.9

9. CASH AND BANK BALANCE

	31.12.2009		31.03.2009	
	Rs. in Million	**Rs. in Million**	**Rs. in Million**	**Rs. in Million**
Cash and Cheques in hand (including Remittances in transit)		3.4		202.5
Balances with Scheduled banks on:				
Current Account	153.3		117.7	
Unclaimed Dividend Account	22.6		16.9	
		175.9		134.6
		179.3		337.1

10. LOANS AND ADVANCES

(Unsecured, Considered good)

	31.12.2009		31.03.2009	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Dividend Receivable				
- From Subsidiary Companies		-		6.3
- Others		18.7		3.0
Loans				
- To a Subsidiary Company	0.7		0.7	
- Others *	0.1	0.8	0.1	0.8
Interest Accrued on Loans		-		1.3
Advances recoverable in cash or in kind or for value to be received or pending adjustments		142.7		248.9
Balances with Customs, Sales Tax & Excise Authorities		22.3		26.1
Deposits - Others		107.3		100.4
		291.8		386.8

* Net of Provision for Doubtful Loans nil (Rs 25.8 mil)

11. CURRENT LIABILITIES

	31.12.2009		31.03.2009	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Sundry Creditors				
- Due to Micro, Small and Medium enterprises		64.6		77.7
- Due to others		3,783.9		2,927.9
Acceptances		420.2		337.1
Other Liabilities		462.8		328.5
Advances from customers		98.6		85.6
Investor Education and Protection Fund		22.7		17.3
Interest accrued but not due on Loans		4.4		33.2
		4,857.2		3,807.3

12. PROVISIONS

	31.12.2009		31.03.2009	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Employee Benefits		154.8		116.8
Product related Warranty / Guarantees (Refer note no II ' h ' on Schedule 24)		476.2		513.4
Taxation { net of Advance Tax Rs 1902.5 mil (Rs 1300.0 mil) }		182.2		242.3
Proposed Dividend		-		160.0
Tax on Proposed Dividend		-		26.6
		813.2		1,059.1

13. SALES

	APR-DEC 09	APR-DEC 08
	Rs. in Million	Rs. in Million
Storage Batteries	32,998.2	32,437.8
Trading Items	82.8	142.5
Others	1.2	0.4

	33,082.2*	32,580.7

* Includes Exchange Gain Rs 23.3 mil (Rs 68.2 mil).

14. OTHER INCOME

	APR-DEC 09 Rs. in Million	APR-DEC 08 Rs. in Million
Dividend from Current, Non Trade Investments	26.1	4.3
Technical Assistance Fees	2.8	2.2
Profit on assets sold / discarded	0.4	24.3
Bad debts recovered	-	1.1
Sundry Income	12.0	10.7
	41.3	42.6

15. (INCREASE)/DECREASE IN STOCKS

	APR-DEC 09 Rs. in Million		APR-DEC 08 Rs. in Million	
Opening Stocks as on 1.4.2009 (1.4.2008)				
Work-in-progress	1,174.5		1,283.5	
Finished goods	1,412.6		1,476.0	
Trading Goods	27.8		35.3	
		2,614.9		2,794.8
Closing Stocks				
Work-in-progress	1,462.1		1,473.3	
Finished goods	1,613.8		1,880.7	
Trading Goods	21.9		32.6	
		3,097.8		3,386.6
Excise Duty *		0.7		(11.6)
		(482.2)		(603.4)

* Represents Excise duty on (Increase) / decrease of Finished goods inventory

16. MATERIALS CONSUMED

	APR-DEC 09 Rs. in Million		APR-DEC 08 Rs. in Million	
Raw Materials, Components etc:				
Opening Stock as on 1.4.2009 (1.4.2008)	1,444.1		2,512.1	
Add: Purchases (including Processing charges, Procurement expenses etc and after adjusting Cenvat Credits)	17,189.2		17,592.8	
	18,633.3		20,104.9	
Less: Closing Stock	2,550.8	16,082.5	2,198.9	17,906.0
		16,082.5		17,906.0

(Refer note no II ' f ' on Schedule 24)

17. PERSONNEL COST

	APR-DEC 09 Rs. in Million	APR-DEC 08 Rs. in Million
Salaries, Wages & Bonus	1,336.4	970.7
Contribution to Provident & Other Funds (net)	142.7	139.0

Welfare Expenses	201.3	152.4
	1,680.4	1,262.1

18. EXPENSES

	APR-DEC 09		APR-DEC 08	
	Rs. in Million		Rs. in Million	
Stores & Spare Parts consumed		307.8		264.4
Power & Fuel		1,002.4		920.1
Battery Charging / Battery Assembly expenses		65.0		58.6
Repairs & Maintenance				
Buildings	37.7		29.4	
Plant & Machinery	139.9		120.9	
Computers & Softwares	30.3		33.6	
Others	20.8	228.7	21.6	205.5
Rent & Hire Charges		75.0		57.9
Rates & Taxes		7.8		9.9
Insurance		8.7		11.4
Commission		37.9		38.3
Royalty and Technical Aid Fees		30.6		38.7
Publicity and Sales Promotion		272.5		213.5
Freight & Forwarding (net)		770.7		619.0
Selling Expenses (Schedule 22)		473.8		412.1
Travelling & Conveyance		85.2		85.3
Bank Charges		19.9		24.8
Communication Costs		42.3		39.2
Donations		0.1		0.1
Auditors' Remuneration		5.4		4.7
Directors' Sitting Fees		0.2		0.1
Loss on assets sold/discarded		0.2		5.8
Provision for Doubtful Loans and Advances		-		25.8
Provision for Diminution in value of Investments		-		10.2
Miscellaneous Expenses (Schedule 23)		156.9		150.6
		3,591.1		3,196.0

19. INTEREST AND FINANCE COST

	APR-DEC 09	APR-DEC 08
	Rs. in Million	Rs. in Million
Interest on:		
Term Loans	46.7	111.2
Working Capital Borrowings	33.5*	257.9
	80.2	369.1
Fund Mobilisation Costs	-	0.6
	80.2	369.7
Less: Interest Received on loans, deposits etc. (including Tax deducted at source Rs 0.6 mil (Rs 0.7 mil)	3.2	2.4
	77.0	367.3

* Includes net exchange Gain Rs 35.7 mil (Loss Rs 109.8 mil).

20. DEPRECIATION/AMORTISATION

	APR-DEC 09	APR-DEC 08
	Rs. in Million	Rs. in Million
Charge for the Period	610.7	522.5
Less: Transfer from Revaluation Reserve	12.5	17.2
	598.2	505.3

21. TAXATION

	APR-DEC 09	APR-DEC 08
	Rs. in Million	**Rs. in Million**
Provision for Income Tax		
- Current *	2,073.7	1,093.8
- Deferred *	7.8	11.0
Provision for Wealth Tax	1.0	1.5
Provision for Fringe Benefit Tax	-	11.2
	2,082.5	1,117.5

* Net of reversal of Rs 80.0 mil as mentioned in note no II ' n ' on Schedule 24

22. SELLING EXPENSE

	APR-DEC 09	APR-DEC 08
	Rs. in Million	**Rs. in Million**
Testing Charges	6.6	1.5
Liquidated Damages, Claims and Breakages	1.8	2.1
Cash Discounts	240.1	249.4
After Sales Services	104.0	94.0
C & F Expenses	118.4	63.5
Installation Costs	2.9	1.6
	473.8	412.1

23. MISCELLENOUS EXPENSES

	APR-DEC 09	APR-DEC 08
	Rs. in Million	**Rs. in Million**
Motor Vehicle Running Expenses	25.7	23.8
Consultancy & Services outsourced	47.1	57.0
Security Service Charges	25.7	22.5
General Expenses	3.9	5.1
Legal Expenses	9.0	6.2
Printing & Stationery	25.7	24.6
TQM Expenses	1.6	2.1
CSR Expenses	8.7	1.0
Pollution Control Expenses	9.5	8.3
	156.9	150.6

24. NOTES TO ACCOUNTS

1. CONTINGENCIES – Contingent liabilities not provided for in respect of –

	31 Dec 2009	31 Mar 2009
	Rs. Mil.	**Rs. Mil.**
- Outstanding Bank Guarentees / Indemnity Bonds	100.1	102.4
- Sales Tax demands	1.5	1.1
- Excise Duty demands	6.7	6.2
- Income Tax demands	63.7	63.7
- Other claims being disputed by the Company	28.6	28.6
- Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not ascertainable	Not ascertainable

II OTHERS

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

b. Excise duty includes Rs. 64.7 mil (Rs. 91.9 mil) paid on issue of batteries on account of warranty.

c. The Company has a full-fledged Research and Development Center and it has thereby been able to considerably further its efficiency.
During the period, a sum of Rs. 81.3 mil (Rs. 60.2 mil), including capital expenditure Rs. 18.1 mil (Rs. 5.4 mil), was spent on Research and Development work.

d. Stores and Spares consumed is exclusive of Rs. 2.6 mil (Rs. 2.1 mil) being the amounts allocated to other heads of expenses.

e. Diminution, based on the net worth as per the latest audited accounts of the relevant companies, in the value of certain long term unquoted investments as on the Balance Sheet date, being temporary in nature, has not been provided.

f. Materials consumed (Schedule 16) includes warranty costs Rs. 216.5 mil (Rs. 325.1 mil), and is net of exchange fluctuation gain Rs. 146.2 mil (Exchange fluctuation loss Rs. 259.3 mil) and export incentives Rs. 37.8 mil (Rs. 39.2 mil).

g. The Break-up of Deferred Tax liability is as follows:

		31 Dec 2009 Rs. in million	31 Mar 2009 Rs. in million
A.	**Deferred Tax Liability**		
i)	Timing Difference in depreciable assets.	568.2	577.6
ii)	Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current period.	75.1	74.0
	Total	**643.3**	**651.6**
B	**Deferred Tax Asset**		
i)	Expenses allowable against taxable income in future years	30.4	116.9
ii)	Expenses disallowed in earlier assessments which are being contested	122.9	122.7
	Net Deferred Tax Liability (A-B)	**490.0**	**412.0**

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

	Apr-Dec'09	**Apr-Dec'08**
	Rs in mil.	**Rs in mil.**
Opening Balance:-	513.4	515.6
Add: Provision created during the period	271.2	402.0
Less: Product related warranties issued for the period	308.4	355.9
Closing Balance	476.2	561.7

i. Basis for calculation of basic and diluted earnings per share is as under:

		Apr - Dec'09	**Apr - Dec'08**
Profit after taxation as per Profit & Loss Account	(Rs mil.)	4025.4	2136.0
Weighted average number of equity shares	(No.)	800,000,000	800,000,000
Basic and diluted earning per share	(Rs.)	5.03	2.67

j. 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.

k. 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	**Apr-Dec'09** **Rs. In million**	**Apr-Dec'09** **Rs. In million**
India	32,259.1	31,558.5
Overseas	823.1	1,022.2

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 million

	Carrying amount of segment assets		**Additions to fixed assets and intangible assets including CWIP**	
	31.12.2009	**31.03.2009**	**Apr-Dec'09**	**Apr-Mar'09**

India	15475.8	14048.3	525.0	1595.3
Overseas	231.1	223.6	-	-
	15706.9	14271.9	525.0	1595.3

l. Foreign Debtors Rs. 230.4 mil (Rs. 197.1 mil.), loan given to an overseas subsidiary Rs. 0.7 mil., (Rs. 0.7 mil.) associate company Rs. nil (Rs. 25.8 mil), Investments in overseas subsidiaries and associates Rs. 184.3 mil. (Rs. 194.5 mil.), dividend and Technical assistance fees receivable Rs. 3.7 mil (Rs. 5.2 mil.),and foreign creditors Rs. 702.2 mil. (Rs. 567.1 mil.) are not hedged by any derivative instrument. The Company also has a borrowing of Rs. 250 mil (Rs. 721.2 mil.) in foreign currency which is fully hedged by a Rupee swap.

m. The Company has paid Rs. 3.6 mil (Rs. 4.1 mil) 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.

n. Based on a recent ruling of The Hon'ble Supreme Court, the Company has treated provision for warranty as an allowable expenditure while estimating the liability for Income Tax for the period and has also written back tax provision and reversed corresponding deferred tax asset of Rs 80.0 mil on the similar ground for certain past years where the assessments are not yet completed. However, provision for warranty for certain years for which the assessments are already completed and the Company has received income tax demands, based on disallowances of such provision by the assessing officer, the tax provision thereon continues to be retained till the disposal of the appeals there against. The quantum of such tax provision aggregates to Rs. 81.4 millions with corresponding deferred tax asset there against. Thus the above non adjustment has no effect on the profit for the period.

o. Disclosures required by Accounting Standard 15 - Employee Benefits, have not been made as the actuarial valuation is done at every financial year end, and not for the interim periods.

p. These interim financial statements of the Company have been prepared by the management solely for the purpose of inclusion in the 'Placement Document' being prepared for the purpose of issue of equity shares to Qualified Institutional Bidders, in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The management has not prepared the Consolidated Financial Statements of the Company and its subsidiaries as at and for the 9 months period ended December 31st, 2009, which although is required in terms of Accounting Standards (AS) 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006, is not required to be prepared and attached with the 'placement document' as per the above SEBI regulations. Because of the above non-requirement by SEBI, the company is not including the consolidated interim financial statements in such placement document.

q. In accordance with the requirements of Accounting Standards (AS) 25, Interim Financial Reporting, comparative figures for balance sheet are as of the end of the immediately preceding financial year and comparative figure for Profit and Loss Account and Cash Flow Statement are for the corresponding interim period of the previous financial year.

r. Figures in bracket represent previous year's / period's figures, which have been regrouped /rearranged wherever necessary to confirm to this period classification.

s) Related Party Disclosure:	**EXIDE INDUSTRIES LIMITED**
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.
2. Associate Companies	ING VYSYA Life Insurance Company Limited (IVL) CEIL Motive Power Pty Limited, Australia (upto 24 August 2009)
3. 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	
4. Key Management Personnel	Mr T V Ramanathan Mr G Chatterjee Mr P K Kataky Dr S K Mittal Mr A K Mukherjee Mr Nadeem Kazim Mr Supriya Coomer
5. Name of the Companies / firms / in which Key Management Personnel are interested.	Prism Cement Limited

Related Party Disclosure: **EXIDE INDUSTRIES LIMITED** **(In Rs Million)**

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

	Subsidiaries		Associated Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel		Total	
	Transaction Value	Balance Outstanding as on 31-12-2009	Transaction Value	Balance Outstanding as on 31-12-2009	Transaction Value	Balance Outstanding as on 31-12-2009	Transaction Value		Transaction Value	Balance Outstanding as on 31-12-2009
Purchase of goods - CIL	-	-	-	-	-	-	-		-	-
	(1.0)	-	-	-	-	-	-		(1.0)	-
- ABML	16.8	-	-	-	-	-	-		16.8	-
	(88.4)	-	-	-	-	-	-		(88.4)	-
- Chloride Metals	1,835.6	-	-	-	-	-	-		1,835.6	-
	(1,464.4)	(20.8)	-	-	-	-	-		(1,464.4)	(20.8)
- Leadage Alloys	4,375.2	355.5	-	-	-	-	-		4,375.2	355.5
	(3,526.4)	-	-	-	-	-	-		(3,526.4)	-
- Caldyne	3.4	1.0	-	-	-	-	-		3.4	1.0
	(6.8)	-	-	-	-	-	-		(6.8)	-
- CBSEA	0.1	-	-	-	-	-	-		0.1	-
			-	-	-	-	-		-	-
- Total	**6,231.1**	**356.5**	**-**	**-**	-	-	-		**6,231.1**	**356.5**
	(5,087.0)	**(20.8)**	**-**	**-**	-	-	-		**(5,087.0)**	**(20.8)**
Sale of goods - CBSEA	318.3	127.6	-	-	-	-	-		318.3	127.6
	(427.9)	(81.8)	-	-	-	-	-		(427.9)	(81.8)
- ABML	-	-	-	-	-	-	-		-	-
	(0.6)	-	-	-	-	-	-		(0.6)	-

- Caldyne	134.6	59.0	-	-	-	-	-		134.6	59.0
	(88.1)	(33.2)	-	-	-	-	-		(88.1)	(33.2)
- Espex	122.5	83.1	-	-	-	-	-		122.5	83.1
	(176.0)	(69.9)	-	-	-	-	-		(176.0)	(69.9)
- Chloride Metals	546.6	29.5	-	-	-	-	-		546.6	29.5
	(466.3)	-	-	-	-	-	-		(466.3)	-
- Leadage Alloys	483.9	-	-	-	-	-	-		483.9	-
	(642.7)	(19.7)	-	-	-	-	-		(642.7)	(19.7)
- CIL	43.0	-	-	-	-	-	-		43.0	-
	(10.2)	(1.2)	-	-	-	-	-		(10.2)	(1.2)
- Total	**1,648.9**	**299.2**	-	-	-	-	-		**1,648.9**	**299.2**
	(1,811.8)	**(205.8)**	-	-	-	-	-		**(1,811.8)**	**(205.8)**
Cost of management services recovered										
- CIL	0.3	-	-	-	-	-	-		0.3	-
	(0.3)	-	-	-	-	-	-		(0.3)	-
Rent and Maintenance Costs										
- CIL	1.7	-	-	-	-	-	-		1.7	-
	(1.6)	-	-	-	-	-	-		(1.6)	-
Dividend Income										
- ABML	-	-	-	-	-	-	-		-	-
	-	(4.3)	-	-	-	-	-		-	**(4.3)**
- Caldyne	-	-	-	-	-	-	-		-	**-**
	-	(2.0)	-	-	-	-	-		-	**(2.0)**
- Total	-	-	-	-	-	-	-		-	**-**
	-	**(6.3)**	-	-	-	-	-		-	**(6.3)**
Employee Welfare Expenses										
- IVL	-	-	2.7	-	-	-	-		2.7	-
	-	-	(2.3)	-	-	-	-		(2.3)	-

EXIDE INDUSTRIES LIMITED
Schedules forming part of the accounts as at 31st December 2009

Rights Issue of Shares										
- IVL	-	-	937.4	-	-	-	-		937.4	-
	-	-	(625.0)	-	-	-	-		(625.0)	-
Technical Assistance Expenses										
- CEIL	-	-	-	-	0.6	0.2	-		0.6	0.2
	-	-	-	-	(0.7)	(0.4)	-		(0.7)	(0.4)
Technical Assistance Income										
- ABML	2.8	3.7	-	-	-	-	-		2.8	3.7
	(2.2)	(0.9)	-	-	-	-	-		(2.2)	(0.9)
Loans Given – ESPEX	-	0.7	-	-	-	-	-		-	0.7
	-	(0.7)	-	-	-	-	-		-	(0.7)
- CEIL Motive Power	-	-	-	-	-	-	-		-	-
	-	-	-	(25.8)	-	-	-		-	(25.8)
Interest Costs – ESPEX	-	0.1	-	-	-	-	-		-	0.1
	-	(0.1)	-	-	-	-	-		-	(0.1)
Interest Income – ESPEX	-	-	-	-	-	-	-		-	-
	-	(0.1)	-	-	-	-	-		-	(0.1)
- CEIL Motive Power	-	-	-	-	-	-	-		-	-
	-	-	-	(3.4)	-	-	-		-	(3.4)
Remuneration										
to Directors	-	-	-	-	-	-	47.5		47.5	33.1
	-	-	-	-	-	-	(42.7)		(42.7)	(28.7)
to Others	-	-	-	-	-	-	4.300		4.3	-
	-	-	-	-	-	-	(2.1)		(2.1)	-
- Total	-	-	-	-	-	-	51.8		51.8	33.1
	-	-	-	-	-	-	(44.8)		(44.8)	(28.7)

Notes: (1) Dividend amounting to Rs. 312.7 mil (Rs 156.4 mil) was paid for the year 2008-09 and for Interim Dividend 2009-10 to Chloride Eastern Limited, UK.

III. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Company prepares its accounts under the Historical Cost Convention modified by revaluation of fixed assets. These interim financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by the Companies Accounting Standards Rules, 2006, the recognition and measurement principles laid down in Accounting Standard (AS) 25 – Interim Financial Statements and the relevant provisions of the Companies Act, 1956. For recognition of Income and expenses, Mercantile System of Accounting is followed. The accounting policies have been consistently applied by the Company.

b. Revenue Recognition

Sale of goods
Revenue from sale of goods including manufactured products is recognised upon passage of title to the customers, which generally coincides with delivery. Customs Duty benefits in the form of advance license entitlements are recognised on export of goods, and are set off from material costs.

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

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

c. Fixed Assets

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

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

d. Investments

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

e. Depreciation

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

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

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

Class of assets	Useful economic	Rate of

	Life	Depreciation
Air conditioners, Refrigerators, Washing Machines, Water Coolers, Televisions (included in Furniture & Fittings)	6	16.33%
Motor Vehicles	6	16.33%
Computer Hardware	4	24.50%
Weighing Scales, & Transformers	15	6.53%
Pallet Trucks	10	9.80%

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

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

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

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

f. **Intangible Assets**

Research and Development Costs

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

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

g. **Leases**:

i) Finance lease:

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

a) Assets given under a finance lease are recognized as 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 represent 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.

h. **Foreign Currency Transactions**

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items, are recognized 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 recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

i. **Inventories**

i) Raw materials, components, stores and spares are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

ii) Work-in-progress and finished goods are valued at Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

j. **Borrowing Costs**

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

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

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

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

l. **Excise Duty**

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

m. **Retirement and other employee benefits**

i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other 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. However, gratuity liability for the interim financial statements is provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

iii) Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year. However, long term compensated absences for the interim financial statements are provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

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. The contributions towards defined contribution are charged to the Profit and Loss account of the period 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. However, pension liability for the interim financial statements is provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

vi) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

n. **Product Related Warranty/ Guarantee Claims**

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

o. **Taxation**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax 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 period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

p. **Earning per share**

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

q. **Provision**

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

r. **Contingent Liabilities**

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

Signature to Schedule 1 to 24
As per our review report of even date.

S.R. BATLIBOI & CO.
Chartered Accountants

Per R.K. Agrawal
Partner
Membership No. 16667
Kolkata, 16th January, 2010 Secretary Directors

Review Report on Interim Unaudited Financial Statements

To
The Board of Directors
Exide Industries Limited

1. We have reviewed the accompanying Balance Sheet of Exide Industries Limited ('the Company') as at December 31st, 2008 and the related statement of Profit and Loss Account and Cash Flow Statement for the nine months period then ended. These Interim financial statements have been approved by the board of directors of the Company and are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Without qualifying our opinion, attention is drawn to Note No. II 'p' of Schedule 24, relating to Provision for Income Tax including Rs. 81.4 millions with corresponding amount of Deferred Tax Asset there against, towards disallowance of warranty provision based on the assessments completed by the Income tax officer for certain years which is being carried forward till the disposal of the appeals, although a recent Supreme Court ruling has allowed such warranty provision as allowable expenditure. Consequently, Provision for Income Tax is higher and Deferred Tax Liability (net) is lower by the above amount. This, however, has no impact on the profit for the period.

4. As indicated in Note no. II 'r' of Schedule 24, the interim financial statements have been prepared by the company solely for the purpose of inclusion in the "placement document", being prepared for the purpose of issue of Equity Shares to qualified institutional bidders. Although Accounting Standard 25 requires consolidated financial statements also to be prepared and attached with the interim financial statements, yet since Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 does not require such consolidated financial statements to be prepared and attached with the placement document, the company has not prepared and included the consolidated interim financial statements in the placement document.

5. The accompanying financial statements have been prepared by the Company in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) 25, Interim Financial Reporting, notified pursuant to the Companies (Accounting Standards) Rules, 2006.

6. Based on our review and read with our comments in para 4 above, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view in accordance with Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).

7. These interim financial statements have been prepared solely for the purpose of inclusion in the placement document being prepared for the purpose of issue of equity shares to Qualified Institutional Bidders, in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Our review report is for the above specific purpose only and should not be used for any other purpose without our prior written consent.

For S. R. BATLIBOI & CO.
CHARTERED ACCOUNTANTS

per R. K. AGRAWAL
Partner
Membership No. 16667

Place: Kolkata.
Date: 16th January, 2010

EXIDE INDUSTRIES LIMITED
Unaudited Balance Sheet as at 31st December 2008

	SCHEDULE	31.12.2008		31.3.2008	
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	800.0		800.0	
Reserves & Surplus	2	11,575.4		9,463.5	
			12,375.4		10,263.5
Loan Funds	3				
Secured		2,271.8		2,724.0	
Unsecured		1,384.9		774.1	
			3,656.7		3,498.1
Deferred Tax Liabilities (net)	4		490.0		479.0
			16,522.1		14,240.6
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		11,564.1		10,974.7	
Less: Accumulated Depreciation/ Amortisation		5,791.2		5,423.6	
Net Block		5,772.9		5,551.1	
Add:Capital Work-in-Progress including Capital Advances		478.1		466.7	
			6,251.0		6,017.8
Investments	6		6,131.8		5,182.9
Current Assets, Loans & Advances					
Inventories	7	6,008.4		5,707.5	
Sundry Debtors	8	3,026.7		2,592.1	
Cash and Bank Balances	9	19.7		16.8	
Loans & Advances	10	326.5		448.1	
		9,381.3		8,764.5	
Less:					
Current Liabilities & Provisions					
Current Liabilities	11	4,433.4		4,670.7	
Provisions	12	808.6		1,053.9	
		5,242.0		5,724.6	
Net Current Assets			4,139.3		3,039.9
			16,522.1		14,240.6
Notes to Accounts	24				

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

As per our review report of even date.

S.R.Batliboi & Co.
Chartered Accountants

Per R.K.Agrawal
Partner

Membership No 16667 Secretary Directors

Kolkata, 16th January 2010

EXIDE INDUSTRIES LIMITED
Unaudited Profit and Loss Account for the 9 months ended 31st December 2008

	SCHEDULE	APR-DEC 08	
		Rs. in Million	Rs. in Million
INCOME			
Gross Sales	13	32,580.7	
Less: Excise Duty (refer note no II ' b ' on schedule 24)		3,788.3	
: Sales Tax, Value Added Tax & Octroi		2,845.6	
Net Sales			25,946.8
Other Income	14		42.6
			25,989.4
EXPENDITURE			
(Increase) / Decrease in Stocks	15		(603.4)
Materials Consumed	16		17,906.0
Purchase of Trading Goods			102.6
Personnel Costs	17		1,262.1
Expenses	18		3,196.0
Interest and Finance Costs	19		367.3
Depreciation/Amortisation	20		505.3
			22,735.9
PROFIT BEFORE TAX			3,253.5
Taxation (net)	21		1,117.5
PROFIT AFTER TAX			2,136.0
Balance brought forward			2,812.9
PROFIT AVAILABLE FOR APPROPRIATION			4,948.9
Surplus carried to Balance Sheet			4,948.9
Earning per share - Basic & Diluted - (Nominal Value Per Share Re 1) - Rupees (refer note no II ' j ' on schedule 24)			2.67
Notes to Accounts	24		

Schedules 13 to 24 referred to above form an integral part of the Profit and Loss Account.

As per our review report of even date.

S.R.Batliboi & Co.
Chartered Accountants

Per R.K.Agrawal
Partner

Membership No 16667 Secretary Directors

Kolkata, 16th January 2010

EXIDE INDUSTRIES LIMITED
Unaudited Cash Flow Statement for the 9 months ended 31st December, 2008

		APR-DEC 08	
		Rs. in Million	**Rs. in Million**
(A)	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before tax		3,253.5
	Adjustment for:		
	Depreciation	505.3	
	Profit on Fixed Assets sold / discarded	(24.3)	
	Loss on Fixed Assets sold / discarded	5.8	
	Provision for Diminution in Value of Investments	10.2	
	Provision for Doubtful Loans and Advances	25.8	
	Dividend Income	(4.3)	
	Interest Expense	259.9	
	Interest Income	(2.4)	
	Unrealised (Gain) / Loss on Foreign Exchange	109.8	
			885.8
	Operating profit before working capital changes		4,139.3
	(Increase)/Decrease in Sundry Debtors(net of provision)	(434.6)	
	(Increase) / Decrease in Inventories	(300.9)	
	(Increase) / Decrease in Loans & Advances	93.8	
	Increase / (Decrease) in Trade Payables	63.3	(578.4)
	Cash generation from operations		3,560.9
	Direct Taxes Paid (net of refund)		(1,070.2)
	Net Cash from operating activities		2,490.7
(B)	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Purchase of Fixed Assets	(1,008.1)	
	Sale of Fixed Assets	42.1	
	Purchase of Investments	(959.2)	
	Interest Received	3.0	
	Dividend received	5.7	
	Net Cash used in investing activities		(1,916.5)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from Long Term Borrowings	610.8	
	Repayment of Long Term Borrowings	(1,000.0)	
	Net increase/(decrease) in other borrowings	446.6	
	Dividends Paid (including tax)	(374.4)	
	Interest Paid	(254.3)	
	Net Cash used in financing activities		(571.3)
	Net Increase / (decrease) in cash and cash equivalents		2.9
	Cash and cash equivalents as at 1 April 2008 #		16.8
	Cash and cash equivalents as at 31 December 2008 #		19.7*

Details disclosed in Schedule 9
* Includes Rs 14.0 mil (Rs 11.9 mil) lying in Unclaimed Dividend Account

As per our review report of even date.

S.R.Batliboi & Co. Chartered Accountants

Per R.K.Agrawal
Partner Secretary Directors
Membership No 16667
Kolkata, 16th January, 2010

EXIDE INDUSTRIES LIMITED
Schedules forming part of the accounts as at 31st December 2008

1. SHARE CAPITAL

	Par Value	31.12.2008 Rs. in Mn.	31.03.2008 Rs. in Mn.
	Rs.		
Authorised			
1,000,000,000 Equity Shares	1	1,000.0	1,000.0
		1,000.0	1,000.0
Issued, Subscribed and paid up			
* 800,000,000 Equity Shares fully paid up	1	800.0	800.0

* 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

	31.12.2008		31.03.2008	
	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.
Revaluation Reserve -				
Balance as per Last Account	369.0		424.8	
Less: Adjustment towards assets sold/discarded	6.9		13.1	
Less: Transfer to Depreciation Account	17.2		42.7	
		344.9		369.0
Securities Premium Account				
Balance as per Last Account	2,131.6		695.8	
Add: Amount received on rights issue of Shares	-		1,450.0	
Less: Rights Issue Expenses adjusted	-		14.2	
		2,131.6		2,131.6
General Reserve				
Balance as per Last Account	4,150.0		3,650.0	
Add: Transfer from Profit & Loss Account	-		500.0	
		4,150.0		4,150.0
Profit & Loss Account Balance		4,948.9		2,812.9
		11,575.4		9,463.5

3. LOAN FUNDS

		31.12.2008		31.03.2008	
		Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
SECURED					
Term Loans -					
Hongkong & Shanghai Banking Corporation Ltd	(a)	-		500.0	
Citi Bank N.A.	(b)	1,000.0		1,500.0	
			1,000.0		2,000.0
Bank Overdraft	(c)		1,271.8		724.0
			2,271.8		2,724.0
UNSECURED					
Sales tax loan from Small Industries Promotion Council of Tamil Nadu		652.8		589.8	
Term Loan from Bank of America NA		246.8		184.3	
Term Loan from Standard Chartered Bank		485.3		-	
			1,384.9*		774.1
			3,656.7		3,498.1

* Includes repayable within one year Rs 736.0 mil (Rs.nil)

Securities
(a) Secured by hypothecation of movable assets of the company located at its Haldia and Shamnagar units
(b) Secured by hypothecation of movable assets of the company located at its Chinchwad, Taloja and Hosur units.
(c) Secured by hypothecation of stocks & book debts, both present and future.

4. DEFERRED TAX LIABILITY (NET)

	31.12.2008 Rs. in Million	31.3.2008 Rs. in Million
Balance as per Last Account	479.0	446.5
Add: For the period	11.0	32.5
(Refer note no II ' g ' on Schedule 24)	490.0	479.0

5. FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET VALUE	
	Cost/ Valuation as at 1.4.2008 Rs. in Mn.	Additions Rs. in Mn.	Deductions Rs. in Mn.	Cost/ Valuation as at 31.12.2008 Rs. in Mn.	As at 1.4.2008 Rs. in Mn.	For the Period Rs. in Mn.	Less: On Sales/ Adjustments Rs. in Mn.	As at 31.12.2008 Rs. in Mn.	As at 31.12.2008 Rs. in Mn.	As at 31.03.2008 Rs. in Mn.
Goodwill	10.0[a]	-	-	10.0	10.0	-	-	10.0	-	-
Land										
Freehold	325.4	23.2	2.8	345.8	-	-	-	-	345.8	325.4
Leasehold	189.1	-	10.5	178.6	21.2	1.8	-	23.0	155.6	168.0
Buildings	1,813.0	121.6	22.9	1,911.7[c]	415.0	41.4	4.8	451.6	1,460.1	1,398.0
Plant & Machinery	7,353.4	553.4	101.6	7,805.2	4,122.7	406.1	94.4	4,434.4	3,370.8	3,230.7
Moulds	949.0	64.2	43.0	970.2	638.9	48.2	40.3	646.8	323.4	310.0
Furniture & Fittings	115.7	7.9	3.9	119.7	77.1	5.6	3.4	79.3	40.4	38.6
Motor Vehicles	30.6	1.2	2.2	29.6	14.4	2.8	1.7	15.5	14.1	16.1
Computers	188.5	15.3	10.5	193.3	124.3	16.6	10.3	130.6	62.7	64.3
Total	10,974.7	786.8	197.4	11,564.1	5,423.6	522.5	154.9	5,791.2	5,772.9	5,551.1
Previous year's Total	9,461.5	1,602.8	89.6	10,974.7	4,803.2	685.1	64.7	5,423.6		

Capital Work-in- progress (f)	478.1	466.7
	6,251.0	6,017.8

a. Includes Trade Marks, Patents and other intangibles.
b. Conveyance deeds for certain immovable properties valued at Rs 37.7 mil (Rs 37.7 mil) are pending execution.
c. Includes Rs 1.0 mil (Rs 1.0 mil) being the cost of shares in Co-operative Housing Societies.
d. Estimated outstanding commitments for Capital Expenditure Rs 120.1 mil (Rs. 238.1 mil).
e. 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 period on the revalued assets has been appropriated from the Revaluation Reserve.
f. Includes assets in transit
g. Land and Buildings with an aggregate written down value of Rs 217.5 mil situated at Kanjurmarg and Guindy units of the company are presently not in use. Management is in the process of developing a utilisation plan for these assets.

6. INVESTMENTS

	No.	Face Value per Share/ Debenture	31.12.2008 Rs. in Mn.	31.03.2008 Rs. in Mn.
Long Term				
Unquoted				
Government Securities			0.1*	0.1
(Lodged as Security Deposit with various authorities)				
Fully paid up Equity Shares				
Subsidiary Companies --				
Chloride International Limited	450,000	Rs 10	2.0	2.0
Caldyne Automatics Limited	19,80,000 (1,80,000) #	Rs 10	29.3	29.3
Chloride Metals Limited	53,46,100	Rs 10	250.0	250.0
Leadage Alloys India Limited	23,86,800 (-)	Rs 10	334.1	-
Chloride Batteries S.E.Asia Pte Limited	70,00,000	Singapore $ 1	103.5	103.5
Espex Batteries Limited	102,000	GBP 1	7.8	7.8
Associated Battery Manufacturers (Ceylon) Ltd	38,96,640	Sri Lankan Rp 10	73.1	73.1
Others --				
CEIL Motive Power Pty Limited, Australia	26	Australian $ 1	-#	10.2
ING VYSYA Life Insurance Company Limited	52,00,00,000 ** (45,75,00,000)	Rs 10	5,319.9	4,694.9
Arkay Energy (Rameswaram) Limited	700,000	Rs 10	7.0	7.0
Haldia Integrated Development Agency Ltd	500,000	Rs 10	5.0	5.0
Fully paid up Debentures				
Woodlands Medical Centre Ltd				
1/2% Debentures	20	100	-*^	-
5% Non-redeemable Registered Debentures	1	6,000	-*^	-
			6,131.8	5,182.9

** Includes 1,04,25,000 Shares awaiting allotment.
# Includes 18,00,000 shares received as Bonus shares during the year
Net of Provision for diminution in value of investments Rs 10.2 mil (Rs nil)
^ Figures being less than Rs 50,000 in each case, has not been disclosed
Note: All the above investments, except those marked with an asterisk, are trade investments

7. INVENTORIES
(At Lower of Cost and Net Realisable value)

	31.12.2008		31.03.2008	
	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.
Stores, Spare parts, Loose Tools etc.		128.3		117.6
Raw Materials and Components @		2,198.9		2,512.1

Work-in-progress		1,473.3		1,283.5
Finished goods @	1,880.7		1,476.0	
Add: Excise Duty on Finished Goods Inventory	294.6	2,175.3	283.0	1,759.0
Trading Goods		32.6		35.3
		6,008.4		5,707.5

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

8. SUNDRY DEBTORS
(Unsecured, considered good)

	31.12.2008 Rs. in Mn.	31.03.2008 Rs. in Mn.
Debts over six months	158.9*	52.6
Other Debts	2,867.8	2,539.5
	3,026.7	2,592.1
* Net of doubtful debts fully provided for	0.5	0.5

9. CASH AND BANK BALANCES

	31.12.2008		31.03.2008	
	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.	Rs. in Mn.
Cash and Cheques in hand (including Remittances in transit)		3.4		2.9
Balances with Scheduled banks on:				
Current Account	2.3		2.0	
Unclaimed Dividend Account	14.0		11.9	
		16.3		13.9
		19.7		16.8

10. LOANS AND ADVANCES
(Unsecured, Considered good)

	31.12.2008		31.03.2008	
	Rs. in Mn.	**Rs. in Mn.**	**Rs. in Mn.**	**Rs. in Mn.**
Dividend Receivable				
- From Subsidiary Companies		-		1.4
- Others		-		1.8
Loans				
- To a Subsidiary Company	0.8		0.8	
- Others	0.1**	0.9	27.1	27.9
Interest Accrued on Loans		0.9		-
Advances recoverble in cash or in kind or for value to be received or pending adjustments		203.7		268.0
Balances with Customs,Sales Tax & Excise Authorities		19.9		45.3
Deposits - Others		101.1		103.7
		326.5		448.1

** Net of Provision for Doubtful Loans Rs 25.8 mil (Rs nil)

11. CURRENT LIABILITIES

	31.12.2008	31.03.2008
	Rs. in Mn.	**Rs. in Mn.**
Sundry Creditors		
- Due to Micro, Small and Medium enterprises	105.5	30.5

- Due to others	3,546.8	3,671.9
Acceptances	206.8	548.4
Other Liabilities	436.4	295.0
Advances from customers	94.5	98.2
Investor Education and Protection Fund	14.8	12.4
Interest accrued but not due on Loans	28.6	14.3
	4,433.4	4,670.7

12. PROVISIONS

	31.12.2008	31.03.2008
	Rs. in Mn.	Rs. in Mn.
Employee Benefits	161.6	112.8
Product related Warranty / Guarantees (Refer note no II ' h ' on Schedule 24)	561.7	515.6
Taxation { net of Advance Tax Rs 1012.0 mil (Rs 1316.0 mil) }	85.3	51.1
Proposed Dividend	-	320.0
Tax on Proposed Dividend	-	54.4
	808.6	1,053.9

13. SALES

	APR-DEC 08
	Rs. in Million
Storage Batteries	32,437.8
Trading Items	142.5
Others	0.4
	32,580.7*

* Includes Exchange Gain Rs. 68.2 millions

14. OTHER INCOME

	APR-DEC 08
	Rs. in Million
Dividend from Current, Non Trade Investments	4.3
Technical Assistance Fees	2.2
Profit on assets sold / discarded	24.3
Bad debts recovered	1.1
Sundry Income	10.7
	42.6

15. (INCREASE) / DECREASE IN STOCKS

	APR-DEC 08	
	Rs. in Million	Rs. in Million
Opening Stocks		
Work-in-progress	1,283.5	
Finished goods	1,476.0	
Trading Goods	35.3	
		2,794.8
Closing Stocks		
Work-in-progress	1,473.3	
Finished goods	1,880.7	
Trading Goods	32.6	
		3,386.6
Excise Duty		(11.6)*
		(603.4)

* Represents Excise duty on (Increase) / decrease of Finished goods inventory

16. MATERIALS CONSUMED

	APR-DEC 08	
	Rs. in Million	**Rs. in Million**
Raw Materials, Components etc:		
Opening Stock	2,512.1	
Add: Purchases (including Processing charges	17,592.8	
Procurement expenses etc and after adjusting Cenvat Credits)	20,104.9	
Less: Closing Stock	2,198.9	17,906.0
		17,906.0

(Refer note no II ' f ' on Schedule 24)

17. PERSONNEL COSTS

	APR-DEC 08
	Rs. in Million
Salaries, Wages & Bonus	970.7
Contribution to Provident & Other Funds (net)	139.0
Welfare Expenses	152.4
	1,262.1

18. EXPENSES

	APR-DEC 08	
	Rs. in Million	**Rs. in Million**
Stores & Spare Parts consumed		264.4
Power & Fuel		920.1
Battery Charging / Battery Assembly expenses		58.6
Repairs & Maintenance		
Buildings	29.4	
Plant & Machinery	120.9	
Computers & Softwares	33.6	
Others	21.6	205.5
Rent & Hire Charges		57.9
Rates & Taxes		9.9
Insurance		11.4
Commission		38.3
Royalty and Technical Aid Fees		38.7
Publicity and Sales Promotion		213.5
Freight & Forwarding (net)		619.0
Selling Expenses (Schedule 22)		412.1
Travelling & Conveyance		85.3
Bank Charges		24.8
Communication Costs		39.2
Donations		0.1
Auditors' Remuneration		4.7
Directors' Sitting Fees		0.1
Loss on assets sold/discarded		5.8
Provision for Doubtful Loans and Advances		25.8
Provision for Diminution in value of Investments		10.2
Miscellaneous Expenses (Schedule 23)		150.6
		3,196.0

19. INTEREST AND FINANCE COST

	APR-DEC 08 Rs. in Million
Interest on:	
Term Loans	111.2
Working Capital Borrowings	257.9*
	369.1
Fund Mobilisation Costs	0.6
	369.7
Less: Interest Received on loans, deposits etc. (including Tax deducted at source Rs. 0.7 mil)	2.4
	367.3

* Includes net exchange loss Rs. 109.8 mil.

20. DEPRECIATION / AMORTISATION

	APR-DEC 08 Rs. in Million
Charge for the year	522.5
Less: Transfer from Revaluation Reserve	17.2
	505.3

21. TAXATION

	APR-DEC 08 Rs. in Million
Provision for Income Tax	
- Current *	1,093.8
- Deferred *	11.0
Provision for Wealth Tax	1.5
Provision for Fringe Benefit Tax	11.2
	1,117.5

* Refer note no II ' p ‘on Schedule 24

22. SELLING EXPENSES

	APR-DEC 08 Rs. in Million
Testing Charges	1.5
Liquidated Damages, Claims and Breakages	2.1
Cash Discounts	249.4
After Sales Services	94.0
C & F Expenses	63.5
Installation Costs	1.6
	412.1

23. MISCELLANEOUS EXPENSES

	APR-DEC 08 Rs. in Million
Motor Vehicle Running Expenses	23.8
Consultancy & Services outsourced	57.0
Security Service Charges	22.5
General Expenses	6.1
Legal Expenses	6.2
Printing & Stationery	24.6
TQM Expenses	2.1
Pollution Control Expenses	8.3

	150.6

24 NOTES TO ACCOUNTS

I Contingencies – Contingent liabilities not provided for in respect of –

Rs. in Millions

Description	31st Dec, 2008	31st Mar 2008
Outstanding Bank Guarantees / Indemnity Bonds	102.4	67.6
Sales Tax demands	1.4	3.4
Excise Duty demands	6.6	16.9
Income Tax demands	63.7	-
Other claims being disputed by the Company	28.6	5.4
Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not ascertainable	Not ascertainable

II OTHERS

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

b. Excise duty includes Rs. 91.9 mil paid on issue of batteries on account of warranty.

c. The Company has a full-fledged Research and Development Center and it has thereby been able to considerably further its efficiency. During the period, a sum of Rs 60.2 mil, including capital expenditure Rs 5.4 mil, was spent on Research and Development work.

d. Stores and Spares consumed is exclusive of Rs. 2.1 mil being the amounts allocated to other heads of expenses.

e. Diminution, based on the net worth as per the latest audited accounts of the relevant companies, in the value of certain long term unquoted investments as on the Balance Sheet date, being temporary in nature, has not been provided.

f. Materials consumed (Schedule 16) includes warranty costs Rs 325.1 mil, exchange fluctuation loss Rs.259.3 mil and is net of export incentives Rs. 39.2 mil.

g. The Break-up of Deferred Tax liability is as follows:

		31 Dec 2008 Rs. in million	31 Mar 2008 Rs. in million
A.	**Deferred Tax Liability**		
i)	Timing Difference in depreciable assets.	512.3	496.1
ii)	Expenses claimed as deduction as per Income Tax Act,1961 but not booked in current period.	106.9	106.1
	Total	**619.2**	**602.2**
B	**Deferred Tax Asset**		
i)	Expenses allowable against taxable income in future years	28.7	22.7
ii)	Expenses disallowed in earlier assessments which are being contested	100.5	100.5
	Net Deferred Tax Liability (A-B)	**490.0**	**479.0**

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

	Apr-Dec'08
	Rs in mil.
Opening Balance:-	515.6

Add: Provision created during the period	402.0
Less: Product related warranties issued for the period	355.9
Closing Balance	561.7

i. The Company has decided to continue accounting for transactions in foreign currency as per Accounting Standards 11 – Effects of changes in foreign exchange rates and not to exercise the option of deferment of exchange fluctuation on long term liabilities granted by Companies (Accounting Standard) Amendment rules, 2009 issued by the Ministry of Corporate Affairs on 31st March, 2009.

j. Basis for calculation of basic and diluted earnings per share is as under:

		Apr - Dec'08
Profit after taxation as per Profit & Loss Account	**(Rs mil.)**	**2136.0**
Weighted average number of equity shares	(No.)	800,000,000
Basic and diluted earning per share	(Rs.)	2.67

k. 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.

l. 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	**Apr-Dec'08 Rs. in million**
India	31,558.5
Overseas	1,022.2

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 million

	Carrying amount of segment assets		**Additions to fixed assets and intangible assets including CWIP**	
	31.12.2008	**31.03.2008**	**Apr-Dec'08**	**Apr-Mar'08**
India	15263.4	14465.5	798.3	1759.3
Overseas	369.0	317.0	-	-
	15632.4	14782.5	798.3	1759.3

m. Foreign Debtors Rs. 341.1mil (Rs. 289.2 mil.), loan given to an overseas subsidiary Rs. 0.8 mil., (Rs. 0.8 mil.) associate company Rs. 27.0 mil (Rs. 27.0 mil), Investments in overseas subsidiaries and associates Rs. 194.5 mil. (Rs. 194.5 mil.), dividend and Technical assistance fees receivable Rs. 3.4 mil (Rs. 4.9 mil.) and foreign creditors Rs. 1340.5 mil. (Rs. 687.8 mil.) are not hedged by any derivative instrument. The Company also has a borrowing of Rs. 246.8 mil (Rs. 184.3 mil.) in foreign currency which is fully hedged by a Rupee swap.

n. The Company has paid Rs. 4.1 mil 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.

o. Disclosures required by Accounting Standard 15 – Employee Benefits, have not been made as the actuarial valuation is done at every financial year end, and not for the interim periods.

p. Based on a recent ruling of The Hon'ble Supreme Court, the Company has treated provision for warranty as an allowable expenditure while estimating the liability for Income Tax for the period. However, provision for warranty for certain years for which the assessments are already completed and the Company has received income tax demands, based on disallowances of such provision by the assessing officer, the tax provision thereon continues to be retained till the disposal of the appeals there against. The quantum of such tax provision aggregates to Rs. 81.4 millions with corresponding deferred tax asset there against. Thus the above non adjustment has no effect on the profit for the period.

q. The Company has prepared and reported interim financial statements in accordance with Accounting Standards (AS) 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006 for the first time, and thus, as per the transitional provisions of this standard, comparative figures (profit and loss account and cash flow statement) for the corresponding interim periods of previous year have not been given.

r. These interim financial statements of the Company have been prepared by the management solely for the purpose of inclusion in the 'Placement Document' being prepared for the purpose of issue of equity shares to Qualified Institutional Bidders, in accordance with Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. The management has not prepared the Consolidated Financial Statements of the Company and its subsidiaries as at and for the 9 months period ended December 31st, 2009, which although is required in terms of Accounting Standards (AS) 25, Interim Financial Reporting notified pursuant to the Companies (Accounting Standards) Rules, 2006, is not required to be prepared and attached with the 'placement document' as per the above SEBI regulations. Because of the above non- requirement by SEBI, the company is not including the consolidated interim financial statements in such placement document.

s. Figures in bracket represent previous year's / period's figures, which have been regrouped / rearranged wherever necessary to confirm to this period classification.

t) Related Party Disclosure: **EXIDE INDUSTRIES LIMITED**

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.
2. Associate Companies	ING VYSYA Life Insurance Company Limited (IVL) CEIL Motive Power Pty Limited, Australia
3. 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	
4. Key Management Personnel	Mr T V Ramanathan Mr G Chatterjee Mr P K Kataky Dr S K Mittal Mr A K Mukherjee Mr Nadeem Kazim Mr Supriya Coomer (Since 1st Dec 2008) Mr. Barun Das (upto 30th November 2008)
5. Name of the Companies / firms /	Prism Cement Limited

in which Key Management
Personnel are interested.

s) Related Party Disclosure: **EXIDE INDUSTRIES LIMITED** **(In Rs. Mil)**

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

	Subsidiaries		Associate Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel	Total	
	Transaction Value	Balance outstanding as on 31-12-2008	Transaction Value	Balance outstanding as on 31-12-2008	Transaction Value	Balance outstanding as on 31-12-2008	Transaction Value	Transaction Value	Balance outstanding as on 31-12-2008
Purchase of goods - CIL	1.0	-	-	-	-	-	-	1.0	-
		(9.2)						-	(9.2)
- ABML	88.4							88.4	-
									-
- Chloride Metals	1464.4		-	-	-	-	-	1464.4	-
									-
- Leadage Alloys	3526.4	-						3526.4	-
									-
- Caldyne	6.8		-	-	-	-	-	6.8	-
		(0.2)							(0.2)
- **Total**	5087.0	-	-	-	-	-	-	**5087.0**	-
		(9.4)	-	-	-	-	-	-	(9.4)
Sale of goods - CBSEA	427.9	151.3	-	-	-	-	-	427.9	151.3
		(76.5)							(76.5)
- ABML	0.6	-						0.6	-
		-							-
- Caldyne	88.1	19.5	-	-	-	-	-	88.1	19.5
		(71.4)							(71.4)
- Espex	176.0	107.5						176.0	107.5
		(113.1)							(113.1)
- Chloride Metals	466.3	39.8	-	-	-	-	-	466.3	39.8

		(106.2)								(106.2)
- Leadage Alloys	642.7	130.7							642.7	130.7
- CIL	10.2	7.7							10.2	7.7
		(6.6)								(6.6)
- **Total**	1811.8	456.5	-	-	-	-	-		1811.8	456.5
	-	(373.8)	-	-	-	-	-		-	(373.8)
Cost of management services recovered										
- CIL	0.3	-	-	-	-	-	-		0.3	-
Rent and Maintenance Costs										
- CIL	1.6								1.6	
Dividend Income										
- CIL										
		(0.5)								(0.5)
- Caldyne										
		(1.0)								(1.0)
- Total										

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

	Subsidiaries		Associate Companies		Enterprise/Individuals having direct or indirect control		Key Management Personnel		Total	
	Transaction Value	Balance outstanding as on 31-12-2008	Transaction Value	Balance outstanding as on 31-12-2008	Transaction Value	Balance outstanding as on 31-12-2008	Transaction Value		Transaction Value	Balance outstanding as on 31-12-2008
	-	(1.5)							-	(1.5)
Employee Welfare Expenses										
- IVL			2.3						2.3	-
									-	-
Rights Issue of Shares			625.0						625.0	-
- IVL									-	-
Technical Assistance Expenses										
- CEIL					0.7	0.2			0.7	0.2
						(0.4)				(0.4)
Technical Assistance Income										
- ABML	2.2	3.4							2.2	3.4
		(4.9)								(4.9)
Loans Given - ESPEX		0.8								0.8
- CEIL Motive Power		(0.8)								(0.8)
				27.0						27.0
				(27.0)						(27.0)
Interest Costs - ESPEX										
		(0.1)								(0.1)
Interest Income - ESPEX										
		(0.1)								(0.1)

- CEIL Motive Power				(1.4)						(1.4)
Remuneration										
to Directors							42.7		42.7	21.5
to Others							2.1		2.1	
Total							44.8		44.8	21.5

Notes: (1) Dividend amounting to Rs. 156.4 mil was paid for the year 2007-08 to Chloride Eastern Limited, UK.

(2) 18,00,000 Bonus Shares were received during the year from Caldyne Automatics Limited

(3) Provision has been created against Investment in, and Loan given to CEIL Motive Power, amounting to Rs. 10.2 mil (Rs nil) and Rs. 25.8 mil (Rs nil) respectively

III. SIGNIFICANT ACCOUNTING POLICIES

a. **Basis of Accounting**

The Company prepares its accounts under the Historical Cost Convention modified by revaluation of fixed assets. These interim financial statements have been prepared to comply in all material respects with the Notified Accounting Standards by the Companies Accounting Standards Rules, 2006, the recognition and measurement principles laid down in Accounting Standard (AS) 25 – Interim Financial Statements and the relevant provisions of the Companies Act, 1956. For recognition of Income and expenses, Mercantile System of Accounting is followed. The accounting policies have been consistently applied by the Company.

b. **Revenue Recognition**

Sale of goods
Revenue from sale of goods including manufactured products is recognised upon passage of title to the customers, which generally coincides with delivery.
Customs Duty benefits in the form of advance license entitlements are recognised on export of goods, and are set off from material costs.

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

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

c. **Fixed Assets**

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

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

d. **Investments**

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

e. **Depreciation**

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

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

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

Class of assets	Useful economic Life	Rate of Depreciation
Air conditioners, Refrigerators, Washing Machines, Water Coolers, Televisions	6	16.33%
(included in Furniture & Fittings)		
Motor Vehicles	6	16.33%
Computer Hardware	4	24.50%
Weighing Scales, & Transformers	15	6.53%
Pallet Trucks	10	9.80%

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

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

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

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

f. **Intangible Assets**

Research and Development Costs

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

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

g. **Leases**:

i) Finance lease:

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

a) Assets given under a finance lease are recognized as 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 represent 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.

h. **Foreign Currency Transactions**

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement/conversion of monetary items, are recognized 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 recognized in the statement of profit and loss in the year in which the exchange rates change.
Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

i. **Inventories**

i) Raw materials, components, stores and spares are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

ii) Work-in-progress and finished goods are valued at Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

j. **Borrowing Costs**

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

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

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

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

l. **Excise Duty**

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

m. **Retirement and other employee benefits**

i) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other 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. However, gratuity liability for the interim financial statements is provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

iii) Long term compensated absences are provided for based on an actuarial valuation made at the end of each financial year. However, long term compensated absences for the interim financial statements are provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

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. The contributions towards defined contribution are charged to the Profit and Loss account of the period 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. However, pension liability for the interim financial statements is provided proportionately on the basis of last actuarial valuation appropriately adjusted for changes in manpower and conditions thereof.

vi) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

n. **Product Related Warranty/ Guarantee Claims**

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

o. **Taxation**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax 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 period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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

p. **Earning per share**

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

q. **Provision**

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

r. **Contingent Liabilities**

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

Signature to Schedule 1 to 24

As per our review report of even date.

S.R. BATLIBOI & CO.
Chartered Accountants

Per R.K. Agrawal
Partner
Membership No. 16667
Kolkata, 16th January, 2010 Secretary Directors

DECLARATION

The Company certifies that all relevant provisions of Chapter VIII of the SEBI Regulations have been complied with and that all approvals and permissions required to carry on its business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

Managing Director

Mr. T.V. Ramanathan

Mumbai

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