

Ref No. EIL/Sec/2017-18/18

2<sup>nd</sup> August, 2017

To  
**The Calcutta Stock Exchange Limited**  
7 Lyons Range  
Kolkata - 700 001  
**CSE Scrip Code: 15060 & 10015060**

Dear Sir/Madam,

**Sub: Annual report for the financial year 2016-17**

Please find enclosed Annual report for the financial year 2016-17 as required under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the members at the Annual General Meeting of the Company held on Thursday, July 27, 2017.

This is for your information and further dissemination.

Thanking you.

Yours faithfully,  
For **Exide Industries Limited**



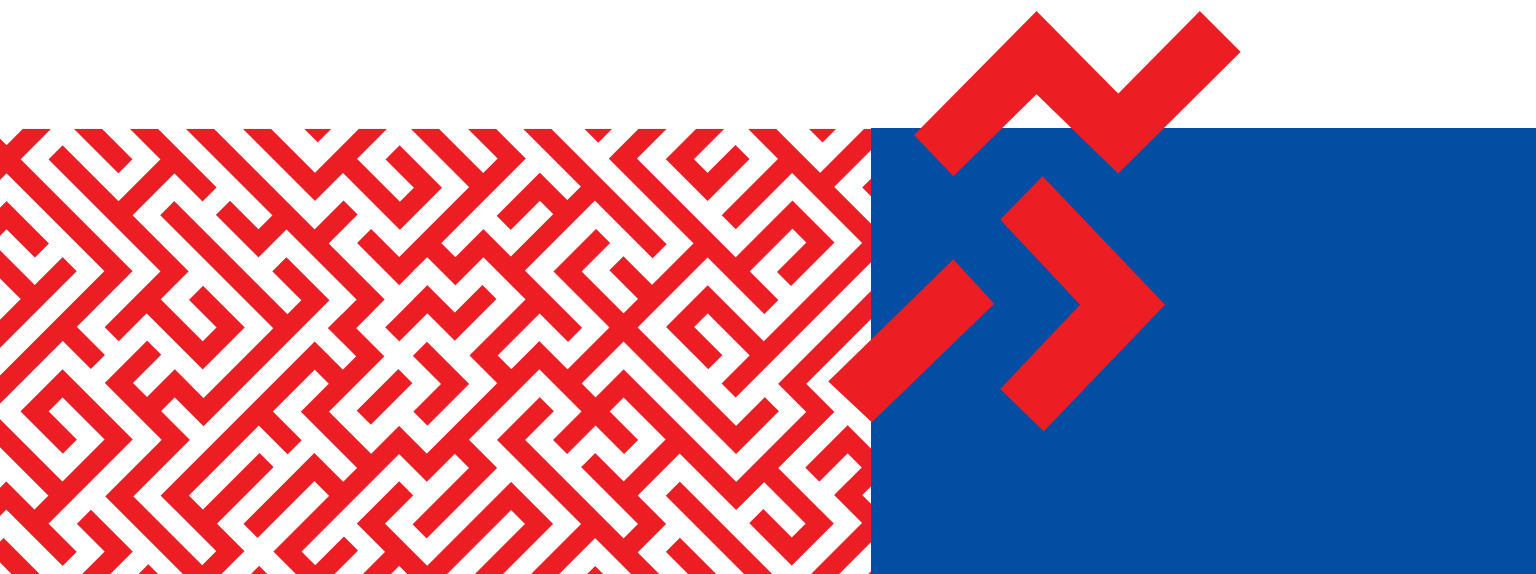
**Jitendra Kumar**  
**Company Secretary &**  
**Senior Vice President - Legal**  
**ACS No. 11159**

Encl: a/a

cc:

**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001  
**BSE Scrip Code: 500086**

**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor,  
Plot no. C/1, G Block, Bandra-Kurla Complex,  
Bandra (E), Mumbai - 400 051  
**NSE Symbol: EXIDEIND**



**2016-17**

ANNUAL REPORT  
EXIDE INDUSTRIES LIMITED

*do*

WHERE DYNAMISM MEETS OPTIMISM

# Inside

## THIS REPORT

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#### The Exide Story

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#### Forward-looking statement

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of any new information, future events or otherwise.

#### Equity share information

- > Market Capitalisation  
(31st March, 2017): Rs. 19,040 Crore
- > Proposed dividend: Re. 0.80 per share (Face value Re. 1 per share)
- > Promoters holding: 45.99 %
- > National Stock Exchange (NSE): EXIDEIND
- > Bombay Stock Exchange (BSE): 500086
- > Calcutta Stock Exchange (CSE): 15060 & 10015060

### 11 % YoY

Revenue

### 11 % YoY

EBITDA

### 7 % YoY

Profit Before Tax

### 11 % YoY

Profit After Tax

### 11 % YoY

EPS

Y-o-Y: Growth in 2016-17 vis-a-vis 2015-16

A large, stylized red 'do' logo, where the 'd' and 'o' are connected and have a thick, rounded font style.

**is not a decorative**  
**WORDPLAY FOR US.**

IT IS THE OPERATIVE WORD, WHICH ENCAPSULATES THE DYNAMISM OF OUR BRAND, DRIVEN BY THE OPTIMISM IN THE MACRO ENVIRONMENT.

**FY2016-17**  
WAS THE YEAR OF  
ACTION AT EXIDE.

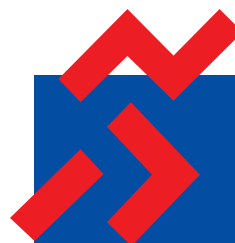


We expanded our capacity, engaged more with our customers through various digital platforms, and reinforced our R&D focus to build a pipeline of future-ready products. Not just that. We consistently upgraded our technology in collaboration with our global technology partners and elevated the service standards of our customers at Exide Care outlets and beyond.

We believe our talent squad must drive our organisation to a higher trajectory of growth. Our teams are consistently being trained through strategic and need-based interventions. We follow a holistic training approach and impart technical, behavioural and cross-functional training.

We are doing all this and more because we believe the opportunity landscape is widening globally, despite volatility.

At the intersection of dynamism and optimism stands our legacy brand growing from strength to strength.



# Building AN AGILE BRAND

## EXIDE POWERS THE ASPIRING NATION ON THE MOVE.

Exide Industries Limited (Exide) is India's largest manufacturer of lead acid storage batteries and power storage solutions provider. From small emergency light batteries to huge submarine batteries, our brand enjoys a nationwide respect and recall.

Our unwavering emphasis on innovation, extensive geographic reach, strong relationship with distinguished customers and consistent technology upgradations has enabled us to stay ahead of the curve.

Our nine factories are strategically located all over India, of which seven factories are dedicated to batteries and

the other two factories manufacture Home UPS systems. We are the only company with multi-locational manufacturing units spread across the country and equipped with advanced technology.

We manufacture a wide range of batteries for the automotive, power, telecom, infrastructure projects, computer industries, railways, mining, renewable energy and defence sectors, among others. We offer a comprehensive solution in areas of equipment selection, battery sizing, optimum room layout, installation, operation and maintenance. Our distribution network and service

spectrum are continuously monitored and kept contemporary in line with changing market dynamics.

We consistently remain at the forefront of international battery technology with the help of our collaborators – Shin Kobe and Furukawa of Japan, Zhejiang Chaowei Chuangyuan Shiya of China, East Penn of the US and its subsidiary company Ecoult of Australia. We have introduced various best-in-class products and power storage solutions for domestic and global markets.

### our VISION

Providing credible value addition to customers, employees and shareholders, while simultaneously being recognised by society as a responsible corporate citizen. In addition, achieving operational excellence while addressing and taking steps towards environmental protection.

### our MISSION

Strive to carefully balance the interest of all stakeholders; to fulfil aspiration of the employees and to passionately pursue excellence without deviating from our core values.

### our core VALUES

- > Customer Orientation
- > Personal Integrity and Commitment
- > Teamwork and Mutual Support
- > Employee Development and Involvement
- > Striving for Excellence
- > Management by Processes and Facts
- > Responsible Corporate Citizenship

## Quick Facts

# 70+

Years of rich experience

# 35,000+

Total outlets across the country

# 220+

Sales and service offices across India

# NO. 1

Leadership position

# 45+

Country presence

# 39.9 mn units

Automotive and MC battery capacity annually

# 2.5 Ah to 20,200 Ah

Battery storage range

# 5,000+

Team strength

# 3,336 mn Ah

Industrial battery capacity

## Widespread Applications



### Automotive Batteries

- > Passenger Vehicles
- > Automotive Stop-Start
- > Commercial Vehicles
- > Tractors



### Two Wheelers

- > MC Conventional
- > Motorcycle MF
- > MC VRLA
- > E Bike



### Other Automotive

- > Li-Ion Hybrid Vehicles
- > Generator Starting
- > Flat Plate GEL



### Motive Power

- > Traction
- > Electric Vehicles
- > Golf Cart
- > Miner's Cap Lamp
- > Submarine - Type I, II, III



### Standby

- > Power
- > Telecom
- > UPS
- > Inverter



### Railways

- > Train Lighting & Air Conditioning
- > Electric Multiple Units
- > Diesel Loco Starters
- > Signaling & Telecom



### Non Conventional Energy

- > Solar

# Global Presence

## AND MANUFACTURING BASE

WE HAVE CREATED SIGNIFICANT DOMESTIC, AS WELL AS GLOBAL PRESENCE THROUGH OUR STRATEGICALLY PLACED DISTRIBUTION NETWORK.

### Global Footprint

1	Argentina
2	Armenia
3	Australia
4	Bahrain
5	Bangladesh
6	Brunei
7	Cambodia
8	Canada
9	Colombia
10	Germany
11	Hong Kong
12	Indonesia

13	Japan
14	Kenya
15	Kuwait
16	Malaysia
17	Mauritius
18	Nigeria
19	Oman
20	Paraguay
21	Philippines
22	Qatar
23	Singapore
24	South Africa

25	South Korea
26	Sri Lanka
27	Tanzania
28	Thailand
29	Turkmenistan
30	UAE
31	Uganda
32	UK
33	Vietnam
34	Zambia
35	Zimbabwe
36	Afghanistan

37	Chile
38	Greece
39	Italy
40	Norway
41	Poland
42	Spain
43	Yemen
44	Malawi
45	Senegal
46	Ecuador
47	Liberia
48	Mozambique



Map not to scale

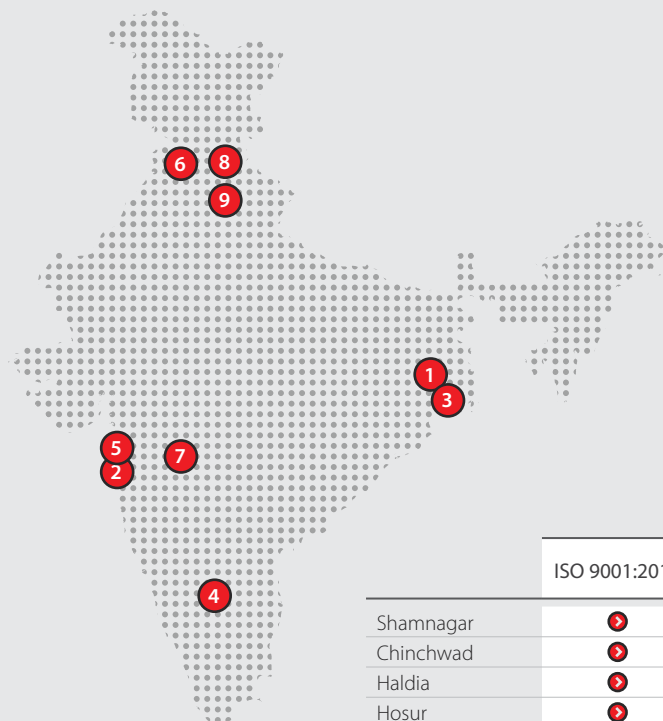
## Capital Expenditure Outlay

During FY 2015-16, we had chalked out a cumulative Rs. 1,400 crore investment plan to introduce high performance and more durable automotive batteries in India.

In furtherance to the plan, in the first phase, we commenced our new state-of-the-art Haldia plant with an investment of Rs. 700 crore in FY 2016-17. This new Haldia plant manufactures next-gen automotive batteries using new punched grid technology. Gradually, few of our manufacturing units will also produce the same kind of batteries.

The balance Rs. 700 crore will be distributed among the rest of the manufacturing plants during FY 2017-18. We will be introducing robotics technology to meet global standards.

## Manufacturing Capacities



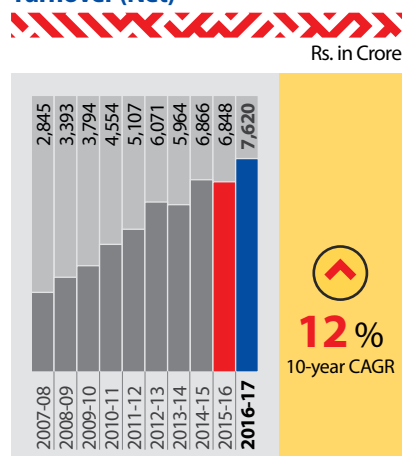
	ISO 9001:2015	ISO 14001: 2015	TS 16949:2009	OHSAS 18001:2007
Shamnagar	➤	➤	➤	➤
Chinchwad	➤	➤	➤	➤
Haldia	➤	➤	➤	➤
Hosur	➤	➤	➤	➤
Taloja	➤	➤	➤	➤
Bawal	➤	➤	➤	➤
Ahmednagar	➤	➤	➤	➤
Roorkee	➤	➤	Not Applicable	➤
Haridwar	➤	➤	Not Applicable	➤



# Key Performance INDICATORS

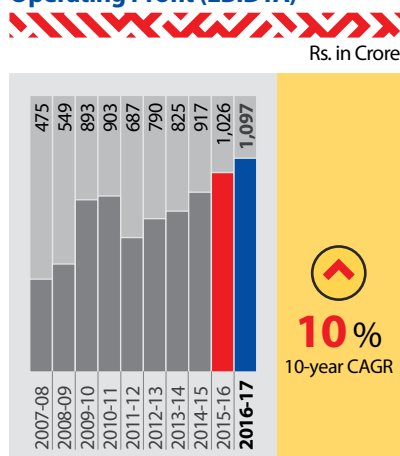
WE ARE TRANSFORMING AT A RAPID PACE TO REMAIN PROFITABLE AND REWARD OUR SHAREHOLDERS FOR HAVING REPOSED THEIR PRECIOUS TRUST IN OUR CAPABILITIES AND VISION.

## Turnover (Net)



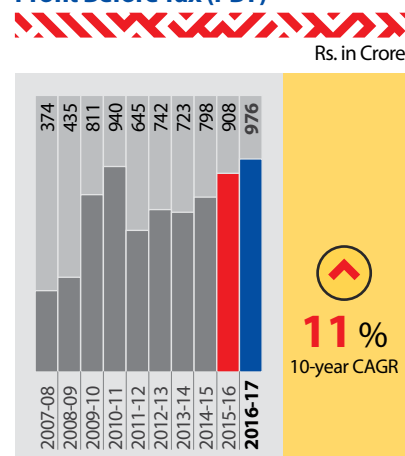
Turnover increased on account of proactive product launch, enhanced market penetration and widening footprint.

## Operating Profit (EBIDTA)



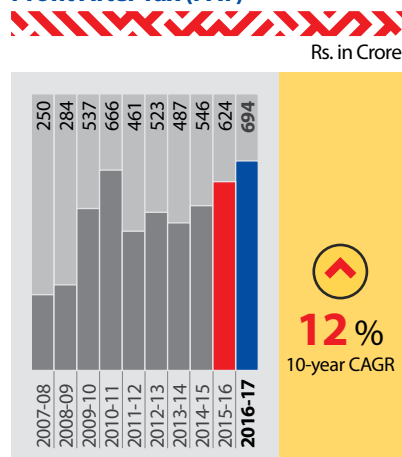
Operating profit grew as a result of multiple cost optimisation measures across all our manufacturing facilities.

## Profit Before Tax (PBT)



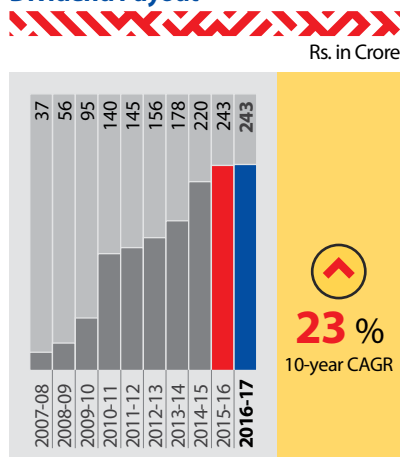
Our focus on growing revenues and moderating costs, resulted in profitable growth.

## Profit After Tax (PAT)



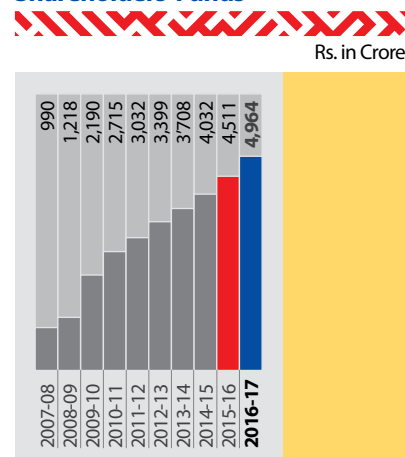
Continuous growth in PAT resulted in sustained return to stakeholders.

## Dividend Payout



We are paying dividends to shareholders in a consistent manner.

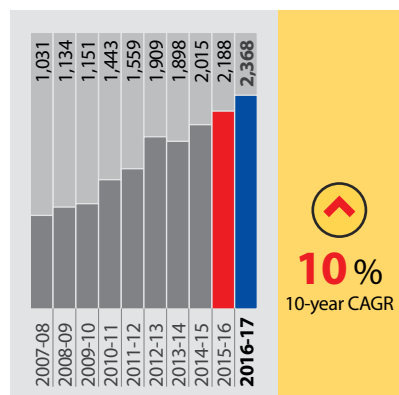
## Shareholders' Funds



We have focused on the sustainable growth of our shareholders' fund.

## Contribution to the Exchequer

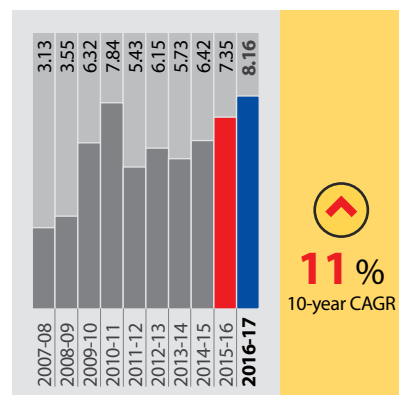
Rs. in Crore



We have been a responsible and consistent contributor to the exchequer.

## Earnings Per Share

Rs.

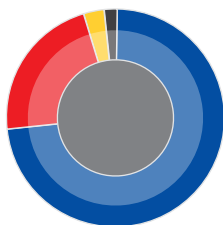


Our focus on growing shareholder value was reinforced through an undiluted equity and rising net profits.



## Sources of Funds

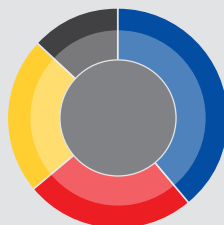
%



- 73** ■ Shareholders' Funds
- 22** ■ Payable for goods supplied & services rendered
- 03** ■ Borrowings
- 02** ■ Deferred Tax Liability

## Application of Funds

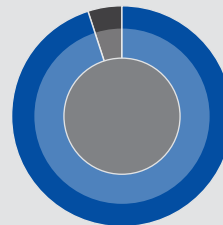
%



- 39** ■ Investments
- 25** ■ Fixed Assets
- 23** ■ Inventories
- 13** ■ Customers and Others

## Revenue Mix (geography-wise)

%



- 95** ■ Domestic
- 05** ■ Export

# Our Business

## DIVISIONS

WE ENJOY WELL ENTRENCHED RELATIONSHIPS WITH INDUSTRY LEADERS ACROSS AUTOMOTIVE AND INDUSTRIAL SEGMENTS.

- › **The largest lead acid storage battery manufacturer in India**
- › **Strong relationship with customers and partners**
- › **Focus on innovation and consistent product launches**
- › **Extensive sales and distribution network and quality customer service**
- › **State-of-the-art manufacturing facilities at diversified locations**

## AUTOMOTIVE

### Division



Exide is a leading name in the automotive batteries market, supplying batteries to most cars, two-wheelers, three-wheelers and e-rickshaws in India. We primarily sell automotive batteries in the domestic market under brand names, such as Exide and SF Sonic, among many others. Our export brands include Exide, SF Sonic, Index, Dynex and CEIL. We enjoy significant market share in the automotive OEM and organised retail space.

#### **MILESTONES, 2016-17**

- › Initiated installation of Point of Sale (POS) machines across all our dealer centres in step with our national agenda of a cashless economy



- > Both OEM and after-market sales showed steady growth
- > Reinforced our market leadership in the home UPS and inverter segment
- > Product portfolio was reorganised according to price segmentation and markets
- > Growing portfolio for emerging requirements like electric vehicles, hybrid cars and start-stop batteries, among others
- > After-sale service introduced for the Home UPS business

- > Grown our presence in the e-rickshaw battery segment by leveraging first-mover advantage
- > Strengthened dealer engagement programme with new rewards and recognitions

#### GROWTH DRIVERS

- > Growing demand from OEMs in line with their capacity expansion and new product launches
- > Rising personal disposable income will increase the sales of two wheelers in India owing to high preference of such vehicles as a mode of transportation

- > Rising environmental concerns, coupled with volatile oil prices may persuade consumers to use electric powered vehicles.
- > Growing replacement demand, which is not only less cyclical, but also enjoys higher profitability
- > Focus on capturing market share in the unorganised commercial vehicles and tractor battery markets
- > Reinforce our prominence in the e-rickshaw battery market



#### MAJOR OEM PARTNERS

##### Key MNC Customers



##### Key Domestic Customers



## OUR RANGE OF PRODUCTS

### Four Wheeler Batteries

- > Exide Matrix
- > Exide Mileage
- > Exide EEZY
- > Exide Little Champ
- > Exide Xpress
- > Exide Jai Kisan Shakti



### E-Rickshaw Batteries

- > Exide E-Ride



### Three Wheeler Battery

- > Exide Eko



### Two Wheeler Batteries

- > Exide Xplore
- > Exide Xtreme
- > Exide Bikerz



### Inverter Batteries

- > Exide Gel Magic
- > INVAGO
- > INVATUBULAR
- > Exide INSTABRITE
- > INVAMASTER
- > Exide InvaPlus TUBULAR



### Genset Battery

- > Exide Genplus



### Home UPS

- > Exide Pure Sine Wave
- > Exide XTATIC
- > Exide ECO
- > Exide HKVA Range





# INDUSTRIAL Division



We offer a wide range of industrial batteries, covering capacities from 2.5 Ah to 20,200 Ah. These batteries are used by power, telecom, infrastructure, railways, mining, defence and IT industries. We offer a comprehensive solution regarding equipment selection, battery sizing, optimum room layout, installation and operation and maintenance. We sell our industrial batteries in the domestic market, under Exide, SF and CEIL brands. Internationally, our major brands are CEIL, Exide, Chloride and Index.

## ACHIEVEMENTS, 2016-17

- > Reinforced our market leadership position in Institutional UPS segment with improved product quality
- > Consolidated our position as a preferred partner for supply of Institutional UPS Batteries to several major OEMs like Legrand, Consul, Hitachi and Emerson, among others
- > Launched higher watt series for data centre applications
- > Solar Business got a significant boost with wide range of products and expansion of customer base across the country



- > Witnessed robust demand for Tubular Gel VRLA range of solar batteries
- > Launched Advanced VRLA batteries for Telecom application
- > Started supplying to private tower operators, such as Bharti Infratel and Indus Towers
- > Enhanced the capacity of traction and motive power batteries
- > American corporate giant GE is setting up a diesel locomotives plant in Bihar and we have been chosen as their partner for batteries
- > Won most orders from underground mines for LED Miners' Cap Lamps
- > Bagged new customers in countries like Spain, Greece, Italy, Chile, Bangladesh and Yemen

- > Identified partners in Zimbabwe, Thailand and Bahrain to offer complete solar solutions

## GROWTH DRIVERS

- > Demand in Telecom sectors will increase in coming year
- > Installation of renewable energy systems are underlying demand drivers for industrial batteries
- > Power shortage will drive demand for UPS systems and inverter batteries
- > Increased focus on solar energy is expected to boost grid storage demand

## DISTINGUISHED CUSTOMERS

### Key MNC Customers



### Key Domestic Customers



## INDUSTRIAL BATTERY RANGE

### Railways

- > VRLA batteries for Train Lighting and Air Conditioning
- > Flooded batteries for Electric and Diesel Loco
- > Batteries for Stationary applications

### Telecom

- > Advanced AGM - VRLA Batteries
- > Tubular Gel VRLA Batteries

### Solar

- > Solatron - Tubular GEL VRLA
- > Solatubular - Premium Tall Tubular Batteries
- > Solar Blitz - Tubular Flooded Range

### Power and Infrastructural Projects

- > Exide HR Tubular Standby Batteries (HDP & NDP)
- > Exide TBS Tubular Batteries
- > Exide Planté - A byword for reliability
- > Futuristic Exide Gel Tubular Batteries
- > Exide 2V range VRLA Batteries
- > Exide PP Tubular Standby Batteries (HDP & NDP)

### Exide Range

- > SMF VRLA – Exide PowerSafe Plus Range
- > SMF VRLA – Exide PowerSafe NXT Range
- > Tubular Gel VRLA – Exide PowerSafe XHD Range
- > Flooded Tubular – 6EL Range
- > Flooded Tubular – 6EL+ Range

### Chloride Range

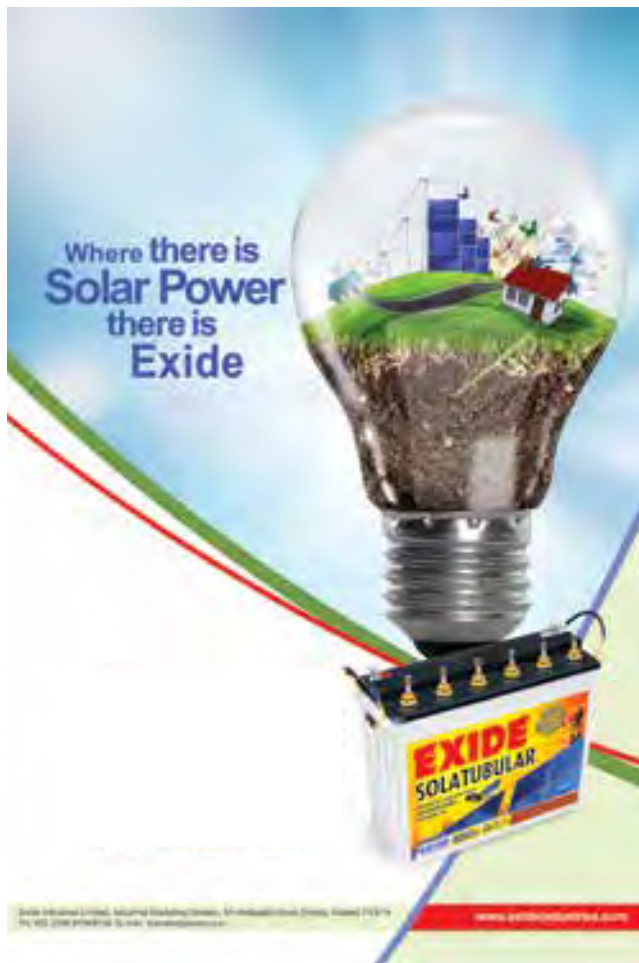
SMF VRLA – Chloride SafePower CS7-12

### Miners' Cap Lamps

- > LED Miners Cap Lamps – Smartlite
- > Exide Oldham GT Miners Cap Lamps

### Traction

- > Exide HSP and GenX range of traction batteries and accessories



We manufacture very high capacity (around 20000 Ah) specialised batteries for all submarine applications. Our current product portfolio includes submarine batteries for Russian Kilo/636/ Romeo/Foxtrot class, German 209 class,

French Scorpene class and Indigenous Nuclear submarines. During the FY 2016-17 we dynamically augmented our capacity to meet all customer demands successfully and submarine batteries had an extraordinary growth of 39% over the previous FY. During the FY 2016-17, we exported two sets of submarine batteries to Admiralty shipyard at St Petersburg, Russia and also won the first contract for the indigenous Scorpene class submarine battery. We are optimistic about developing new types of submarine batteries and well prepared to meet the future expectations of customers.





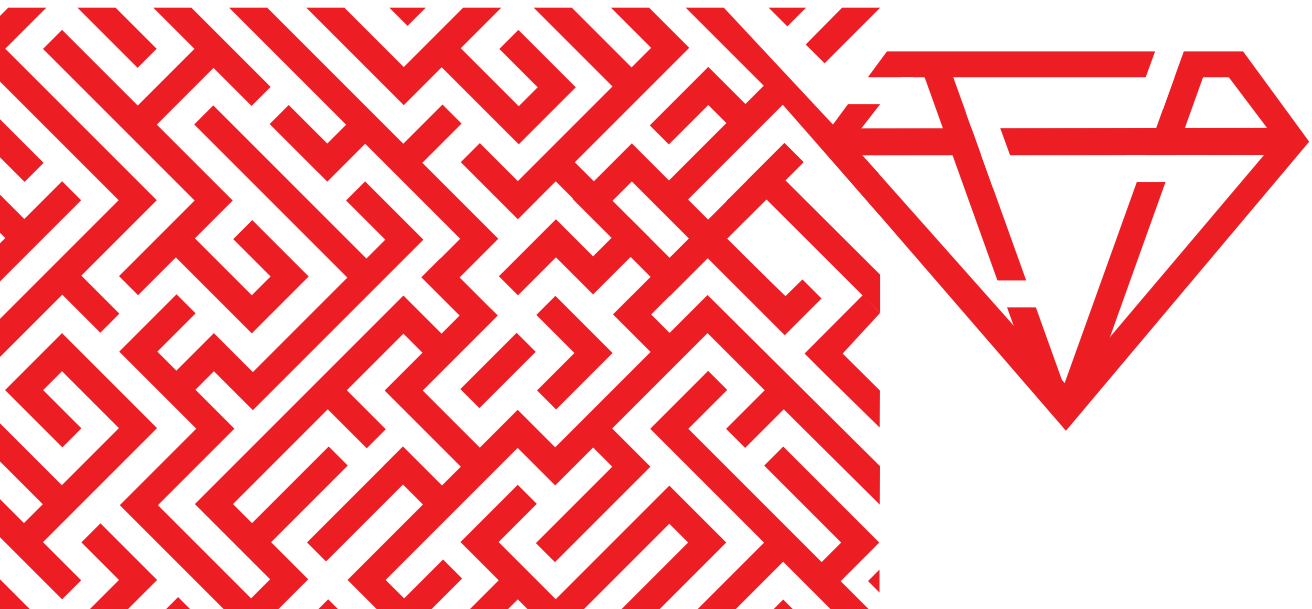
WHERE DYNAMISM MEETS OPTIMISM

**We are aiming higher**

**WITH A SMARTER BRAND...**

as customer aspirations are changing radically.

FROM PROVIDING DIGITAL SOLUTIONS TO EXISTING AND POTENTIAL CUSTOMERS TO DRIVING OUTREACH THROUGH SOCIAL MEDIA, ENTERTAINMENT AND SPORTING EVENTS, EXIDE IS TODAY A 'HAPPENING BRAND'. A BRAND THAT CARES AND DARES TO BE DIFFERENT IN A CROWDED MARKET.



## WORLD OF EXIDE CARE

### Exide Care App and Portal

As the world is getting increasingly digitalised, customer behaviour is changing rapidly owing to fast information and knowledge sharing. Customers are now more well-informed and value conscious than ever before. They are now making smarter choices and can access all products and services as and when they need. This insight inspired us to develop the 'Exide Care App'. It is a comprehensive battery management ecosystem right from purchase and warranty registration to service and battery emergency help.



This is one of a kind initiative in this product category.





### App Features

- **Buy a new battery:**  
Customers can get their Exide battery delivered at their doorsteps through our wide network of over 35,000+ outlets.
- **Register for warranty without the hassle of paperwork:**  
Enjoy the convenience of paperless documentation for warranty of battery.
- **Service alerts and reminders:**  
This service helps customers stay updated on key facts.
- **Emergency on-road help at 90+ cities in India:**  
Customers can avail on-road free battery emergency assistance.



### "#shareifyoucare"

We launched our social media campaign about the Exide Care App with #shareifyoucare. The app was promoted as an important part of consumer's life on Facebook and Twitter; and encouraged people to share it with their loved ones. We even had Mr. Abhishek Bachchan tweeting about the Exide Care App.

## CUSTOMER CENTRICITY

### Revamped Exide Care Outlets

We upgraded our outlets with the implementation of our retail identity programme. Currently, we have 1500+ outlets and in the next one year we aim to touch 2,500 outlets. The whole outlet experience has been enhanced visually with integrated branding, providing an engaging customer experience.

Exide Care outlets are designed to maintain excellent service standards and offer complete customer delight and brand experience. This is achieved through a combination of state-of-the-art design, pleasant ambience, top-notch service technology and customer focus.

One can also buy or service his/her battery through our Exide Care helpline.

### Exide Batmobile - Free Battery Emergency Service

We reinforced our market edge by 'wow'ing (all manufacturers') battery users through our free on-road battery emergency service. Batmobile can be reached through the Exide Care App (one can call the helpline or visit the website). Therefore, the concept is not just about selling a battery, but taking care of the 'battery'; (whosoever manufactures it), through its entire life cycle.

## CHANNEL MANAGEMENT

Our Exide Access platform (website and app) for dealers and Humsafar platform (app) ensured all transactional details, loyalty programmes and product details on digital platform.

## BRAND PROMINENCE

### Proud Partner of Raees

The Bollywood blockbuster Raees caught everyone's attention with the key scene where Mr. Shah Rukh Khan (the male lead) resents the fact that everyone calls him a battery. The King Khan responds with élan, *"Aye! Battery nahi bolneka, Sirf Exide bolneka. Jo chale zyada aur dumdar zyada"*

At Exide, we saw this as a brilliant opportunity for brand integration, and hence launched the campaign *"#BatteryNahiExideBolneka"* on YouTube.



A video contest across Facebook, Twitter, and Instagram was launched where the campaign received huge eye share. The video also received a whopping 1.5+ Mn views on Youtube and 3.7+ Mn views on Facebook.

### Indian Premier League (IPL) Association

We are associated with the IPL franchise Kolkata Knight Riders (KKR) as one of their key sponsors. Exide's logo can be seen on the sleeve of the official jerseys of leading players.

### GROWING OUR DYNEX BRAND

During 2016-17, we focused on popularising our Dynex brand which enabled us to increase market penetration.

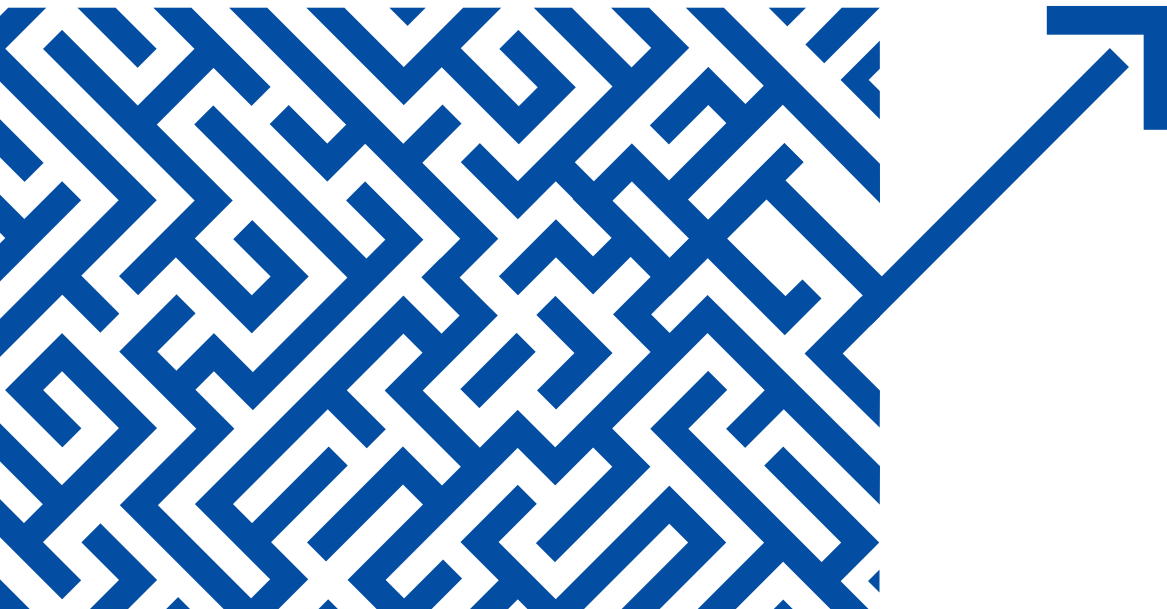
WHERE DYNAMISM MEETS OPTIMISM

**We want to be**

**CREATIVELY DISRUPTIVE...**

because that's where future growth avenues lie.

WE ARE STRENGTHENING OUR R&D ECOSYSTEM,  
COLLABORATING WITH TECHNOLOGY PARTNERS AND  
LAUNCHING NEW PRODUCTS (POWERED BY TOP-NOTCH  
TECHNOLOGY AND FEATURES) TO LEAPFROG COMPETITION  
AND SUSTAIN UNRIVALLED MARKET LEADERSHIP.





## STRENGTHENING THE R&D ECOSYSTEM

- We have augmented our laboratory capabilities significantly.
- We have invested in application engineering and simulations testing to ensure batteries are designed for real-life conditions.

## NEW TECHNOLOGIES AND PRODUCTS

### Punched Grid Technology

We have implemented 'Punched Grid Technology' for the manufacture of batteries at our new plant in Haldia, West Bengal. We are the first to produce such batteries in India that are now commercially available. The US-based East Penn Manufacturing Company is providing us technical assistance and support for the technology. The punching system produces grids with consistent quality at a high rate and helps increase overall plant efficiencies.

Battery grids produced using the 'Punched Grid Technology' are highly corrosion resistant and exhibit structural rigidity, which results in longer battery life. This provides us with a strategic edge to compete with domestic as well as foreign battery manufacturers.

### Idle-Stop-Start (ISS) / Enhanced Flooded Batteries (EFB)

We are developing advanced automotive battery solutions that are able to handle stop-start and micro hybrid applications. Our target is a range of sophisticated ISS and EFB batteries, which exhibit excellent Dynamic Charge Acceptance capability and operate well under Partial State of Charge (PSoC) conditions.

### E-rickshaw Batteries

We have launched a range of batteries for E-rickshaw applications. Batteries are being offered both in tubular as well as in flat plate design to ensure maximum performance under the challenging road conditions. We aim to offer e-mobility solutions for a wide range of applications, such as e-vans and e-buses, among others.

### Gel Products

We have developed a range of advanced tubular gel based products to address various solar and telecom application requirements.

### Product Pipeline

- Zero Maintenance battery product line for car range with 18 months warranty to be launched in 2017. It is the first product offering of its kind in the country. The battery's life is determined through an Acid Level Indicator.
- Batteries with 36-months warranty for automobiles are to be launched in 2017. This is one of the best warranty terms offered in the country.
- Front Terminal batteries for telecom applications with a long service life (10 years float life). Front terminal connections assure fast and easy installation and maintenance.
- High Power battery series for data centres with advanced AGM technology. These products feature power optimised grids and epoxy sealed terminals with brass inserts suitable for carrying high wattage.
- High Power/ High Temperature Resistant AGM VRLA range comprises heat-tolerant VRLA Monobloc

batteries, which are designed to survive in high temperatures up to 60°C. The battery design encompasses specialty additives and alloys as well as a micro-catalyst valve to prevent cell dry-out.

## TECHNOLOGY COLLABORATIONS

Our relationship with existing overseas technical collaborators like East Penn Manufacturing Company Inc (USA), Hitachi Chemicals and Furukawa Battery Company Limited (Japan) is getting stronger with each passing year.

During the year, we have also collaborated with East Penn Manufacturing Company Inc (USA) and its subsidiary company Ecoult (Australia) to leverage their Ultra Battery technology. This will add new technology product to our portfolio and cater to our energy storage and telecom customers. Ultra Batteries are a combination of a conventional lead acid battery and an in-built ultra-capacitor. There is an enormous opportunity for this product in India; and it is expected to play a critical role in India's ambitious renewable energy and energy storage programmes.

We are further collaborating with prestigious institutions (IIT Madras, etc.) in various areas of future-oriented research and development.

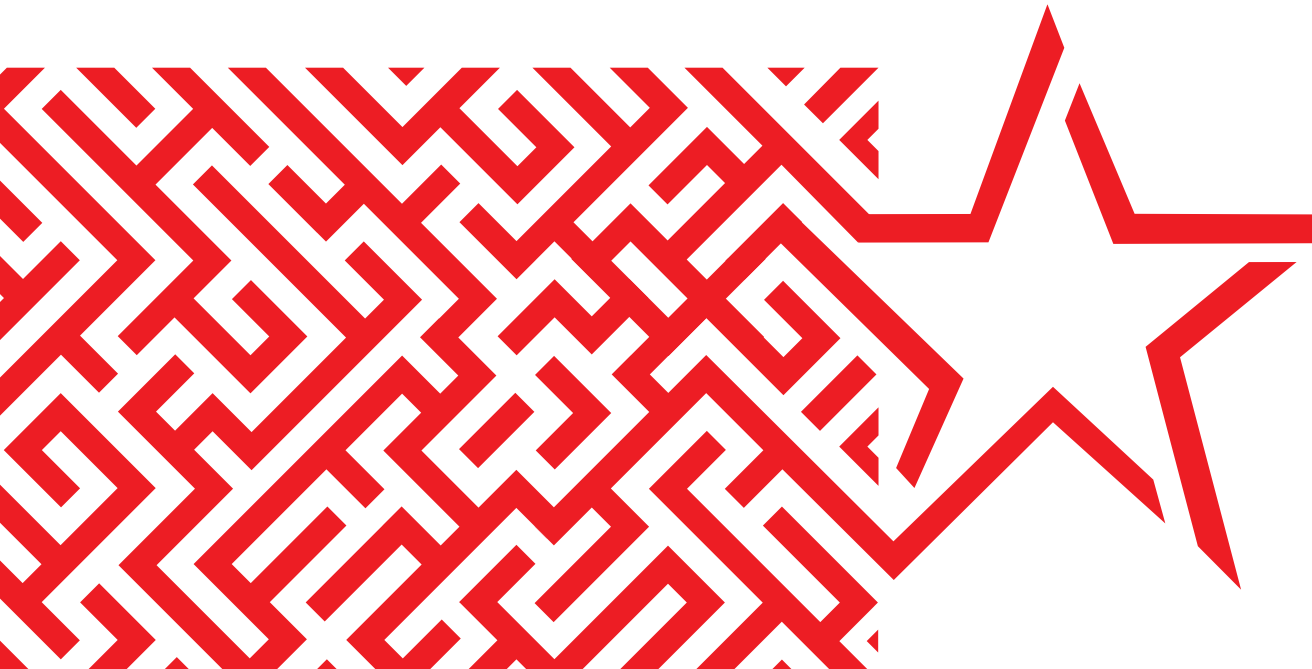
WHERE DYNAMISM MEETS OPTIMISM

**We are setting a higher**

**QUALITY BENCHMARK...**

because we are never satisfied with the status quo.

AT EXIDE, WE HAVE INSTITUTIONALISED A ROBUST TOTAL  
QUALITY MANAGEMENT (TQM) MODEL, ENSURING  
GLOBALLY BENCHMARKED PROCESSES AND PROTOCOLS.



We have inculcated the culture of 5S, Kaizen, total productive maintenance (TPM), customer-centricity and innovation through several campaigns, events and initiatives. The impact and effectiveness of TQM initiatives are closely monitored and continuously improved.

We have institutionalised the TQM ranking criteria for our factories and conduct a quarterly audit for over 500 check points evaluation framework. The factories are ranked based on TQM deployment evaluated through audit mechanism, leading to the creation of a quality focused ecosystem.

We also participate in various competitions at the industry level. The assessment framework followed at these competitions allow us to realise our maturity levels and identify gaps.

### QUALITY CIRCLE

The Quality Circle (QC) initiative has been deployed in all factories to involve the operator in a continual improvement journey, develop his/her competency and healthy work environment. QC teams from all plants regularly participate in competitions and get recognised in all the forums organised by the Quality Circle Forum of India (QCFI).

We have implemented over 150 QC projects during the financial year. The initiative provides a cross-learning opportunity, sets up a platform to recognise employee efforts, contributes towards developing the capabilities of the workmen and builds a harmonious relationship. A healthy organisational culture leads to high employee morale and better productivity. The initiative has been extended to supplier partners

as well to develop QC Culture in entire ecosystem.

### TOTAL PRODUCTIVE MAINTENANCE

Our Total Productive Maintenance (TPM) initiative works with consistent emphasis on quality to improve manufacturing capability and deliver products at competitive price and quality. The maturity in TPM practice is assessed regularly by JIPM Japan, the effects of TPM on key result areas like overall equipment effectiveness (OEE), yield, energy, productivity and quality among others are evaluated, along with the assessment of maturity level of TPM Practice.

Four factories are certified for Category A award by JIPM and three factories (Haldia, Taloja and Hosur) have been awarded for Excellence in Consistent TPM Commitment Award by JIPM Japan.

The initiative has been extended to supplier partners in order to develop effective and efficient supply chain.

### KAIZEN

There is corporate drive to involve employees in a continuous improvement journey through Kaizen. Through this initiative, we are leveraging the creativity of our people to shape directional change to improve the operating performance indicators.

The Kaizen initiative is also extended to upstream partners; they are regularly engaged through vendor conferences across India.

We undertake multiple Kaizen initiatives to build a stronger operating ecosystem. These initiatives are: reducing costs, minimising wastage and utilising resources optimally. Over 3,700 Kaizen were implemented in 2016-17 across

the value chain. We seek to reinforce the Kaizen culture with more involvement of people from across the organisation.

### TRAINING AND DEVELOPMENT

Nurturing people and spearheading growth remains one of the important agendas of the TQM function. We conducted 65 training sessions, where 1,272 people participated. Over 1,500 person days of training was provided on several topics. We have shaped up training activities to deliver 'business excellence through learning & development'. Our efforts in this area has been appreciated at various competitive platform. We have been accorded a Certificate of appreciation by Chairman, Hero Group for our efforts towards Business Excellence Through L & D based on Expert Panel Evaluation for BML Munjal Awards.

### SUSTAINABILITY

We follow the 4P model of sustainability – People, Planet, Partners and Purpose. We are putting in place robust processes to achieve the global social accounting standards. Our sustainability programme involves three key steps of implementation, assurance and reporting.

### FUTURE ROADMAP

We have devised a roadmap for each of our TQM initiative, covering both short and long-term plans. A factory wise plan has been devised till 2027. We aim to expand the scale and scope of all these initiatives and then nurture it. We continue our endeavour of manufacturing high quality products that drive change and strengthen sustainability.



# People MATTER AT EXIDE

WE ARE CONSTANTLY IMPROVING OUR HR PROCESSES (EMPLOYEE DEVELOPMENT, PERFORMANCE & REWARDS, TALENT MANAGEMENT AND EMPLOYEE ENGAGEMENT) TO PROVIDE OUR TEAMS THE BEST OPPORTUNITIES TO GROW AND DRIVE THE ORGANISATIONAL OBJECTIVES.

## EMPLOYEE DEVELOPMENT

We offer unrivalled opportunities to employees to help them graduate to the next level in learning and in career development. One of our key focus areas has been to identify talent and develop a leadership pipeline in the organisation. We have implemented a focused talent identification process that profiles the organisation's

existing talent pool in a well-defined and scientific manner through interventions, such as leadership potential assessments.

### Career Advancement Builder (CAB)

Under the CAB initiative we encourage high-performing individuals to take up more responsibility and give them the opportunity to move to the next level

by giving them the required training. This also helps us in creating an internal talent pool to fill up any future openings.

### Creation of Internal Leadership Pipeline

For the senior management team, specific learning and development initiatives have been developed to help sustain a pool of critical leadership capability. We have involved an external development agency to identify the training areas, which would eventually help us in the creation of a leadership pipeline.

### Training Matrix

As we intend to continue to focus on building talent and capabilities, we have devised a training matrix for the next two years at an individual level. The matrix tracks training and skill levels within an organisation. Apart from providing a gap analysis between required and actual knowledge levels, it also helps in tracking competency levels of employees in terms of training programmes. Based on the



measurement each employee is put into any one of the three categories - beginner, intermediary or expert. We follow a holistic training approach and impart technical, behavioural and functional training(s).

### PERFORMANCE AND REWARDS

Our reward programme 'You Did It', acknowledges the outstanding efforts of individuals and teams that are aligned to the organisational value system and business goals. We follow a systematic process of quarterly review and recognise employee performance. We have several team based as well as individual reward programmes for our employees. All our Reward programmes utilise the ERP data, this has helped us successfully create a transparent performance mapping process.

As a part of the reward process, the winners are given an opportunity to meet the CXOs of the Company every quarter. This creates an open platform for employees and our Star performers to discuss and connect; and also feel a sense of belonging to the organisation and the brand.

We have introduced a 'Jugalbandi' initiative to increase collaboration across various functions. This initiative acknowledges the spirit of joint ownership of our employees to organisational goals.

### TALENT SOURCING

We enhance our skill portfolio through addition of new capabilities

by acquiring talent from the market and premier institutions, grooming internal talent and building functional capability. Initiatives like 'Grow with Exide' and 'Exide TAG' enables our employees to move across multiple functions and bring in culturally fit talent into the organisation.

### EMPLOYEE ENGAGEMENT

Our people strategy lays great emphasis on Employee Engagement. Our Annual Employee Engagement Survey 'Exide Live' is our yardstick to measure employee engagement and take corrective actions. At Exide, various communication forums are active throughout the year.

**Exide NEXT:** Our ideation Platform where employees can directly present innovative business ideas to our CXOs. The selected ideas are then recognised and implemented across the organisation.

### Tea-time with HR and HR Sampark:

These initiatives create transparency by encouraging communication between the HR and employees.

**Management Chronicler:** Through this quarterly in house Management magazine, we share inputs and insights on contemporary management and leadership topics in relevance to the current market scenario. These initiatives aim at enhancing organisational learning and imbibe the best leadership practices among Exide managers.

**Exide Fit:** Involves connecting with a new recruit and tracking his/her progress for the first six months; the objective is to ensure that the employee's transition to a new position is smooth.

**HR by YOU:** Focuses on the implementation of best practices suggested by new recruits from their past organisational experience; nearly 80-100 suggestions are shared in a month, of which some insightful ones are integrated within Exide.

### LEAP (Leveraging Employees through Assessment of Potential):

Identifies junior management executives who have the potential to grow; and are then groomed separately.

### Exide STAR (Segmented and Targeted for Attraction and Retention):

Identifies employees' critical for the organisation's growth and whose retention is crucial.



# Adding Value Through CORPORATE SOCIAL RESPONSIBILITY

In our stride to be a responsible corporate citizen which goes beyond the traditional role of doing business, at Exide we have adopted Corporate Social Responsibility (CSR) as an integral part of our core organisational strategy to contribute and add value to our immediate and larger communities. Over the years, our teams have been relentlessly putting in their dynamic efforts to fructify the community's needs and aspirations. Our main endeavour is to bring in optimistic and sustainable impacts in our neighbouring communities both at the vicinity of our manufacturing units as well as for the society at large at the national level through various CSR activities. These activities revolve around the main pillars of our CSR philosophy within the focus areas of Children and Education, Health and Sanitation, Environment, Women Empowerment and Rural/Community Development.



## CHILDREN AND EDUCATION

Projects related to promotion of education formed the main agenda for us in 2016 -17 as we firmly believe that children are our future. Hence direct interventions for school infrastructure development, education enhancement and allied projects mainly at primary and



high schools and child development organisations superseded at the vicinity of all our operational locations. Fostering similar projects through partnership with organisations like CINI (Child In Need Institute), India Sponsorship Committee, Holy Tabernacle School, Haltu Arya Balika Vidyalaya & South Gurukul Society perpetuated beneficial impacts on substantiating educational facilities and nutrition for the children.



## HEALTH AND SANITATION

Our long-term initiative with UNICEF since 2009 has forged ahead to institutionalise WASH (Water, Sanitation and Hygiene) Programme in Government Schools across districts in West Bengal, Assam and Bihar. Some of our nationalised contributions were



made to the Marrow Donor Registry (India), Diabetics Association of India, Society for the Rehabilitation of Paraplegics, Prime Minister's National Relief Fund and Swachh Bharat Kosh. These investments were largely in accordance to our vision of providing support for sustainable health and sanitation facilities for the larger community at the national level for population where the real requirement exists.

In our tribute to diversity, with Cheshire Home, Kolkata Unit a project was taken up to grant support for 'Disability Friendly Sanitation, Health and Nutrition' facilities.

At the plant level sanitation facilities including drinking water and sewage drainage facilities for an entire village were constructed or renovated as per the need assessment conducted by our onsite teams. Regular health check-up camps were also conducted as required by the beneficiary communities around all our operations.

### ENVIRONMENT

We aim to do our best to bring environmental consciousness through our regular projects like tree plantation.



All our plant locations mandatorily develop green corridors by planting pollution abatement species and supporting tree plantation projects within the neighbouring villages, barren land areas, municipalities. This year we also invested in solar energy related projects in different locations of Maharashtra and West Bengal. Another unique project on natural water resource management through desilting of clogged lakes was envisaged and implemented in the neighbouring villages of our plant down south which ensures reduction of water scarcity in the neighbouring villages.

### WOMEN EMPOWERMENT

Girl child and women oriented projects remains at the core of our CSR interventions as gender parity takes the front stage when it comes to making provisions for any empowerment initiatives. Hence, this year too we were extremely contended to continue with the livelihood and entrepreneurship enhancement programme for women from the tribal villages around our plant in Maharashtra which helps to usher in economic and social empowerment for the beneficiaries. Availing regular



and safe transportation to schools and colleges are an ordeal for most of the girl children and young women from economically challenged background irrespective of where they are located. The challenging situation is an equal reality both in remote villages as well as in the suburban areas of larger cities. The free School Bus project was an empowerment initiative that got introduced this year to ply girl children and young women from a few neighbouring villages and sub urban locations at two of our operation areas. The project recuperated regular attendance for the students and also helped to revive a school which was almost on the verge of closing down due to lack of admissions.

### EMPLOYEE VOLUNTEERING

Along with the investment and focused team efforts, our social commitment also extends deep into our corporate culture through employee volunteering programmes which embodies our special legacy of service for the greater community. The scope of individually touching lives of the less privileged ones and contribute towards their sustainable development is wholeheartedly recognised by our employees backed by our leadership team. We strongly resonate with what Gandhi once said



*"The best way to find yourself is to lose yourself in the service of others".* This year the volunteers had engaged for nurturing and empowerment sessions to boost up the morale of the differently-abled female residents of Cheshire Home, Kolkata Unit and the girl students from our partnering Government High School in south Kolkata. The engagement sessions generated heartwarming smiles along with a great sense of gratitude, inclusiveness and empowerment for all.

Our primary aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities. The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.



# Recognised for EXCELLENCE



Awards Description	Company / Body	Plant / Unit
Runner-up in Training & Skill Development Category for Large Industries in 2016	Manufacturing Today	Haldia
15 <sup>th</sup> Greentech Occupational Health & Safety Award 2016	Greentech	Hosur, Ahmednagar and Taloja
Winner of Golden Peacock National Quality Award for the year 2016	Golden Peacock Awards	Bawal
Winner of Golden Peacock Award for Excellence in Corporate Governance 2016	Golden Peacock Awards	Corporate Office
Quality Leadership Award 2016	Quality Circle Forum of India (QCFI) - Kolkata Chapter	Corporate Office
NCQC Awards 2016	Quality Circle Forum of India (QCFI)	Haldia, Shamnagar, Hosur, Ahmednagar, Chinchwad, Roorkee and Haridwar
CII-ITC Sustainability Award 2016	CII-ITC	Corporate Office
Rashtra Vibhushan Award 2017	FAME INDIA	Shamnagar
CII Productivity Award 2016	CII	Haldia
Excellence in Consistent TPM Commitment 2016	JIPM	Hosur

# 10-Year PERFORMANCE

(Rs. in Crores)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16 <sup>#</sup>	2016-17 <sup>#</sup>
Sales (Net)	2845	3393	3794	4554	5107	6071	5964	6866	6848	7620
Operating Profit	475	549	893	903	687	790	825	917	1026	1097
Profit before tax	374	435	811	940	645	742	723	798	908	976
Taxation	124	151	274	274	184	219	236	252	284	282
Net Profit	250	284	537	666	461	523	487	546	624	694
Cash Profit	315	352	618	750	562	636	613	685	782	900
Earning Per Share (Rs.)	3.13	3.55	6.32	7.84	5.43	6.15	5.73	6.42	7.35	8.16
Dividend Payout*	37	56	95	140	145	156	178	220	234	243
<b>Balance Sheet</b>										
Net Fixed Assets**	565	653	685	874	967	1028	1025	1168	1451	1687
Investments	518	668	1335	1378	1555	1640	1967	1896	2698	2674
Current Assets	877	742	912	1329	1547	1856	1941	2317	1989	2414
<b>Total Assets</b>	<b>1960</b>	<b>2063</b>	<b>2932</b>	<b>3581</b>	<b>4069</b>	<b>4524</b>	<b>4933</b>	<b>5381</b>	<b>6107</b>	<b>6775</b>
Loans	350	317	90	2	-	-	-	18	103	170
Current Liabilities	572	487	593	796	954	1027	1120	1205	1397	1486
<b>Sub Total</b>	<b>922</b>	<b>804</b>	<b>683</b>	<b>798</b>	<b>954</b>	<b>1027</b>	<b>1120</b>	<b>1223</b>	<b>1500</b>	<b>1656</b>
Deferred Tax Liability	48	41	59	68	83	98	105	126	127	155
Net Worth**	990	1218	2190	2715	3032	3399	3708	4032	4511	4964
<b>Total Liabilities</b>	<b>1960</b>	<b>2063</b>	<b>2932</b>	<b>3581</b>	<b>4069</b>	<b>4524</b>	<b>4933</b>	<b>5381</b>	<b>6107</b>	<b>6775</b>
Book Value Per Share (Rs.) ***	12.37	15.22	25.76	31.94	35.67	39.99	43.62	47.44	53.07	58.40
Return on Net worth (%)	39.9	28.7	44.1	30.4	17.0	17.2	14.3	14.7	15.5	15.6

\* Including Dividend Distribution Tax

\*\*Net of Revaluation Reserve

\*\*\*At same per value of share

# Figures mentioned against FY 2015-16 and FY 2016-17 are in accordance with provisions under IND-AS.

15 %

Growth in Market Capitalisation

10 %

Growth in Operating Profit (EBITDA)

12 %

Growth in Revenue

12 %

Growth in Net Profit

11 %

Growth in PBT

Growth Figures indicate CAGR

# Corporate INFORMATION

## BOARD OF DIRECTORS

### Mr. Bharat D. Shah

*Chairman & Independent Director*

### Mr. R. B. Raheja

*Vice-Chairman & Non-Executive Director*

### Mr. G. Chatterjee

*Managing Director & Chief Executive Officer*

### Mr. Nawshir H. Mirza

*Independent Director*

### Mr. Vijay Aggarwal

*Independent Director*

### Mr. Sudhir Chand

*Independent Director*

### Ms. Mona N. Desai

*Independent Director*

### Mr. A. K. Mukherjee

*Director- Finance & Chief Financial Officer*

### Mr. Subir Chakraborty

*Director-Automotive*

### Mr. Arun Mittal

*Director-Industrial*

## SECRETARY

Mr. Jitendra Kumar

## AUDIT COMMITTEE

Mr. Nawshir H. Mirza, Chairman

Mr. Vijay Aggarwal

Ms. Mona N. Desai

Mr. Sudhir Chand

## NOMINATION AND REMUNERATION COMMITTEE

Mr. Vijay Aggarwal, Chairman

Ms. Mona N. Desai

Mr. Sudhir Chand

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Sudhir Chand, Chairman

Mr. G. Chatterjee

Mr. Subir Chakraborty

## SHARE TRANSFER COMMITTEE

Mr. G. Chatterjee, Chairman

Mr. A. K. Mukherjee

Mr. Subir Chakraborty

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Bharat D. Shah, Chairman

Mr. Sudhir Chand

Mr. G. Chatterjee

Mr. Subir Chakraborty

**BANKING OPERATIONS COMMITTEE**

Mr. G. Chatterjee, Chairman  
 Mr. A. K. Mukherjee  
 Mr. Subir Chakraborty

**EXECUTIVE COMMITTEE**

Mr. G. Chatterjee  
 Mr. A. K. Mukherjee  
 Mr. Subir Chakraborty  
 Mr. Arun Mittal  
 Mr. Jitendra Kumar  
 Mr. Achim Luelsdorf  
 Mr. Arnab Saha  
 Mr. Ranjan Sarkar

**STATUTORY AUDITORS**

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

**COST AUDITORS**

M/s Shome & Banerjee  
 Cost Accountants  
 5A, Nurulla Doctor Lane, (West Range)  
 2nd Floor, Kolkata - 700 017

**SECRETARIAL AUDITOR**

M/s A. K. Labh & Co.  
 Company Secretaries  
 40, Weston Street 3rd Floor,  
 Kolkata - 700 013

**BANKERS**

State Bank of India  
 Standard Chartered Bank  
 Citibank N.A.  
 The Hongkong and Shanghai Banking  
 Corporation Limited  
 BNP Paribas  
 HDFC Bank Limited  
 Deutsche Bank AG  
 ICICI Bank Limited  
 Axis Bank Limited  
 Yes Bank Limited  
 IDBI Bank Limited  
 RBL Bank Limited  
 Bandhan Bank Limited

**REGISTRAR AND SHARE  
TRANSFER AGENT**

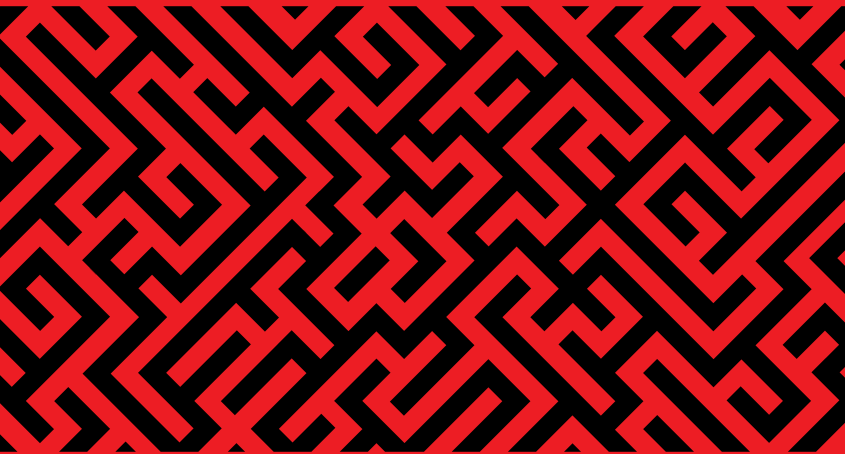
C B Management Services (P) Ltd.  
 P-22, Bondel Road, Kolkata - 700 019  
 Phone: (033) 4011-6700/6729  
 Fax: (033) 4011 6739  
 CIN: U74140WB1994PTC062959  
 E-mail: rta@cbmsl.com  
 Website: www.cbmsl.com

**REGISTERED OFFICE**

EXIDE HOUSE,  
 59E, Chowringhee Road,  
 Kolkata - 700 020  
 Phone: (033) 2283-2118/2150/2171  
 Fax: (033) 22832637  
 CIN: L31402WB1947PLC014919  
 E-mail: exideindustrieslimited@exide.co.in  
 Website: www.exideindustries.com



# GOVERNANCE AND FINANCIALS



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# Notice of the 70<sup>th</sup> Annual General Meeting

NOTICE is hereby given that the 70th Annual General Meeting of the Members of the Company will be held at Kala Mandir, 48, Shakespeare Sarani, Kolkata – 700 017 on Thursday, the 27th day of July, 2017 at 11.30 A.M. to transact the following business:-

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2017 and the Reports of the Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Subir Chakraborty (having DIN 00130864) who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. R. B. Raheja (having DIN 00037480) who retires by rotation and, being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any modification, variation or re-enactment thereof, as may be applicable and pursuant to the recommendations of the audit committee, B S R & Co. Chartered Accountants (Firm Registration No. 101248W/W100022), be appointed as statutory auditors

## NOTES

- a. **A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a member. A person can act as a Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy**

of the Company, in place of retiring auditors S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005), to hold office from the conclusion of the 70th Annual General Meeting (AGM) until the conclusion of the 75th AGM and that the Board of Directors of the Company be and are hereby authorised to fix their remuneration for the said term and permit reimbursement of actual out of pocket expenses and taxes as applicable, as may be incurred towards performance of their duties.”

## SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, remuneration of Rs. 9,00,000/- (Rupees Nine Lacs only) plus out of pocket expenses and applicable taxes, payable to Shome & Banerjee, Cost Accountants (Registration No. 000001), for audit of the cost records of the products manufactured by the Company for the year ending 31st March, 2018 as approved by the Board of Directors, be and is hereby ratified.”

By Order of the Board

Sd/-

**Jitendra Kumar**

Company Secretary and  
Sr. Vice President – Legal  
ACS No. 11159

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

**and such person shall not act as proxy for any other member. The instrument of Proxy, in order to be effective, should be duly completed and deposited at the registered office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.**

- b. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
- c. Route-map to the venue of the Meeting for the convenience of the members to attend the meeting is provided at the inside back cover of the Annual Report.
- d. The Register of Members and Share Transfer Books of the Company will remain closed from July 21, 2017 to July 27, 2017 (both days inclusive). Final Dividend as recommended by the Board of Directors, if approved at the aforesaid Annual General Meeting, shall be paid to those shareholders whose names appear in the Register of Members of the Company, after giving effect to all valid share transfer(s) in physical form lodged with the Company on or before July 20, 2017 and in respect of shares in electronic form, to those (deemed members) whose names appear on the statement of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on July 20, 2017. The dividend declared at the Annual General Meeting shall be paid within thirty (30) days of declaration.
- e. Information relating to the Directors retiring by rotation and seeking re-appointment at this Meeting, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Notice.
- f. Please note that pursuant to Section 124(5) of the Companies Act, 2013 (erstwhile Section 205A of the Companies Act, 1956) final dividend for the financial year ended 31st March, 2010 which remains unpaid or unclaimed, will be due for transfer to the Investors Education and Protection Fund of the Central Government on August 19, 2017. Particulars of shareholders who have not encashed their dividend warrants from the financial year ended 31st March, 2010 onwards are available on the Company's website at <http://www.exideindustries.com/investors/unclaimed-dividends.aspx> and also on the website of the Ministry of Corporate Affairs. Members are requested to contact C B Management Services (P) Limited, Registrar and Share Transfer Agent of the Company for encashing the unclaimed dividends standing to the credit of their account.
- g. Members holding shares in physical form are requested to notify/send the following particulars to the Company or its Registrars to facilitate better service:-
  - i. Bank account details i.e. Bank Account No., Name of the Bank, Branch, IFSC Code and Place with PIN Code No., in case the same have not been sent earlier;
  - ii. Any change in their address/bank details; and
  - iii. Details of share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
- h. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective depositories, viz., NSDL and CDSL, will be considered for payment of dividend through NECS, or any other electronic mode.
- i. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form may submit their PAN to the Company or to the Registrars and Share Transfer Agent.
- j. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, notices, circulars etc. from the Company electronically. Further, in case of any change in the e-mail address registered with the Company, a fresh e-mail id may kindly be sent to the Company. Members holding shares in demat form are requested to register/update their email address with their Depository Participant(s) only. Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.
- k. The Notice of AGM, Annual Report inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent in electronic mode to Members whose email address

are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report inter alia, indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s).

- i. Members, Proxies and Authorised Representatives are requested to bring their Attendance Slips together with their copies of the Annual Reports to the Meeting, if sent in physical form. Copies of the Annual Report will not be provided at the AGM venue.
- m. Members are requested to contact the Company's Registrar & Share Transfer Agent, C B Management Services (P) Limited, P-22 Bondel Road, Kolkata – 700 019 (Phone No. [033] 4011 6700/6725/6729/6742; Fax No. [033] 40116739; email id: rta@cbmsl.com) for reply to their queries/redressal of complaints, if any, or contact Mr. Arunito Ganguly, Deputy Company Secretary and Deputy General Manager (Legal) at the Registered Office of the Company [Phone (033) 2283 2150, email: cosec@exide.co.in].
- n. Statutory Registers and relevant documents referred to in the Notice and the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.

Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least (7) seven days before the date of the Meeting, so as to enable the Company to keep the information ready.

#### o. Voting through electronic means

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the members facility to cast their vote electronically on all resolutions set forth in this Notice through remote e-voting services provided by Central Depository Services (India) Limited (CDSL).

Mr. A. K. Labh, Practicing Company Secretary (FCS-4848/CP-3238) of M/s A. K. Labh & Co. Company Secretaries (email id: aklabhcs@gmail.com) of 40, Weston Street, 3rd Floor, Kolkata 700 013 has been appointed as Scrutinizer to scrutinize the remote e-voting and voting process to be carried out at the AGM in a fair and transparent manner.

The remote e-voting period begins on **Monday, 24th July, 2017 at 9.00 A.M.** and ends on **Wednesday, 26th July, 2017 at 5.00 P.M.** During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. **20th July, 2017**), may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Detailed instructions for availing of the remote e-voting facility are given separately along with this Notice.

The facility for voting through ballot paper/polling paper shall be made available at the AGM on **27th July, 2017** and the members as on the "cut-off date" i.e. **20th July, 2017**, attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot paper / polling paper.

The results on the resolutions will be declared not later than 24 hours of conclusion of the AGM i.e. 28th July, 2017 or any adjournment thereof. The declared results along with the Scrutinizer's Report will be available on the Company's website at [www.exideindustries.com](http://www.exideindustries.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) and will also be forwarded to the Stock Exchanges where the Company's shares are listed. Subject to receipt of

requisite number of votes, the resolutions set out in the Notice shall be deemed to be passed on the date of the AGM.

## II. Procedure for remote e-voting:

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number appearing on the enclosed Attendance Slip cum Electronic Voting Particulars in the PAN field.</p>

	For Members holding shares in Demat Form and Physical Form
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
DIVIDEND BANK DETAILS	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (vi).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN of Exide Industries Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) **Note for Corporate Shareholders**

- > Corporate shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- > A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- > After receiving the login details they have to create a compliance user, which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- > The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- > A scanned copy of the Board Resolution and Power of Attorney (POA) which they have

issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows Phone users can download the app from the App Store and the Windows Phone Store, respectively, on or after 30<sup>th</sup> June, 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [cosec@exide.co.in](mailto:cosec@exide.co.in).

- III. Any person who acquires shares and becomes a Member after despatch of Notice of the 70th AGM and holds shares as on the cut-off date of 20th July, 2017 may obtain the sequence number for remote e-voting by sending a request to the Company's RTA at [rtac@cbmsl.com](mailto:rtac@cbmsl.com).
- IV. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. In case of joint holders, only one of the joint holders may cast his/her vote.
- V. Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting right at the meeting through ballot paper. The Members who have already cast their vote by remote e-voting prior to the meeting and attending the meeting shall not be entitled to cast their vote again.

By Order of the Board  
Sd/-

**Jitendra Kumar**

Company Secretary and  
Sr. Vice President – Legal  
ACS No. 11159

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017



## **EXPLANATORY STATEMENT REQUIRED UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013**

### **ITEM NO. 5**

In terms of section 139(2) of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the maximum tenure for undertaking an assignment of statutory audit for specified class of companies is restricted to ten consecutive years (two tenures comprises of five years each) for audit firms. The tenure of S. R. Batliboi & Co. LLP, Chartered Accountants is getting over at the ensuing 70th Annual General Meeting (AGM) of the Company and pursuant to the above noted provision they are not eligible to be re-appointed for a fresh term. Accordingly as per the said requirements of the Act, B S R & Co. LLP, Chartered Accountants are proposed to be appointed as auditors for a period of five (5) years, commencing from the conclusion of 70th AGM till the conclusion of 75th AGM, subject to ratification by members every year, as may be applicable. B S R & Co. LLP, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have also furnished a declaration in terms of Section 141 that they are eligible to be appointed as auditors and that they have not incurred any disqualification under Companies Act, 2013. The brief profile of B S R & Co. LLP, Chartered Accountants is as under:

#### **Legal Status**

B S R & Co. ("the firm") was constituted on March 27, 1990 having firm registration no. 101248W. It was converted into Limited Liability Partnership i.e. B S R & Co. LLP on October 14, 2013 thereby having a new registration no. 101248W/W100022. The registered office of the firm is at 5th floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai – 400 011. The firm also has offices across India in cities viz. Chandigarh, Delhi, Jaipur, Ahmedabad, Vadodara, Mumbai, Pune, Bangalore, Kolkata, Hyderabad, Chennai, and Kochi with over 2900 resources, led by over 230 Partners and Directors. The firm has several experienced Partners managing various offices all over India.

#### **Affiliation**

B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of

India. The other entities which are part of the B S R & Affiliates network include B S R & Associates LLP, B S R & Company, B S R and Co., B S R and Associates, B S R and Company, B S R R & Co. and B B S R & Co.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned with or interested in, financial or otherwise, in the Resolution set out at Item no.5 of the Notice.

### **ITEM NO. 6**

The Board of Directors at its meeting held on January 25, 2017 appointed Shome & Banerjee, Cost Accountants to audit the cost records of the products manufactured by the Company for the year ending March 31, 2018. At the same meeting, the Board of Directors approved a remuneration of Rs. 9,00,000/- (Rupees Nine Lakhs only) plus out of pocket expenses and applicable taxes payable to Shome & Banerjee, Cost Accountants for conducting such audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the cost auditors shall be approved by the Board of Directors and subsequently ratified by the Members of the Company. Accordingly, the remuneration payable to Shome & Banerjee, Cost Accountants, for conducting the cost audit for the year 2017-18, as approved by the Board of Directors, is being placed before the Members for ratification.

The Directors recommend adoption of the Resolution at Item No.6 of the Notice by the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are concerned with or interested in, financial or otherwise, in the Resolution set out at Item no.6 of the Notice.

By Order of the Board  
Sd/-

**Jitendra Kumar**

Company Secretary and  
Sr. Vice President – Legal  
ACS No. 11159

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

**ANNEXURE**

Information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with regard to the Directors seeking re-appointment at the forthcoming Annual General Meeting (Refer Item Nos. 3 & 4 of the Notice)

Name of the Director	Date of Birth	Brief resume and nature of expertise in specific functional area	No. of equity shares held in the Company	Other Directorships in listed entities / Other Committee memberships* held
Mr. Subir Chakraborty (DIN 00130864)	30.09.1957	Mr. Subir Chakraborty is a mechanical engineer from IIT, Madras and PGDM from IIM, Kolkata. He has vast experience in marketing, sales, projects and general management. Prior to joining the Company in 1996, Mr. Chakraborty was the Chief Executive Officer of MSA (India) Ltd., a joint venture between the Company and Mining Safety Appliances Company, USA.	1106	<b>DIRECTORSHIPS</b> NIL <b>COMMITTEE MEMBERSHIPS</b> <b>Membership in Stakeholders Relationship Committee</b> Nil <b>Membership in Audit Committee</b> Nil
Mr. R. B. Raheja (DIN 00037480)	19.06.1953	Mr. R. B. Raheja holds a Bachelor's degree in Commerce and has a wide range of experience in industry and business. Mr. Raheja has also been dedicating himself to various educational and charitable trusts.	NIL	<b>DIRECTORSHIPS</b> 1. Hathway Cable and Datacom Limited 2. Prism Cement Limited 3. Supreme Petrochem Limited <b>COMMITTEE MEMBERSHIPS</b> <b>Membership in Stakeholders Relationship Committee</b> Supreme Petrochem Limited (Member) <b>Membership in Audit Committee</b> Nil

\* Includes Chairmanship/Membership in Audit Committee/Stakeholders' Relationship Committee.

Note: None of the Directors of the company are related to each other.

# Directors' Report to the Shareholders

(Including Management Discussion & Analysis)

Your Board of Directors are pleased to present the 70th Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2017.

## ECONOMIC ENVIRONMENT

The economic environment for the year 2016-17 was dominated by the single event of demonetisation of larger currency notes in November 2016. While this had certain positives for the battery industry, in that it rang the death knell for the largely illegal and unorganised sector of the economy, it also meant a temporary setback in certain product categories like two wheeler battery.

On the external front several developments took place that will have significant implications for the Indian economy. To be precise, these two external developments are of importance. In the short run, the outlook for global interest rates have changed in the aftermath of the US elections. India's capital flows and exchange rates would be impacted by US fiscal and monetary policy. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies.

While GDP data for 2016-17 is yet to be out, India is likely to lose the tag of being the fastest growing major economy to China. International Monetary Fund has already downgraded India's GDP growth forecast from 7.6% announced earlier to 6.6%. However, belying analysts' growth expectations of the Indian economy grew by 7% in the quarter October-December 2016. Except construction and real estate all the other sectors of the economy grew at a faster clip during this period than earlier.

## INDUSTRY STRUCTURE & DEVELOPMENT

The Passenger Vehicle Industry during the year under review grew by about 9% over the previous year. The Commercial Vehicle Division grew by 3% after 12% growth last year. Overall the 3/4 Wheeler market grew by about 5%. The 2-Wheeler Sales grew by around 6%.

## COMPANY PERFORMANCE

### Automotive Batteries

Sales of automotive batteries registered a double digit growth in volume in the financial year 2016-2017 as compared to the previous year. The aftermarket sales of four wheeler batteries witnessed a substantial growth in units as compared to the previous year. In the two wheelers aftermarket, there was a

double digit growth during the financial year 2016-2017. Sale of batteries in the four wheeler OEM division was also considerably higher during the financial year 2016-2017. In the OEM two wheelers, your Company witnessed a growth in volume as compared to that of the previous year.

In spite of the competitive market conditions, your Company continues to remain the preferred supplier to most of the vehicle manufacturers in the country.

### Industrial Batteries

Your Company registered a robust growth in the Industrial division. It has become the preferred choice of majority of OEM's in the UPS segment because of superior product performance, excellent after sales service and cordial relationship with the customers.

Your Company's advanced VRLA products have received great response from the telecom customers and the products have been found to be superior in charge acceptance and performance and your Company has made significant inroads in establishing itself as a preferred vendor in the Telecom segment. The Solar division has registered a robust growth and your Company has now forayed in offering the complete package of Modules, Solar Hybrid Inverters and Solar Batteries for the home usage of the customers.

In Motive Power business, your Company continues to be the market leader in the domestic market and has added new Distributors in Spain, Italy and France in the export market.

Industrial R&D shall be shortly launching the Ultra Batteries in Collaboration with East Penn for the Telecom market and Energy Storage and this technology will give substantial competitive advantage to your Company in the coming years.



IN ORDER TO MAINTAIN ITS LEADERSHIP POSITION, YOUR COMPANY IS CONTINUOUSLY FOCUSED ON UPGRADING ITS PRODUCTS AND MANUFACTURING TECHNOLOGY AS WELL AS ACQUIRING NEW AND ADVANCED TECHNOLOGY TO MEET THE EMERGING EXPECTATIONS OF THE CUSTOMERS.



### Submarine

Your Company achieved the highest ever production and supply of submarine batteries in the financial year 2016-17 without adding any additional infrastructure, recording an impressive 38% growth over last year.

During the financial year 2016-17 your Company received the first order from M/s Mazagon Dock Shipbuilders Limited for indigenous battery for the new French Scorpene class submarine inducted into the Indian navy.

In addition to our regular supplies to Indian Navy, two sets of submarine batteries were exported to Admiralty shipyard, Russia during the financial year 2016-17. Your Company is also continuing its efforts to acquire new export customer and expand export business.

### Exports

In the fiscal year 2016-17, both Automotive and Industrial have registered substantial growth – primarily through penetrating into new markets and increasing the market shares in the existing markets.

For automotive batteries, during the financial year, your Company was able to increase its reach by entering four wheeler battery markets in Uzbekistan, Indonesia, all GCC (Gulf Cooperation Council) countries and selective African nations including Mozambique and Angola. As a result of such efforts made in exports, there was a double digit growth in sales as compared to the previous financial year.

For industrial batteries, during the year your Company increased its reach by entering into new traction markets in Europe comprising of Spain, Italy and Greece while increasing its market share in Germany, the biggest traction market of Europe. In the Standby segment, the Company made inroads into Chile, Vietnam and Zambia. As a result of such efforts your Company registered robust growth in exports of industrial batteries over the previous financial year.

### Technology Upgradation

In order to maintain its leadership position, your Company is continuously focused on upgrading its products and manufacturing technology as well as acquiring new and advanced technology to meet the emerging expectations of the customers. The in-house Research & Development (R & D) Division is recognised by the Department of Scientific and Industrial Research, Government of India, as a fully accredited

Research Centre in the field of energy storage. Import substitution of raw materials, reducing energy consumption and manufacturing cycle time reduction are some of the areas where the priorities are highest.

The in-house R&D also plays a major role in providing the interface between the Company priorities and the adoption of collaborators technology. Your Company has ongoing technical collaboration and assistance agreements with East Penn Manufacturing Company Inc, USA, (EPM), a leading US manufacturer of lead acid batteries and related items. A major program on up-gradation in manufacturing systems and introduction of advanced products had been taken up in consultation with EPM engineers and are now at different stages of completion. The introduction of state of the art Punched Grid Technology ensures electrodes with superior corrosion resistance which optimises product consistency and allows for high levels of productivity. Additionally, your Company has a long standing technical cooperation agreement with Hitachi Chemicals Co. (formerly, Shin Kobe Electric Machinery Co.), Japan, for a variety of automotive as well as VRLA industrial range of products. The other ongoing technical cooperation program is with Furukawa Batteries, Japan and it covers some very advanced maintenance free batteries for 4 Wheeler and 2 Wheeler vehicles.

During the year under review, your Company has signed a technology co-operation agreement for the design and manufacture of 'Lithium Ion' family of products with Chaowei Group, a large, renowned company of China.

With bulk energy storage being a major priority in the country, your Company has signed two technical collaboration agreements during the year under review: (a) with EPM for Ultra Battery Technology for Stationary Industrial Applications viz., integration of a lead acid battery with an Ultra Capacitor; and (b) with Smart Storage Pty Ltd (ECoult, Australia), a hundred percent subsidiary of EPM, for Technology co-operation and joint marketing agreement for testing and study of energy storage solutions centered on Ultra Battery Technology and indigenisation of Storage Blocks.

### HIGHLIGHTS OF PERFORMANCE

Your Company recorded a Net Sales of Rs. 7620.28 crores in 2016-17 as compared to Rs. 6847.65 crores in the previous year with a corresponding profit before tax of Rs. 975.73 crores as compared to Rs. 908.18 crores.

## Financial Results

	(Rs. in Crores)	
	2016-17	2015-16
Profit before depreciation, finance cost & tax expenses	1186.36	1067.78
Depreciation and amortisation expenses	206.32	157.93
Finance cost	4.31	1.67
Profit Before Tax	975.73	908.18
Tax expenses	282.09	283.72
Profit After Tax	693.64	624.46
Other Comprehensive Income	1.90	(10.26)
Total Comprehensive Income for the year	695.54	614.20
Balance brought forward	4426.43	4046.62
Making a total of	5121.97	4660.82
Out of this appropriations are :		
Final Dividend for 2014-15 (70%)	-	59.50
Final Dividend for 2015-16 (80%)	68.00	-
Tax on Final Dividend	11.69	11.20
Interim Dividend for 2015-16 (160%)	-	136.00
Interim Dividend for 2016-17 (160%)	136.00	-
Tax on Interim Dividend	27.69	27.69
Aggregate Dividend amount paid	243.38	234.39
And leaving a balance of (which is carried forward to next year)	4878.59	4426.43

Your Company has adopted Indian Accounting Standards ("Ind-AS") as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, with effect from 1st April, 2016 with the date of transition to Ind-AS as 1st April, 2015. Consequently, General Reserves appearing in the Balance Sheet as at 31st March, 2015, has been subsumed into Retained Earnings with effect from 1st April, 2015.

### Effect of Lead Price Movement

Lead and Lead Alloys are the primary materials consumed in the manufacturing of batteries representing more than 70% of total material consumption by value. Your Company procures about 30% of its Lead and Lead Alloys requirement through imports or import parity pricing based on prices quoted on London Metal Exchange (LME). The balance 70% is procured locally at prices which are influenced by demand/supply situation as well as LME movement.

Your Company procures Lead and Lead Alloys mostly at current prices or on LME averages and there is no long-term contract for pricing. About 30% of your Company's business with OEM's as well as institutional customers is having "Lead price variation clause" and thus this portion of the business is protected from lead price volatility. The balance 70% of the

Company's business to retail customers is exposed to lead price volatility the risk of which is reduced to an extent by increasing the usage of recycled lead which is cheaper than pure lead and not directly exposed to LME price movement.

The exposure to currency fluctuations and its impact on Company's business is significant since about 30% of Lead and Lead Alloys procurement is based on "import parity price". Further, your Company imports few other materials and capital goods. Exports made by your Company which constitutes about 5% of the Company's business, acts as an automatic hedge against risks resulting from currency fluctuation.

Your Company as a policy does not enter into commodity hedging or currency hedging. At times forward covers are taken against import liabilities but they are very few and far between.

During FY 2016-2017 the average LME price of pure lead increased by 13% as compared to FY 2015-2016, while the average landed cost of Lead and Lead Alloys, including recycled lead, in 2016-2017 indicates a rise of 10% as compared to the previous financial year.

### Consolidated Financial Statements

As required under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in accordance with the Indian Accounting Standards (Ind-AS) 110, consolidated financial statements of the Company and its subsidiaries form part of the Annual Report and are reflected in the consolidated financial statements of the Company. These statements have been prepared on the basis of audited financial statements received from the subsidiary companies as approved by its respective Board of Directors.

### Dividend

Your Company has paid an interim dividend at the rate of 160% i.e. Rs. 1.60 per equity share of Re. 1/- each on the equity shares to the shareholders, whose names appeared on the Register of Members on November 05, 2016. Your Directors are now pleased to recommend a final dividend at the rate of 80% i.e. Re. 0.80 per equity share of Re.1/- each for the year ended March 31, 2017, subject to approval of the shareholders at the ensuing Annual General Meeting. Consequently, the total dividend for the year ended March 31, 2017 including the interim dividend paid during the year, amounts to 240% i.e. Rs. 2.40 per equity share of Re.1/- each.

### Share Capital

The paid up equity share capital as on March 31, 2017 was Rs. 85 crores, divided into 85,00,00,000 equity shares of face value of Re. 1/- each.

#### A) Issue of equity shares with differential rights

The Company did not issue equity shares with differential rights during the financial year 2016-17.

#### B) Issue of sweat equity shares

The Company did not issue sweat equity shares during the financial year 2016-17.

#### C) Issue of employee stock options

The Company did not issue stock options during the financial year 2016-17.

#### D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

The Company does not have a scheme for purchase of its own shares by employees or by trustees for the benefit of employees.

### Deposits

During the year under review the Company did not accept any deposits from the public within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

### Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 of the Companies Act, 2013, the details of the loans given (Note nos. 6 and 13), guarantees on securities provided (Note no. 38 (ii)) and investments made (Note nos. 4 and 9) by the Company during the year under review, have been disclosed in the financial statements.

### Material Changes and Commitments

There have been no material changes which have occurred subsequent to the close of the financial year of the Company to which the financial statements relates and the date of the report, for example:

- > Settlement of tax liabilities;
- > Operation of patent rights;
- > Depression in market value of investments;
- > Institution of cases by or against the Company;

- > Destruction of any assets or disposal of a substantial part of undertaking;
- > Changes in capital structure;
- > Alteration in wage structure arising out of trade union negotiation; and
- > Material changes concerning purchase of raw material and sale of the product.

### AUDITORS

#### Statutory Auditors and their Report

Pursuant to Section 139 of the Companies Act, 2013, S. R. Batliboi & Co. LLP, Chartered Accountants would complete their current term as Statutory Auditors as permitted under the Companies Act, 2013 read with the relevant rules thereof at the conclusion of the ensuing 70th Annual General Meeting of the Company. Accordingly, the Board of Directors has recommended the appointment of B S R & Co. LLP, Chartered Accountants as Statutory Auditors to hold office for a period of five (5) consecutive years from the conclusion of 70th Annual General Meeting till the conclusion of 75th Annual General Meeting, of the Company subject to approval of shareholders.

B S R & Co. LLP, Chartered Accountants have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for appointment as auditors of the Company. As required under Regulation 33(1)(d) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Statutory Auditors have not reported any incidence of fraud to the Audit Committee of the Company during the year under review.

#### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the cost records maintained by the Company in respect of the products manufactured by the Company are required to be audited. Your Directors, on the recommendation of the Audit Committee has appointed M/s Shome and Banerjee, Cost Accountants to audit the cost records of the Company for the financial year 2017-18 at a remuneration of Rs. 9,00,000/- plus out-of-pocket expenses and taxes as applicable. A resolution regarding ratification of remuneration payable to M/s Shome & Banerjee, Cost



Accountants, forms part of the Notice convening the 70th Annual General Meeting of the Company.

### **Secretarial Auditors & their Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s A. K. Labh & Co., Practicing Company Secretaries to undertake audit of secretarial and other related records of the Company for the financial year 2016-2017. The Secretarial Audit Report is annexed herewith as "Annexure – I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### **BUSINESS RESPONSIBILITY REPORT**

The Ministry of Corporate Affairs, Government of India, in July 2011, came out with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. These guidelines contain certain principles which are to be adopted by companies as part of its business practices and disclosures regarding the steps taken to implement these principles through a structured reporting format, viz. Business Responsibility Report. Pursuant to Regulation 34(2)(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has prepared the Business Responsibility Report and is annexed herewith as "Annexure - II".

### **CORPORATE GOVERNANCE**

Transparency is the cornerstone of your Company's philosophy and all requirements of corporate governance are adhered to both in letter and spirit. All the committees of the Board of Directors have held meetings at regular intervals as required in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Board of Directors has taken all necessary steps to ensure compliance with all statutory requirements. The Directors and key management personnel and senior executives of your Company have complied with the approved 'Code of Ethics for Board of Directors and Senior Executives' of the Company. The declaration to this effect pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 signed by Managing Director and CEO of the Company forms part of the Annual Report.

The Report on Corporate Governance as required under Regulation 34(3) read along with Schedule V of the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of and is annexed herewith marked as "Annexure – III". The Auditors' Certificate on compliance with Corporate Governance norms is also attached to this Report. Further as required under Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from the Managing Director & CEO and Director-Finance & CFO is being annexed with this Report.

### **BUSINESS EXCELLENCE**

Your Company has a well-designed TQM model to drive the organisation towards continual improvement in order to deliver high-quality products and services to customers. The TQM model is aimed at developing TQM culture for long-term success through customer satisfaction. All members of the organisation participate in improving processes, products, services aligned with the business needs.

The TQM initiatives deployed in your Company at present are: 5S, Kaizen, Quality Circle, Suggestion, TPM, Six Sigma and implementation of International Standards. The organisational learning and development is one of the key focus areas during the financial year. Over 65 training programs covering 1272 people across the organisation have been trained on various TQM modules during the financial year. There is structured monitoring and measurement system in your Company that flashes the monthly report on various TQM Performance metrics for each initiative.

Quality Circle is an effective approach to voluntarily involve people in continuous improvement journey. The QC projects are aligned to the business strategy to achieve the business goals and produce tangible and intangible benefits through involvement of workmen. This initiative is deployed in all the factories and extended supply chain. Workmen participation during the financial year was achieved at 47% in this initiative and 164 QC projects have been completed. There is mechanism to evaluate and recognise the projects in Exide Regional Conferences which were conducted at Kolkata, Delhi and Pune. These conferences are learning and sharing platform for factories and suppliers.

The QC teams regularly participate in external competitions organised by QCFI as well as internal competitions organised by your Company. During the year, a total of 99 Quality Circle awards have been received by the QC teams.

Implementation of best practices and promoting competitive capability of the organisation is one of the important areas your Company focused during the year and committed to excel in the years ahead. The excellence in areas of supply chain, operation, sustainability, quality, innovation, corporate governance etc. were assessed by external organising bodies like CII, Institute of Directors, JIPM, ACFI, Greentech etc. Your Company received 112 Awards in various categories during the financial year.

Your Company is committed to develop robust TPM culture across the organisation. All manufacturing units have TPM practice, though maturity level varies from factory to factory. There is a road map for each factory to take to the next level. JIPM regularly monitors and assesses the maturity of TPM practices. Hosur factory has been awarded for Excellence in Consistent TPM Commitment in March 2017 by JIPM, Japan. The TPM initiative has been extended to upstream partners to build their manufacturing competitiveness and increase their operating performance.

A new TQM ranking assessment system has been introduced for transparent rating and evaluation with an intense focus to regularly monitor and measure the various TQM initiatives practiced in the factories. It helped in identifying the gaps and improving the system and process along with cross functional learning. This ranking system has been institutionalised for building competitiveness among factories and flow of best practices from one factory to other. The audit is conducted quarterly and factories are ranked depending on the results of audit.

In order to meet the compliance with ISO/IEC 17025:2005 (International standard) and continually improve the effectiveness of the management systems, laboratory quality policy has been framed and the same is being deployed across the organisation. R & D Centre Laboratory has achieved accreditation to ACCAB for ISO/IEC 17025 Standard in March 2017. Laboratories at Haldia and Hosur are in process of accreditation. Your Company has planned to have 100% accreditation for ISO/IEC 17025 Standard by next financial year.

#### **OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT**

Your Company has effectively deployed the policies on occupational health, safety and environment in all factories. During the year EHS (Environment, Health and Safety) standards have been implemented and certified in Ahmednagar factory.

Your Company has a well designed EHS policy. Your Company utilises natural and man-made resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, re-using, recycling and managing waste. Your Company regularly monitors and prevents pollution through waste minimisation at the source, recovery / treatment of emissions and releases and conservation of energy. Thus, it has helped in progressively improving environment, occupational health and the overall carbon footprint.

Your Company has established, implemented and maintained a procedure for the ongoing identification of hazards, assessment of their risk and determining the necessary controls. Safety audits, hazard evaluation, emergency management planning is conducted periodically in the factories.

Your Company's employees as well as the upstream partners are being regularly trained and awareness programmes are conducted to ensure that health and safety risks are minimised for the employees and contract workers. National Safety Day is celebrated annually by your Company. Various training and awareness programs based on safety are conducted in the week.

The maturity level of Occupational Health, Safety and Environment system are assessed by different external certification bodies. During the financial year 2016-2017, your Company has been awarded with:

- Annual Greentech Gold Award in Safety Category for Hosur factory;
- Annual Greentech Silver Award in Safety Category for Ahmednagar factory; and
- Annual Greentech Silver Award in Safety Category for Talaja factory.

Your Company is transparent about the sustainability challenges. Identifying which economic, environmental and social issues are most important for the business, environment and stakeholders is most important. The sustainability efforts include reduction of pollution, waste elimination, effective utilisation and recycling of existing natural resources (like as water, oil, gas, metal) and energy saving. Your Company complies with applicable legal, statutory, regulatory, customer specific and other requirements related to the environmental aspects, occupational health and safety. Your Company has always focused on the sustainability of its upstream partners for business sustainability. Several vendor sustainability programs have been conducted in all the regions involving

almost all the critical vendors. Periodic training on risk assessment, environment, health and safety and quality have been provided to them for sustainability of their business. In view of driving sustainability in vendors, supply chain assessment was done by CII in 2016. Your Company was awarded the CII-ITC Award 2016 for commendable achievement in SCM Sustainability.

### **CORPORATE SOCIAL RESPONSIBILITY**

Your Company always seeks ways to make a positive impact on the society at large through various CSR activities. Environment, basic education, health, women empowerment and community development have been the main pillars of your Company's CSR philosophy, even before the passing of the Companies Act, 2013.

The Board of Directors of your Company has approved a Corporate Social Responsibility (CSR) Policy namely "EIL CSR Policy" in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India, which is available at <http://www.exideindustries.com/investors/governance-policies.aspx>.

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed hereto as ("Annexure – IV").

During the year, the Company has made significant strides in accomplishing social outcomes and impacts in the immediate and greater community at large at the national level. These were achieved by investing considerable amount of resources and efforts in laying down a strong foundation for CSR project planning, identification, implementation, monitoring and evaluation mechanism. The Company has also put in place institutional arrangements for further expansion to newer geographical locations. Preference was given to allocate and spend higher amount on activities pertaining to local area and areas around the Company's factories.

As part of its CSR initiatives in 2016 - 2017, the Company has spent (including committed to spent) INR 1394 lakhs, which is significantly higher as compared to the previous year's CSR spend. The projects undertaken by the Company includes in the areas of education, health, safe drinking water, sanitation, women empowerment and livelihood generation, rural development, eradication of hunger, poverty and malnutrition etc. These projects were mainly

executed directly or in association with some renowned and local partner organisations, around our operations in West Bengal, Maharashtra, Tamil Nadu, Uttarakhand, and Haryana. In addition to these national level CSR investments we have contributed to the Prime Minister's National Relief Fund and Swachh Bharat Kosh. The WASH project with Unicef covers different districts in West Bengal, Assam and Bihar.

Some of the projects identified by the Company which were engaged in social activities aligned with the Company's CSR Policy, could not materialise due to procedural delays in getting requisite approvals. As a result of this, there was a shortfall in the total CSR spent from its total obligations of at least 2% of the average net profits (before tax) made during the three immediately preceding financial years.

The social initiatives taken by the Company will certainly help in impacting the larger community in a sustainable manner over a period of time. The Company plans to rapidly scale up in utilising its full CSR budget in the coming financial years. The Company remains committed to the cause of CSR and will take necessary steps to fulfill its CSR obligations during the coming financial years.

### **INTERNAL CONTROLS**

A strong internal controls framework is an essential prerequisite of growing business. In this context, to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state that your Company's internal control systems are commensurate with its size and scale of operations that are designed to provide reasonable assurance that the Company's financial statements are reliable and prepared in accordance with the law.

### **OUTLOOK**

The overall outlook on economic growth of the country has improved with the Goods and Services Tax expected to come into force from July, 2017 and the effects of demonetisation getting over. It is expected that this will facilitate the industry to grow at a faster rate in the medium and long term. The forecast is that the economy will grow more than 7.2% in the financial year 2017-2018.

The interest rates have softened and inflation is under control. The industry and infrastructural sectors are expected to benefit out of this and the automobile industry, in particular is expected to perform much better in the coming years.

## OPPORTUNITIES AND THREATS

Your Company has growth opportunities in industrial and automotive divisions specially energy storage, solar, telecom, e-rickshaw and commercial vehicle divisions. Your Company has strategies in place to tap the potential. However the new entrants and aggressive expansion plan of existing competitors are biggest challenge. The competitive price, network strategy, technology & product quality are critical to our success. Your Company has advantage of having strong brand value, large network, widely spread product range, strong partners and collaborators relationship. It is fully prepared to meet the challenge of competition leveraging its competitive strengths of network quality, technology, product range and brand value.

In Lead Acid Storage battery your Company has a very large share of business in divisions like Automotive, OEM, Power, Project, Manufacturing and Solar. Economy plays a very important role in these divisions. A subdued economy is a threat to your Company.

## RISKS AND CONCERN

Your Company is exposed to risk of environmental damage due to the nature of its business. However, mitigating actions are in place to ensure protection of environment. Natural water harvesting, plantation, hazardous waste management plan, environmental monitoring, monitoring of the blood lead level of employees and statutory compliance management are carried out.

Evolution of alternate battery chemistry may lead to technology disruption. Your Company has mitigated the risk of disruptive technology and taken priority steps in transfer/development of technology to safeguard the present and future market in all segments. Long term technology road map is also in place. R & D function of the Company has been re-structured to deliver as per change in market trends. Separate vertical for technology innovation has been created. Focus on product benchmarking has been brought to fore-front and tailored energy storage solution development initiatives have been started. Your Company is fully geared up to meet future technology needs and prepared against all possible disruptions.

Exide has a very strong brand name. This trust has been built in last seven decades in quality & reliability of product, business ethics & customer service. There is risk of its damage, due to inefficient and negligent handling / abuse/

under performance of product, negative advocacy/ conduct by partners, factors like regulatory violation. There is comprehensive process in place to ensure product quality, customer satisfaction, statutory compliance and these processes are highly matured.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

Your Company has a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the directors, employees and stakeholders to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct or ethics policy in accordance with the provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit committee. The Policy is available on the web-site of the Company under the web-link '<http://www.exideindustries.com/investors/governance-policies.aspx>'. The Audit Committee of Directors are entrusted with the responsibility to oversee the vigil mechanism.

## SUBSIDIARIES

Your Company has four Indian subsidiaries viz, Chloride Metals Limited, Chloride Power Systems & Solutions Limited, Chloride International Limited, Exide Life Insurance Company Limited and three foreign subsidiaries, viz. Chloride Batteries S.E Asia Pte. Ltd., Singapore, Espex Batteries Limited, UK and Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka.

- > Exide Life Insurance Company Limited ('ELI'), a 100% subsidiary of your Company, is engaged in the business of life insurance and annuity, offering a range of individual and group life, pension and health products across traditional and unit-linked platforms. It reaches customers through technology enabled solutions and its network of 200 plus offices to cater to the needs of customers.

ELI manages assets (AUM) of over INR 11,000 crores as at March 31, 2017. The total premium collected by ELI during the year ended March 31, 2017 was Rs. 2,408 crores as against Rs. 2,016.24 crores collected during the previous year ended March 31, 2016. It has also recorded

a profit before tax of Rs. 112.51 crores during the year ended March 31, 2017, as against a profit of Rs. 88.80 crores recorded during the previous year.

As at March 31, 2017, market consistent embedded value (MCEV) of ELI was INR 2,051 crores against MCEV of INR 1,870 crores in the previous year.

The profit reconciliation from IRDA (IGAAP) to IND-AS is given below:

	(Rs. in Crores)	
Particulars	2016-17	2015-16
<b>Profit before tax as per IRDA (IGAAP)</b>	<b>112.5</b>	<b>88.8</b>
a) Finance income on measurement of financial assets at amortized cost	0.8	1.0
b) Amortization of prepaid expense relating to financial assets measured at amortized cost	0.4	(1.0)
c) Lease straightlining	0.2	(0.3)
d) Prior period expense recognized in IGAAP reinstated	3.8	-
e) Recognition of amortization of premium/discount on investments measured at amortized cost on EIR basis.	(3.7)	0.7
f) Reclassification of actuarial gains/losses for measurement through other comprehensive income	0.7	1.2
g) Reclassification of Net gain on derecognition of equity instruments measured at fair value through other comprehensive income	(24.3)	(22.3)
h) Reclassification of unrealized changes in fair value on mutual funds from liability to investment income	3.5	(0.1)
<b>Profit before tax as per Ind-AS</b>	<b>93.9</b>	<b>68.0</b>

- > Chloride Metals Limited, another 100% subsidiary of your Company, having its plants situated at Markal, Taluka – Khed, Pune and Malur, Kolar district, Karnataka is engaged in the business of running smelting plants having integrated facilities for extracting lead from exhausted batteries and manufacturing and supplying

recycled lead and lead alloys. The net sales of Chloride Metals Limited was Rs.1424.08 crores and the profit before tax was Rs. 34.04 crores representing an increase of 42% and 41% in net sales and profit before tax respectively compared to the previous financial year.

- > Chloride Power Systems & Solutions Limited, a 100% subsidiary of your Company having its factory at Sector V, Salt Lake City, Kolkata is engaged in manufacture and sale of battery chargers, D.C. Power Systems, solar installations and associated equipment. During the year 2016-17, the said Company achieved a turnover of Rs. 77.78 crores and a profit before tax of Rs. 3.07 crores representing an increase of 34% and 15% respectively over the previous financial year.
- > Chloride International Limited is presently not engaged in any trading or manufacturing activity and has income from rent and interest/dividend on securities. The income of Chloride International Limited during 2016-2017 amounted to Rs. 71.88 lacs with a profit before tax of Rs. 61.22 lacs.
- > Your Company also holds 100% of the share capital in Chloride Batteries S.E Asia Pte. Ltd., Singapore. The said Company is engaged in production and distribution of industrial battery chargers, rectifiers and parts thereof and the distribution of industrial and automotive batteries. It caters to the South East Asian and Australian markets. During the year 2016-2017, the said Company achieved a turnover of SGD 22.28 million and incurred a loss of SGD 0.43 million.
- > Espex Batteries Limited, UK, 100% subsidiary of your Company is engaged in marketing and selling of lead acid batteries for industrial applications in UK and its neighboring areas. During 2016-2017, the Company achieved a turnover of GBP 5.88 million and made a profit before tax of GBP 0.21million.
- > Your Company also holds 61.5% of the share capital in Associated Battery Manufacturers (Ceylon) Limited, Sri Lanka. The said Company is engaged in the business of manufacturing and marketing of lead acid batteries. During the year 2016-2017, the said Company achieved a turnover of SLR 2713.50 million and made a profit before tax of SLR 241.66 million.

The profit and loss account, the balance sheet, the auditors' report and the directors' report of the subsidiaries are not attached to the annual accounts of your Company pursuant to general exemption granted vide general circular number 2/2011 dated 08.02.2011 issued by the Government of India, Ministry of Corporate Affairs and in terms of Section 136 of the Companies Act, 2013. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries in Form AOC-1 is attached to the financial statements. However, the necessary details about the subsidiaries are given in the consolidated financial statements. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies. Copies of the financial statement of the subsidiaries would also be available for inspection by any such person at the registered office of your Company on any working day as specified in the Notice convening the 70th Annual General Meeting.

Pursuant to Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

### EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No. MGT – 9 (Attached as "Annexure-V ") shall form part of the Board's report.

### DIRECTORS

At its meeting held on 18th July, 2016, your Board appointed Mr. Bharat D Shah as the Chairman of the Board of Directors.

During the year Mr. Rajesh G. Kapadia, Non-Executive Independent Director expired on 22<sup>nd</sup> October, 2016. Your directors wish to record their deep regret on the untimely demise of Mr. Kapadia and also wish to place on record their sincere appreciation for the guidance provided by Mr. Kapadia during his tenure as a member of the Board and as Chairman of the Company. In his death, your Company has lost a visionary leader who has made an immense contribution towards the growth and development of your Company over a period spanning two decades.

Mr. Nadeem Kazim, Director - HR & Personnel resigned w.e.f. 28th November, 2016. Your Directors placed on record their

sincere appreciation and gratitude towards valuable services rendered by Mr. Kazim during his tenure as a Whole-time Director of the Company.

Mr. R. B. Raheja, Non-Executive Director and Mr. Subir Chakraborty, Director - Automotive, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Necessary information pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors to be re-appointed at the ensuing Annual General Meeting are given in the Annexure to the Notice convening the Annual General Meeting scheduled to be held on 27th July, 2017.

None of the Directors of your Company are disqualified for being appointed as Directors, as specified in Section 164(2) and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

### KEY MANAGERIAL PERSONNEL

During the year, Mr. Nadeem Kazim, Whole-time Director designated Director-HR & Personnel resigned w.e.f. 28th November, 2016 and the following directors/executives continued as Key Managerial Personnel of the Company:

- Mr. Gautam Chatterjee, Managing Director & CEO
- Mr. A. K. Mukherjee, Director – Finance & CFO
- Mr. Subir Chakraborty, Director – Automotive
- Mr. Arun Mittal, Director – Industrial
- Mr. Jitendra Kumar, Company Secretary & Sr. Vice President - Legal

### DECLARATION OF INDEPENDENCE

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board as a whole, Chairman and the Non-Independent Directors was carried out by the Independent Directors. This exercise was carried out in



accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

The Board carried out an annual evaluation of its own performance, as well as the evaluation of the working of its committees and individual Directors, including Chairman of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The evaluation process was reviewed in the light of the guidance note issued by the Securities and Exchange Board of India on Board evaluation dated January 5, 2017 and aligned in accordance with the requirements specified therein.

While evaluating the performance and effectiveness of the Board, various aspects of the Board's functioning such as adequacy of the composition and quality of the Board, time devoted by the Board to Company's long-term strategic issues, quality and transparency of Board discussions, execution and performance of specific duties, obligations and governance were taken into consideration. Committee performance was evaluated on the basis of their effectiveness in carrying out respective mandates, composition, effectiveness of the committees, structure of the committees and meetings, independence of the committee from the Board, contribution to decisions of the Board. A separate exercise was carried out to evaluate the performance of Independent Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution to Board deliberations, independence of judgement, safeguarding the interest of the Company and focus on creation of shareholders value, ability to guide the Company in key matters, attendance at meetings etc.

The Directors expressed their satisfaction with the evaluation process.

#### **REMUNERATION POLICY**

In accordance with the provisions of Section 178(3) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has remuneration policy in place. The objectives and key features of this Policy are:

- (a) Formulation of the criteria for determining qualifications, positive attributes of directors, Key Managerial Personnel (KMP) and senior management personnel and also independence of Independent Directors;
- (b) Aligning the remuneration of Directors, KMPs and senior management personnel with the Company's financial position, remuneration paid by its industry peers etc.;
- (c) Performance evaluation of the Board, its committees and Directors including Independent Directors;

- (d) Ensuring Board diversity;
- (e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down; and
- (f) Directors' induction and continued training.

The Remuneration Policy is available on the Company's web-site under the following web-link <http://www.exideindustries.com/investors/governance-policies.aspx>.

#### **MEETINGS**

During the year under review four (4) board meetings and six (6) audit committee meetings were convened and held, the details of which are given in the Corporate Governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

The details of constitution of the Board and its committees are given in the Corporate Governance report.

#### **COMPLIANCE WITH CODE OF ETHICS FOR BOARD OF DIRECTORS AND SENIOR EXECUTIVES**

All Directors and senior management personnel have affirmed compliance with the code of ethics for Board of Directors and senior executives. A declaration to that effect is attached with the Corporate Governance report.

#### **RISK MANAGEMENT POLICY**

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company are responsible for framing, implementing and monitoring the risk management plans of the Company. The Company has a "Risk Management Policy" to identify risks associated with the Company, assess its impact and take appropriate corrective steps to minimise the risks which may threaten the existence of the Company.

In your Company's endeavor to become global power house, it is exposed to certain risks that may adversely affect its ability to service customer, achieve objective and protect assets. The risk management policy of the Company has been reviewed and revised in September, 2016. The policy stresses on exploring the new opportunities, strengthening corporate governance while achieving the business objectives.

The Policy also stresses on optimisation of risk situations, sharing the experience on dealing with risks, allocation of necessary resources for mitigation of risks and effective working of risk management system. In line with the policy, the procedure has also been revised and implemented across the organisation.

The corporate risk register of the organisation is reviewed by audit committee and Board to ensure adequacy of mitigating actions. Risk management framework of your Company is well grounded. It involves the executives across the organisation and promotes risk evaluation as an integral part of decision making.

The Risk Management Policy is available on the Company's web-site under the following web-link <http://www.exideindustries.com/investors/governance-policies.aspx>.

### LISTING

The equity shares continue to be listed on the BSE Limited (BSE), the National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Limited (CSE). The Company has paid annual listing fees for the financial year 2017-18.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions those were entered during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered into by the Company with promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company.

All related party transactions are placed before the audit committee for review and approval. Prior omnibus approval is also obtained from the audit committee for the related party transactions which are of repetitive nature and which can be foreseen and accordingly the required disclosures are made to the audit committee on quarterly basis in terms of the omnibus approval of the committee.

The policy on materiality of related party transactions and also on dealing with related party transactions as approved by the audit committee and the Board of Directors is uploaded on the web-site under the following web-link <http://www.exideindustries.com/investors/governance-policies.aspx>.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis and there were no material related party transactions during the year, Form AOC – 2 is not applicable to the Company.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant material orders passed by the regulators/courts/tribunals which would impact the going concern status of the Company and its future operations. However, member's attention is drawn to the statement on

contingent liabilities and commitments in the notes forming part of the financial statements.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Clause (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure - VI".

### HUMAN RESOURCES

Your Company believes in engaging human resources as they are the key differentiator for the success of the organisation. Keeping the employees engaged and committed can go a long way in attainment of objectives and ensuring sustained business performance. In line with this, your Company has initiated several interventions that will enhance the engagement of the employees. Your Company has established systems which promote transparency and bring objectivity in people practices. Being a people centric organisation, your Company recognises the significance of building next generation leadership by developing internal talent to meet the organisational objectives. Through this, the human resources function continues to align its strategic interventions and processes, while simultaneously addressing the needs of multiple stakeholders and maintaining a competitive employee cost. Your Company has a robust talent acquisition process and continues to invest in people development activities to keep them attuned with the dynamic business requirements. This is practiced by retaining and developing talent through appropriate platforms and performance management process.

Your Company continues to have cordial and harmonious industrial relations across all the manufacturing units. During the year under review, long term agreements were signed with the Trade Union at Chinchwad Plant.

The total number of employees of the Company as on March 31, 2017 stood at 5157.

### PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and financial statements are being sent to Members and others entitled thereto, excluding the information on employees particulars which are available for inspection by the Members at the registered office of the Company during business hours on working days

of the Company up to the date of the ensuing Annual General Meeting. Any Member interested in obtaining a copy thereof, may write to the Company Secretary. Further, we confirm that there was no employee employed throughout the financial year or part thereof, who was in receipt of remuneration in the financial year which, in the aggregate, is in excess of that drawn by the Managing Director and Whole-time Directors and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

Particulars of employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed hereto and marked as ("Annexure - VII").

#### **PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition & redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules thereunder. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability etc. Your Company has constituted Internal Complaints Committees (ICC). The Company has designated the external independent member as a Chairperson of the Committee. During the year, no complaints with allegations of sexual harassment were filed with the Company.

#### **DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. That in the preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. That the Directors have prepared the annual accounts on a going concern basis;
- e. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f. That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **FORWARD LOOKING STATEMENTS**

This Report contains forward-looking statements that involve risks and uncertainties.

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

#### **ACKNOWLEDGEMENT**

Your Directors would like to place on record their appreciation to employees at all levels for their contribution to the Company's performance. The Directors would also like to thank its customers, employee unions, shareholders, dealers, suppliers, bankers, government agencies and all stakeholders for the co-operation and support given by them to the Company and the confidence and trust reposed by them in the management.

On behalf of the Board of Directors

Sd/-

**(Bharat D. Shah)**

Chairman

DIN: 00136969

Place: Mumbai

Date: 4th May, 2017

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31.03.2017**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

**To**  
**The Members,**  
**Exide Industries Limited**  
Exide House  
59 E, Chowringhee Road  
Kolkata – 700 020  
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Exide Industries Limited** having its Registered Office at Exide House, 59 E, Chowringhee Road, Kolkata - 700020, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices; we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

**We report that,** we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

- (ii) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Act / Rules:

- (a) Batteries (Management and Handling) Rules, 2001

to the extent of their applicability to the Company during the financial year ended 31.03.2017 and our examination

and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) SEBI (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

**We further report that :**

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system

exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- (c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. LABH & Co.**  
**Company Secretaries**

Sd/-

**(CS A. K. LABH)**

Practicing Company Secretary  
FCS – 4848 / CP No.- 3238

Place : Kolkata  
Dated : 4<sup>th</sup> May, 2017



## ANNEXURE - II

### BUSINESS RESPONSIBILITY REPORT – 2016-2017

#### ABOUT THIS REPORT

Now, more than ever before, sustainability is becoming a core component of mainstream business. Enterprise sustainability today is a strategic business aspect which is getting embedded within the corporate culture catering to the varied prerequisites of legal compliance to a myriad stakeholder engagement and their well being. In this world of increased instrumentation, interconnectedness and interdependency, Exide is consciously making efforts towards the adoption of a more sustainable business strategy. In our journey towards excellence and to secure a sustainable future, Exide envisages to become a global power house respected by customers and preferred by investors, known for innovative product and solutions.

Business Responsibility, Corporate Social Responsibility (CSR) and governance of Sustainability are all driven from the top at Exide. Our Board & CSR Committee are entrusted with formulating, revising and updating our CSR Policy which governs the implementation of all our CSR initiatives in compliance with Section 135 of the Companies Act, 2013. Exide's governance philosophy embraces the tenets of trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. Trusteeship recognises that large corporations have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholder value, as well as fulfill obligations to other stakeholders.

This Business Responsibility Report complies with our accountability towards all our stakeholders. The report enumerates details as per SEBI's guidelines along with the nine principles of the Government of India's 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. It summarizes our efforts to conduct business in a responsible manner.

#### ABOUT EXIDE INDUSTRIES LIMITED

For more than seven decades, Exide has been one of India's most reliable brands, enjoying unrivalled reputation and recall. A leader in packaged power technology, Exide today is India's largest storage battery company with widest range of both conventional flooded as well as latest VRLA batteries. Our constant emphasis on innovation, extensive geographic footprint, strong relationship with marquee clients and steady technology upgradations with global business partners have made us a distinct frontrunner in the lead-acid storage batteries space for both automotive and industrial applications. Exide designs, manufactures, markets and sells the widest range of lead acid storage batteries in the world to cover the broadest spectrum of applications. With nine factories spread across the country, Exide's range and scale of manufacturing operations can be matched by very few companies in the world. Exide's manufacturing facilities are equipped with world's latest and most advanced machineries. The Company is constantly upgrading its technology and also acquiring new technology to meet the ever increasing demands of its customers. In addition to the state-of-the-art in-house R&D Centre recognized by the Department of Scientific and Industrial Research, Government of India, Exide also acquires new technology through technical collaboration agreements with leading international battery manufacturers. Out of the nine factories, seven factories are dedicated to manufacturing batteries and the other two for Home UPS Systems. Using the latest technological inputs, we manufacture batteries for the automotive, power, telecom, infrastructure projects, computer industries, as well as the railways, mining and defence sectors.

**Section A: General Information about the Company**

1.	Corporate Identity Number (CIN) of the Company : L31402WB1947PLC014919	
2.	Name of the Company: Exide Industries Limited	
3.	Registered address: Exide House, 59E Chowringhee Road, Kolkata 700020, West Bengal, India	
4.	Website: www.exideindustries.com	
5.	Email id: exideindustrieslimited@exide.co.in	
6.	Financial Year Reported: 2016-17	
7.	Sectors that the Company is engaged in (industrial activity code-wise)	
	<b>Industrial Activity Code (as per Central Excise Tariff Code)</b>	<b>Product Category</b>
	8507.10.00	Lead-Acid accumulators of a kind used for starting piston engines
	8507.20.00	Other lead acid accumulators
	8504.40.90	Uninterrupted Power Supply Systems
8.	List of three key products that the Company manufactures (as in balance sheet):	
	a. Electric storage batteries used for starting piston engines	
	b. Other Lead-Acid Accumulators	
	c. Home UPS systems	
9.	Total number of locations where business activity is undertaken by the Company	
i	Number of international locations	Three
		> Sri Lanka
		> Singapore
		> UK
ii	Number of national locations:	Nine Factories
		> Ahmednagar
		> Bawal
		> Chinchwad
		> Haridwar
		> Roorkee
		> Taloja
		> Haldia
		> Hosur
		> Shamnagar
10.	Markets served by the Company – Local/State/National/International	
	The Company has a pan India market presence through its extensive dealer network. Internationally in the fiscal year 2016-17, both Automotive and Industrial have registered substantial growth – primarily through penetrating into new markets and increasing the market shares in the existing business location serving markets in over 40 countries in the Middle East, South East Asia, Africa, Europe and the Americas.	

Section B: Financial Details of the Company	
1. Paid up Capital (INR)	Rs. 85 crores
2. Total Net Turnover (INR)	Rs. 7628.38 crores
3. Total profit after taxes (INR)	Rs. 693.64 crores
4. Total spending on Corporate Social Responsibility as percentage of profit after tax (INR)	Rs. 13.94 crores (inclusive of Committed amount)
5. List of activities in which expenditure in 4 above has been incurred	<p>Exide always seeks ways to make a positive impact on the society at large through various CSR activities. Environment, basic education, health, women empowerment and community development continues to remain the main pillars of Exide's CSR philosophy even before the passing of the Companies Act, 2013. As part of its CSR initiatives in 2016 - 17, the Company invested INR 13.94 crores (inclusive of Committed amount) to successfully implement projects in the areas of education, health, safe drinking water, sanitation, women empowerment and livelihood generation, rural development, eradication of hunger, poverty and malnutrition, associated project with orphanages, measures for reducing inequalities faced by socially and economically backward groups; enduring environmental sustainability and conservation of natural resources and promotion of rural sport, nationally recognized sports, Paralympic sports and Olympic sports. These projects were mainly executed directly or in association with some renowned and local partner organizations, around our operations in West Bengal, Maharashtra, Tamil Nadu, Uttarakhand, Haryana. In addition to these National level CSR investments are contributed to the Prime Minister's National Relief Fund and Swachh Bharat Kosh. The WASH project with Unicef covers different districts in West Bengal, Assam and Bihar. Our humble intervention in the area of promoting health care including preventive health care mainly occurs through Diabetic Association of India; Society for the Rehabilitation of Paraplegics; Marrow Donor Registry (India). This however, is doubled up with health camps for our local communities at all our manufacturing units, subsidiary locations and at partner organisation projects in West Bengal &amp; Maharashtra. The details of all our CSR engagements are provided within the Director's Report.</p>

Section C: Other Details	
1. Does the Company have any subsidiary company/ companies	<p>As on 31st March, 2017, the Company has seven (7) subsidiary companies out of which four are registered in India and three abroad.</p> <ul style="list-style-type: none"> <li>i. Exide Life Insurance Company Limited, ("ELI"), India</li> <li>ii. Chloride Metals Limited ("CML"), India</li> <li>iii. Chloride Power Systems &amp; Solutions Limited ("CPSSL"), India</li> <li>iv. Chloride International Limited ("CIL"), India</li> <li>v. Chloride Batteries S.E. Asia Pte Limited ("CBSEA"), Singapore</li> <li>vi. Espex Batteries Limited ("ESPEX"), UK</li> <li>vii. Associated Battery Manufacturers (Ceylon) Limited ("ABML"), Sri Lanka</li> </ul>
2. <b>Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary companies</b>	<p>Yes. The subsidiaries like CML &amp; CPSSL have their CSR activities and sustainability initiatives are completely aligned with the framework for planning, execution, management and monitoring as devised by the parent organisation.</p>
3. <b>Do any other entity/entities (e.g. suppliers, distributors etc) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</b>	<p>A large number of the Company's suppliers and other business associates are established entities in the organised sector. Further, several of the Company's customers are renowned OEMs. Most of such entities follow their own Business Responsibility initiatives. However, 30-60 % suppliers participate in various business responsibility initiatives.</p>

**Section D: BR Information****1. Details of Director/Directors responsible for BR**

<b>a. Details of the Director/Directors responsible for implementation of the BR policy/policies</b>	
> DIN Number	00012306
> Name	Mr. Gautam Chatterjee
> Designation	Managing Director & Chief Executive Officer
<b>b. Details of the BR head</b>	
> DIN Number	
> Name	The Executive Committee, comprising of Key Managerial Personnel, oversees the implementation of the BR Policies
> Designation	
> Telephone Number	+91 33 2283 2118
> Email id	exideindustrieslimited@exide.co.in

**2. Principle-wise (as per NVGs) BR Policy/policies****(a) Details of compliance (Reply in Y/N)**

Sl. No	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy for	Y*	Y*	Y	Y	Y	Y	N	Y	Y*
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	All policies conform to the various requirements of relevant regulatory authorities at the national & international level								
4	Has the policy been approved by the board? If yes, has it been signed by the MD/Owner/CEO/appropriated board director?	Y	N	Y	Y	Y	Y	NA	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online	(i)	(i)	(ii)	(i), (iii), (iv) & (v)	Y	(iii), (iv) & (v)	NA	(vi)	(i)
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the Company have an in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies?	The Company has various grievance redressal mechanisms for different stakeholders like employees, shareholders, customers, regulatory authorities etc								
10	Has the Company carried out independent audit/ revaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\* The essence of this principle is embedded in the Company's vision, mission and core values statement

i) <http://www.exideindustries.com/about/vision-mission.aspx>

ii) <http://docs.exideindustries.com/pdf/policies-certifications/human-resource-policy.pdf>

iii) <http://docs.exideindustries.com/pdf/policies-certifications/sustainability-policy.pdf>

iv) <http://docs.exideindustries.com/pdf/policies-certifications/env-health-&-safety-policy.pdf>

v) <http://docs.exideindustries.com/pdf/policies-certifications/RISK-MANAGEMENT-POLICY.pdf>

(vi) <http://docs.exideindustries.com/pdf/CSR-Policy.pdf>

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick upto 2 options)**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than one year**

The Executive Committee, comprising of the Key Management Personnel, is responsible for the strategic day to day management. This Committee of the Company oversees the implementation of and monitors the BR performance on a periodic basis. This Committee meets once every month.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?**

Yes, the Company has been publishing business responsibility report as part of annual report and the report has been aligned with National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business, released by Ministry of Corporate Affairs. This was published on a yearly basis.

### Section E: Principle-wise Performance

#### PRINCIPLE 1

#### **BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

- (1) Does the policy relating to ethics, bribery and corruption cover only the Company?**

The policies governing this subject cover employees, vendors and also subsidiaries of the Company. The Company is committed to conducting its business by adopting the highest standards of professional integrity and ethical behaviour. Towards this end, the Company has adopted "Code of Ethics" for Directors and Senior Executives which lays down the principles and standards which governs the actions of the leadership team.

The Company has a vigil mechanism which is being governed by the "Whistle Blower Policy" for employees and stakeholders of Company to report genuine concerns about unethical behaviour, actual or suspected, fraud or violation of Company's code of ethics. Through this it has placed mechanism for ensuring confidentiality and protecting the whistle blower from any harassment/ victimization, retaliation, threat of termination of service, appropriate action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the whistle blowers right to

continue to perform his/her duties/functions including making further protected disclosure. The policy is monitored by the Chairman of Audit Committee and the whistle officer of the Company.

**(2) Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?**

Yes they extend to vendors, suppliers and also subsidiaries of the Company. Vendors, suppliers and contractors as well as their employees are covered by the written Code of Business Conduct that all vendors have to accept before supplying anything to the Company and comply with during the lifecycle of the business association.

**(3) How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so provide details thereof in about 50 words.**

During the financial year 2016-17 no complaint was received relating to ethics, bribery or corruption from any stakeholder.

**PRINCIPLE 2  
BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and or opportunities**

- I. East Penn Punch technology – Reduction of lead as natural resource and hazardous material;
- II. Valve Regulated Lead Acid (VRLA) Cells and Batteries – Reduce water loss / do not require water top up by consumer; save energy as required recharge energy is significantly lower as with conventional flooded type cells/batteries;
- III. Products for Solar Energy Storage- Promote harvesting of environmentally friendly solar energy and support sustainability efforts in society.

**2. For each such product provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

These data are yet to be tracked on a regular basis therefore, not applicable for this report.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

- (a) If yes what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Lead, the main raw material for the products of the Company is sourced either through mining or by recycling of lead/lead based products. The Company has taken up a programme for gradually increasing the quantity of recycled lead for use in its products. For this purpose an elaborate system for collection of used batteries in the country has been put in place mainly through the extensive network of dealers of the Company. Towards this end, the Company has also acquired two Lead Smelting Units for captive consumption. Presently close to 40 per cent of the lead and lead alloy requirements of the Company are met through recycled lead. The vendors are assessed through stringent on boarding system through the E-sourcing mechanism and have to comply with regular audits for maintaining the sustainability perspectives as per the Vendor Policy.

**4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

- (a) If yes what steps have been taken to improve their capacity and capability of local and small vendors?



Company's manufacturing facilities are spread at 9 locations pan India. In each of locations Company has taken special measure to make small vendors as integral part of supply chain. The key service inputs to manufacturing are sourced locally in almost all locations. The manpower suppliers/ contractors / maintenance etc. are some of key services taken locally from small vendors. The Company encourages and develops local manufacturers and small enterprises for supply of various locally procurable goods, e.g. Boxing, Charging and small parts manufacturing. Regular technical assistance is given by the Company to upgrade and maintain the quality and sustainability of the products manufactured by such enterprises.

constitutes close to 40 per cent of the total lead and lead alloys used by the Company for manufacturing batteries. The Company has a wholly owned subsidiary with two smelting units for recycling of lead. Apart from the above, the packaging material used by the Company also contains recycled paper to a significant extent. Also, most of the Plants of the Company use recycled grey water for cleaning and gardening purposes. All the manufacturing units are certified under ISO 14000: EMS. As a result all these locations have a robust waste management system which ensures plastic recycling accruing to regular utilisation of recycled plastics for battery manufacturing. Bio-gas is also generated from canteen waste in one of the plants.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also provide details thereof in about 50 words or so.**

Company has structured process to ensure recycling of products and waste generated during the process. The Battery as a product at the end of the life is exchanged by dealers and old battery is collected from customer. The Company also has subsidiary to process these batteries, and extract lead in environment friendly way. The extracted lead is key input for battery. During the process as well, wastes are generated in the form of rejects or process waste like rejected plate, lead dust which are collected through robust system and recycled. The Company ensures optimal usage of raw materials and emphasises on recycling the waste generated during manufacturing process and also promotes use of recycled materials. As explained earlier recycled lead

**PRINCIPLE 3  
BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES**

1. Please indicate the total number of employees – 5157
2. Please indicate the total number of employees hired on temporary/contractual/casual basis – 7855
3. Please indicate the number of permanent women employees - 113
4. Please indicate the number of permanent employees with disabilities - 2
5. Do you have an employee association that is recognized by the management – Yes
6. What percentage of your permanent employees is members of this recognized employee association? – 51 %

**7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

- > Permanent employees – 42 per cent
- > Permanent women employees – 5 per cent
- > Casual/temporary/contractual employees – Nil
- > Employees with disabilities – Nil

**PRINCIPLE 4**

**BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

**1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes. The Company has mapped its internal and external stakeholders as follows: Internal Stakeholders: All Employees

External Stakeholders: Customers, Dealers, Vendors, Technical Collaborators, Suppliers, Shareholders, Regulatory Authorities, NGOs, Social Institutions, communities around our operations and members of the society at large who are directly or indirectly impacted by the Company's operations.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?**

Yes. The company's factories are located in semi-urban or rural areas where many basic amenities for the inhabitants are absent or minimal. The company has identified the inhabitants of several neighbouring villages in the vicinity of its factories as the disadvantaged, vulnerable and marginalised stakeholders.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

Depending upon the needs of the villages around the factories and other operations like the Head Office, the Company undertakes various social initiatives targeted

at these stakeholders in the villages so as to alleviate their quality of life. These activities vary from time to time and are implemented in consultation with the local communities. Further several initiatives have also been taken for the benefit of such marginalised or disadvantaged sections of the society in other locations where the Company has offices. Broad details of such activities are narrated in the aforesaid Section:B and can also be found in the Director's Report under the Section - Corporate Social Responsibility.

**PRINCIPLE 5**

**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

The policy is currently in a draft stage.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

None. The Company did not receive any complaint regarding human rights violation during the financial year 2016-17.

**PRINCIPLE 6**

**BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

**1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others**

The Company's policy on environment and sustainability covers all its stakeholders.

**2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyperlink for webpage etc**

The Company recognises that climate change is a real threat facing not just the Company but the entire global community, of which it is just a part. Green Supply

Chain through E-sourcing, Lithium Ion Technology, East Pen Punch, Solar Power related projects and Solar Battery manufacturing technology are some of the key strategies. The Company also recognises that it can play a meaningful role in trying to mitigate the problem by adopting certain strategies and initiatives in its day to day operations. The Company has a well laid down Environmental and Sustainability policy and is always striving to implement measures to reduce GHG emissions. The Environmental Policy of the Company may be viewed at [www.exideindustries.com](http://www.exideindustries.com).

Energy efficiency initiatives have been undertaken at all our manufacturing units by enhancing usage of renewable energy like solar power, and low energy consuming electrification system.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes. There is risk management process for the Company and its subsidiary which actively identifies, assess and address potential environmental risks and take pre-emptive actions to mitigate such risks in a suitable manner. Risk Management framework at manufacturing units and subsidiaries are in operation. The vendors are also covered under within the vendor sustainability model. Major vendors are already engaged with for training and information dissemination on risk management. The engagement sessions with smaller vendors are in process.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

All manufacturing units and the smelting unit of our subsidiary company CML at Malur along with the industrial regional offices are ISO 14001 EMS certified. Clean Development Mechanism (CDM) is eventually stringently followed as part of the compliance system of the certification. Therefore air, water, noise emissions are monitored on a regular basis and regulated as per the prescribed norms for monthly reporting to the SPCBs at each location. Many of the Company's products are meant to provide clean energy or replacing polluting technologies. The Company is also engaged in renewable energy and solar power business whereby it manufactures batteries for the solar power systems.

The Company also manufactures batteries for electric vehicles and hybrid vehicles thereby contributing to the movement towards less dependence on fossil fuel.

The Company has also undertaken various projects for use of renewable energy e.g. solar and wind power, in its various plants which leads to reduction in carbon footprint. As stated earlier, proactive steps are taken to reduce GHG emissions on a continual basis.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc. Y/N. If yes, please give hyperlink for web page etc.**

Yes. Solar energy panels have been installed in number of factories, energy audit is conducted and recommendations are acted on. The Company has been progressively reducing its energy and raw material consumption per unit of battery manufactured. There is also a constant effort to conserve energy and improve energy efficiency at all locations. Substantial investments are made by the Company towards this end in all plants and the results achieved are regularly monitored. The Annexure to the Director's Report contains details of the steps taken to conserve energy during the financial year 2016-17.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

All factories comply with CPCB/SPCB requirements with the prescribed emission norms. Legal register and compliance evaluation process are in place at all the manufacturing and smelting units. All the factories of the Company comply with various norms of State or Central Pollution Control Boards. The Company's factories have also obtained international certifications for environmental management and cleanliness.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of the financial year.**

No showcause or legal notices from the pollution control authorities are pending as at the end of the financial year 2016-17.

**PRINCIPLE 7  
BUSINESSES, WHEN ENGAGED IN INFLUENCING  
PUBLIC AND REGULATORY POLICY SHOULD DO SO IN A  
RESPONSIBLE MANNER**

- 1. Is your Company a member of any trade and chamber or association? If yes name only those major ones that your business deals with:**

The major industry association of which the Company is a member includes:

- Bengal Chamber of Commerce and Industry,
- Confederation of Indian Industry,
- Engineering Export Promotion Council of India,
- Society of Indian Automobile Manufacturers,
- Indian Electrical and Electronics Manufacturers Association,
- Bombay Chamber of Commerce and Industry and
- Indian Battery Manufacturers' Association.

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

Through joint actions with various pollution control authorities and other associations, public awareness campaigns have been organised regarding the responsible use of lead and proper disposal thereof. The Company also took an active role in formulating the legislation for responsible handling and management of used lead acid batteries. Apart from this, the Company is represented on the governing bodies and several committees – both at the state and national levels, of CII and the Bengal Chamber of Commerce and Industry and through these forums the Company actively participates in various issues concerning business and society. The Company is a member of RM Next lobby for promoting risk management system within the Indian corporate & CII Kolkata Mentor Group for Operational Excellence.

**PRINCIPLE 8  
BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH  
AND EQUITABLE DEVELOPMENT**

- 1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has several socio-economic projects running in various parts of the country and particularly near its major plants. Among the major programmes the Company is supporting the UNICEF to work with the State Governments and a few selected NGOs to provide access to safe drinking water, sanitation and hygiene for women and children in rural areas, promote and provide menstrual hygiene management among rural women and promote clean school campaign in rural areas to highlight hygienic use of toilets and water, etc. The exhaustive list along with all details is provided under Section: B.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**

Some of the projects are implemented through reputed national and international aid agencies or in association with local elected bodies like panchayats and some other projects are implemented through in-house teams.

- 3. Have you done any impact assessment of your initiative?**

Yes. Some of the projects have been analysed for their impact on the target beneficiaries by the internal teams both at the unit and Head Office level.

- 4. What is your Company's direct contribution to community development projects – amount in INR and the details of the projects undertaken**

The Company has spent INR 1394 lacs on CSR projects during 2016-17 in the fields of children and basic education, healthcare, sanitation, women empowerment and livelihood projects, environmental protection and natural resource management.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.**

Community development oriented projects at Exide are undertaken with a view to make the community self sufficient and self reliant. Setting up and development of physical infrastructural projects have definitely helped the community to a great extent. Further through impact analysis studies it has been found that some of the intervention oriented projects have substantially achieved the intended objectives.

**PRINCIPLE 9  
BUSINESSES SHOULD ENGAGE WITH AND PROVIDE  
VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A  
RESPONSIBLE MANNER**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year**

The Company has a large retail base with a robust consumer satisfaction procedure. All the products and services are provided with allied warranty and any dispute are resolved through appropriate measures including the consumer forums.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Answer with Yes/No/NA/Remarks (additional information)**

Yes the Company has displayed all mandatory information on the product labels as per local laws. Over and above the same, the product labels are designed to make customers aware about the safe usage, handling and disposal of the products.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof in about 50 words or so.**

None. There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour against Exide Industries in the last five (5) years.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Customer satisfaction audit is conducted periodically. In addition, there is regular customer feedback process at call centre to measure and monitor customer satisfaction level. Customer satisfaction survey and various consumer surveys are part of routine business activities of the Company. During 2016-17 also the Company carried out various market surveys on its customers in many of its key markets. Steps have been or are being taken based on the findings of those surveys. In addition to the above customer care is an integral part of the organisational system for which Exide Industries Limited has set up more than 1500 exclusive outlets promising an out-of-the-world experience to customers. Familiar as **Exide Care**, these flagship outlets are the pride of Exide Industries and reinforce the Company's commitment to superior customer care and service. These offer complete auto power solutions through the Company's wide range of products. **Exide Care** outlets are designed to maintain specified service standards and offer complete customer delight and experience of the brand through a combination of state-of-the-art design, pleasant ambience, cutting edge service technology and customer focus.

Exide Care is an on-demand battery service app that aims to put an end to all battery related woes whether it's an automobile or inverter.

Exide Batmobile, started in the year 2000 is an emergency on-road service for cars and SUVs with a battery problem, millions of customers have benefited from this service over the last 16 years.

We have created an ecosystem at our dealer outlets where a consumer can get his/her batteries checked and get a report card on its health within 10 minutes.

## ANNEXURE- III

## Report on Corporate Governance 2016-2017

### GOVERNANCE PHILOSOPHY

The Company's approach and commitment to ethical Corporate Governance remains unchanged in its 70 years of existence. The underlying principles and core values still guide the Company in all its executive decision making processes.

Corporate Governance is an internalised process which drives your Company to remain in its path as a sustainable wealth creator for all its stakeholders – shareholders, customers, employees and the overall society at large within which it exists. Your Company believes that while substantial societal resources are being utilised by large corporates to generate wealth and add value, it is the principles of Corporate Governance that should keep them in the right track so that the process of wealth creation is sustainable over an extended period of time.

Your Company's principles of corporate governance are based on the philosophy of empowerment and responsibility. It feels the management must be empowered to drive the organization forward in the best interest of all the stakeholders. This empowerment, however, also thrusts upon it the responsibility to stay within the framework of accountability and transparency so that its actions are sustainable over a long time and benefit the larger society.

Your Company's believes that if proper checks and balances are worked into the system of functioning, then its executive decision making becomes more process driven than individual driven and there are minimal chances of abuse of authority.

In its quest to inculcate an ethical corporate culture and citizenship within the organization, the Company's governance philosophy depends heavily on a few tenets. These are trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. Your Company is of the view that by inculcating these tenets, the appropriate corporate culture can be created whereby the Company is managed in a way that reflects ethical corporate citizenship.

The tenet of trusteeship dictates that the board of directors will protect and enhance shareholder value as well as discharge the Company's obligations to all the other stakeholders. The Company's role in the economic and social spheres will be fulfilled under this tenet.

Under the tenet of transparency the Company makes necessary disclosures and explains the rationale behind its policies and decisions to all those who are affected by them.

Empowerment makes it possible for the Company to remain innovative across the levels. It makes every individual employee within the organisation free to determine his or her destiny in tune with that of the organisation. Empowerment means delegation and decentralisation so that decision making process is fast and transparent to everyone.

However, this freedom of action that empowerment allows is counter balanced by control which ensures that management decision making remains within the framework of rules. Checks and balances are devised in a way that prevents malpractices and removes opacity in decision making so that risk management becomes more effective.

The corporate governance principles and processes makes it possible for the Company to remain steadfast in its path of ethical corporate behaviour and citizenship. The principles are also manifest in its high standards of ethical behaviour, both internally and externally.

### THE GOVERNANCE STRUCTURE

The following three interlinked levels within which Exide practice Corporate Governance:

1. Strategic supervision – by the board of directors
2. Strategic management – by the executive committee
3. Executive management – by the divisional heads of businesses



The structure ensures that at the ground level the executive management of the divisions are focused on embellishing the quality, efficiency and effectiveness of each business vertical. This level functions under the strategic day to day management of the executive committee that has under its ambit the overall vision of the entire organisation. Above both these is the board of directors that provides the strategic supervision on behalf of the shareholders. The Board is free from the task of strategic management but has the larger role of guiding the executive management with objectivity so that accountability is ensured at all levels.

The central role of these three entities is dependent on the structure. Their role, in turn determines the responsibilities that are vested in them. Each entity is formally empowered with the requisite powers so that there is no hindrance to its discharge of responsibilities for the overall growth of the organisation.

## BOARD OF DIRECTORS

In terms of the Company's corporate governance policy, all statutory and other significant and material information

are placed before the board to enable it to discharge its responsibilities of strategic supervision of the Company and as trustees of stakeholders.

## Composition

As on the date of this report, the board of directors of the Company consists of four (4) executive directors and six (6) non-executive directors. The composition of the board represents an optimal mix of professionalism, knowledge and experience in business, finance, law and corporate management which enables the board to discharge its responsibilities and provide effective leadership to the business. The positions of the chairman of the board and the Chief Executive Officer of the Company are held by separate individuals, where the chairman of the board is a non-executive independent director. None of the directors of your Company are related to each other.

The details of each member of the board along with the number of directorship(s)/committee membership(s)/chairmanship(s) are provided herein below:

### Composition and directorship(s)/committee membership(s)/chairmanship(s) as on 31st March, 2017

Name of Director	Category of Directors	No. of other Directorships held(*)	Committee memberships held in other companies (**)	
			As Member	As Chairman
Mr. Bharat Dhirajlal Shah	Independent Non-Executive Chairman***	9	6	1
Mr. R. B. Raheja	Non-Executive Vice Chairman	5	1	Nil
Mr. G. Chatterjee	Executive Director	2	1	Nil
Mr. A. K. Mukherjee	Executive Director	3	1	Nil
Mr. Subir Chakraborty	Executive Director	3	Nil	Nil
Mr. Arun Mittal	Executive Director	2	Nil	Nil
Mr. Vijay Aggarwal	Independent Non-Executive Director	5	3	2
Ms. Mona N. Desai	Independent Non-Executive Director	2	1	Nil
Mr. Sudhir Chand	Independent Non-Executive Director	2	2	1
Mr. Nawshir H. Mirza	Independent Non-Executive Director	5	2	3

\* Excludes directorships in Indian private limited companies, foreign companies, companies u/s 8 of the Companies Act, 2013 and memberships of managing committees of various chambers/bodies and alternate directorships.

\*\* Committees include only audit committee and stakeholder's relationship committee.

\*\*\* Appointed as chairman of the board w.e.f. 18th July, 2016.

## Appointment/Re-appointment of Directors

Mr. R. B. Raheja, Non executive director and Mr. Subir Chakraborty, Whole-time director (Director – Automotive), retire by rotation in accordance with the provisions of the Companies Act, 2013 and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting.

A brief resume of the directors proposed to be re-appointed, along with the particulars of directorships held by them, has been appended to the notice for the Annual General Meeting which is being circulated to the members along with this report.

Mr. R. B. Raheja does not hold any equity shares in the Company. Mr. Subir Chakraborty holds 1106 equity shares in the Company.

### Meetings and Attendance

During the financial year ended March 31, 2017, four (4) Board Meetings were held on April 27, 2016, July 18, 2016, October 26, 2016 and January 25, 2017 respectively. The previous Annual General Meeting was held on July 19, 2016.

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

Name of Director	No. of Board Meetings Attended	Attendance at last AGM
Mr. Bharat Dhirajlal Shah	4	Yes
Mr. R. B. Raheja	3	-
Mr. R. G. Kapadia*	Nil	-
Mr. P. K. Katakya**	1	-
Mr. G. Chatterjee	4	Yes
Mr. A. K. Mukherjee	4	Yes
Mr. Subir Chakraborty	4	Yes
Mr. Arun Mittal***	3	Yes
Mr. Nadeem Kazim****	3	Yes
Mr. Vijay Aggarwal	4	Yes
Ms. Mona N. Desai	4	Yes
Mr. Sudhir Chand	4	Yes
Mr. Nawshir H. Mirza	4	Yes

\* Mr. R. G. Kapadia resigned w.e.f. July 15, 2016 .

\*\* Mr. P. K. Katakya retired from the Board w.e.f. April 30, 2016.

\*\*\* Mr. Arun Mittal appointed as Whole-time director (Director-Industrial) w.e.f. May 01, 2016.

\*\*\*\* Mr. Nadeem Kazim resigned w.e.f. November 28, 2016.

### Directors' Induction, Training and Familiarization

The board is responsible for the selection of new directors on the recommendations received from the Nomination and Remuneration committee. After getting appointed, the directors receive a formal letter of appointment which inter

alia explains the role, functions, duties and responsibilities expected from him/her as a director of the Company. The director is also explained in detail the compliances required to be made under the Companies Act and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations, 2015") and other relevant regulations.

By way of an introduction to the Company, the director is presented with the Company profile, annual reports and an overview of the Company's manufacturing facilities. All non-executive directors newly inducted in the board are introduced to the Company through appropriate orientation sessions. Presentations are made by various executive directors and senior management personnel and site visits to various plant locations are organized for them to provide a complete oversight into the Company's operations and business. Detailed presentations on Company's business segments, if any, performance updates, global business environment, business strategy and risks involved are periodically made at the board meetings during the year.

The details of such familiarisation programmes for independent directors along with the familiarisation policy are available on the Company's website at <http://www.exideindustries.com/investors/governance-policies.aspx>.

### Board Portal – Meetings Management System

With a view to leverage advancement in technology and reducing paper consumption, the Company has adopted a web-based application for transmitting board/committee agenda. The directors of the Company receive the agenda in electronic form through this application, which can be accessed through browsers and iPads/tablets. The application meets high standards of integrity and ensures confidentiality that is required for storage and transmission of board/committee agenda in electronic form.

### Code of Ethics for Directors and Senior Executives

All directors and members of the senior management have affirmed their compliance with the Code of Ethics for board of directors and senior executives as on March 31, 2017 and

a declaration to that effect, signed by the Managing Director & CEO is enclosed and forms part of this report. The Code of Ethics for board of directors and senior executives has also been posted on the website of the Company.

## COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE

The role / terms of reference of the Audit Committee is to –

- (a) Assist the board of directors of the Company in fulfilling its responsibilities to oversee the:
  - i. Company's financial reporting process;
  - ii. the integrity of the Company's financial statements as per authority and responsibilities provided in the Charter;
  - iii. Auditors' qualifications and independence;
  - iv. the performance of the Company's Internal audit function and that of Statutory Auditors.
- (b) Overseeing the reporting requirements for inclusion in the Company's annual report.
- (c) Laying down the criteria for granting the omnibus approval in line with Policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature.

The role / terms of reference of the Audit Committee are in conformity with the SEBI Regulations, 2015 read in conjunction with Section 177 of the Companies Act, 2013.

### COMPOSITION AND ATTENDANCE

The audit committee presently comprises of four (4) non-executive independent directors. Mr. Nawshir H. Mirza, chairman of the committee is a non-executive independent director and a Chartered Accountant, acknowledged as a financial expert in his own right. All the other members are well versed in corporate finance and related areas.

During the financial year ended March 31, 2017, six (6) meetings of the audit committee were held on April 27, 2016, June 08, 2016, July 17, 2016, October 26, 2016, November 14, 2016 and January 25, 2017 respectively. The composition and attendance of the committee meetings are as follows:

Name of Director	Category	Designation	Number of meetings attended
Mr. Nawshir H. Mirza	Independent Non-executive	Chairman	6
Mr. R. G. Kapadia*	Independent Non-executive	Member	-
Mr. Vijay Aggarwal	Independent Non-executive	Member	6
Ms. Mona N. Desai	Independent Non-executive	Member	6
Mr. Sudhir Chand	Independent Non-executive	Member	6

\*Mr. R G Kapadia resigned w.e.f. July 15, 2016.

The Managing Director & CEO, Director- Finance & CFO and Chief- Internal Audit are permanent invitees to the audit committee meetings. The representative(s) of the statutory auditors also attend the audit committee meetings. The Company Secretary acts as the secretary to the committee. Other directors and members of the management are also invited as may be required from time to time.

### B. NOMINATION & REMUNERATION COMMITTEE

The terms of reference of the Nomination & Remuneration committee inter alia includes the following:

- i. To identify persons who are qualified to become directors and who may be appointed in the senior management and to lay down the criteria thereof;
- ii. To recommend to the board appointment of directors and senior management personnel and their removal;
- iii. To evaluate the individual directors performance;
- iv. Formulate the criteria for determining the qualification, positive attribute and independence of the directors;
- v. Recommend to the board policy relating to remuneration for directors, key managerial personnel and other employees; and
- vi. Devising a policy on board diversity.

For the performance evaluation criteria for Independent Directors, please refer Board's Report.

## COMPOSITION AND ATTENDANCE

The Nomination & Remuneration committee presently comprises of three (3) non-executive directors. Mr. Vijay Aggarwal is the chairman of the committee who is also an Non-executive independent director. The Company Secretary acts as the secretary to the committee.

During the financial year ended March 31, 2017, four (4) meetings of the Nomination & Remuneration committee were held on April 27, 2016, July 18, 2016, October 26, 2016 and January 25, 2017 respectively. The composition and attendance details of the committee meetings are as follows:

Name of Director	Category	Designation	Number of meetings attended
Mr. Vijay Aggarwal	Independent Non-executive	Chairman	4
Ms. Mona N. Desai	Independent Non-executive	Member	4
Mr. Sudhir Chand	Independent Non-executive	Member	4

## Remuneration of Directors

Details of Remuneration paid/payable to the Directors for the year ended March 31, 2017 are as follows:

						(in Rs.)
Name of Director	Salary & Performance Bonus	Contributions to retiral funds	Perquisites & Other benefits	Commission	Sitting Fees <sup>1</sup>	Total
EXECUTIVE DIRECTORS						
Mr. G. Chatterjee <sup>2</sup>	2,06,86,500	49,86,822	13,21,785	99,08,250	-	3,69,03,357
Mr. A. K. Mukherjee	1,14,12,720	28,72,011	14,70,429	57,06,360	-	2,14,61,520
Mr. Subir Chakraborty	83,86,120	19,29,179	8,30,834	38,33,060	-	1,49,79,193
Mr. Arun Mittal <sup>3</sup>	57,21,837	13,84,075	12,85,710	27,50,000	-	1,11,41,622
Mr. Nadeem Kazim <sup>4</sup>	54,27,898	13,65,931	9,08,724	27,13,949	-	1,04,16,502
Mr. P. K. Katak <sup>5</sup>	15,73,000	3,95,845	1,85,528	7,86,500	-	29,40,873
NON-EXECUTIVE DIRECTORS						
Mr. R. G. Kapadia <sup>6</sup>	-	-	-	-	-	-
Mr. R. B. Raheja	-	-	-	-	2,25,000	2,25,000
Mr. Vijay Aggarwal	-	-	-	-	6,00,000	6,00,000
Ms. Mona N. Desai <sup>7</sup>	-	-	-	10,00,000	6,00,000	16,00,000
Mr. Sudhir Chand <sup>7</sup>	-	-	-	10,00,000	6,00,000	16,00,000
Mr. Bharat Dhirajlal Shah <sup>7</sup>	-	-	-	30,00,000	3,00,000	33,00,000
Mr. Nawshir H. Mirza <sup>7</sup>	-	-	-	30,00,000	6,00,000	36,00,000

1. The sitting fees paid to the non-executive directors is towards attending the Board and Audit Committee meetings held during the year.

2. Mr. Gautam Chatterjee was appointed as Managing Director and CEO of the Company w.e.f. May 01, 2016.

3. Mr. Arun Mittal was appointed as whole time director (designated as Director-Industrial) w.e.f. May 01, 2016.

4. Mr. Nadeem Kazim resigned w.e.f. November 28, 2016.

5. Mr. P. K. Katak retired w.e.f. April 30, 2016.

6. Mr. R. G. Kapadia resigned w.e.f. July 15, 2016.

7. The commission for the year ended March 31, 2017 will be paid, subject to deduction of tax, after adoption of accounts by the members at the ensuing Annual General Meeting.

## Notes:

All the Executive Directors of the Company have been appointed on contractual basis. As per the contract, the notice period is 3 months.

### Shareholding of non-executive directors

Name of Director	No. of shares held as on March 31, 2017
Ms. Mona N. Desai	78,666
Mr. S. Chand	18,872

Apart from the above, there was no pecuniary relationship or transactions between the Company and non-executive directors.

The performance criteria for the purpose of payment of remuneration to the directors are in accordance with the Nomination and Remuneration policy of the Company.

### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee oversees redressal of shareholders' grievances pertaining to transfer of shares, non-receipt of dividend and non-receipt of annual reports. The Committee also oversees the performance of registrar and transfer agent and recommend the measures for overall improvement in the quality of investor services.

#### Composition and Attendance

The Stakeholders Relationship Committee of the Company comprises of three (3) directors. Mr. Sudhir Chand, Non-executive independent director is the chairman of the Stakeholders Relationship committee. The Company Secretary is the compliance officer and acts as the secretary to the committee.

During the financial year 2016-17, the Committee met once on February 10, 2017. The composition and attendance details of the committee meeting are as follows:

Name of Director	Category	Designation	Number of meetings attended
Mr. Sudhir Chand	Independent Non-executive	Chairman	1
Mr. Subir Chakraborty *	Executive	Member	1
Mr. G. Chatterjee	Executive	Member	1

\* Mr. Subir Chakraborty inducted as a Member in place of Mr. P. K. Katakya w.e.f. May 01, 2016.

#### Investor Grievance Redressal Mechanism

During the financial year ended March 31, 2017, 25

complaints were received from shareholders. All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2017.

Number of complaints received and resolved during the year and pending share transfers as on March 31, 2017:

Number of complaints pending at the beginning of the financial year 2016-17	Nil
Number of complaints received during the financial year 2016-17	25
Number of complaints redressed during the financial year 2016-17	25
Number of complaints pending redressal at the end of the financial year 2016-17	Nil
Number of pending share transfers as at March 31, 2017	Nil

### D. SHARE TRANSFER COMMITTEE

The Share Transfer committee approves the transfer/transmission of shares, sub-division or consolidation of shares and issue of new/duplicate share certificates and related matters. The Share Transfer committee presently comprises of three (3) executive directors.

#### Composition and Attendance

During the financial year ended March 31, 2017, ten (10) meetings of Share Transfer committee were held on April 02, 2016, April 16, 2016, April 29, 2016, May 10, 2016, May 24, 2016, June 09, 2016, June 23, 2016, July 12, 2016, October 19, 2016 and February 10, 2017 respectively. The composition and attendance details of the committee meetings are as follows:

Name of Director	Category	Designation	Number of meetings attended
Mr. P. K. Katakya	Executive	Chairman*	3
Mr. G. Chatterjee	Executive	Chairman*	10
Mr. A. K. Mukherjee	Executive	Member	10
Mr. Subir Chakraborty**	Executive	Member	7
Mr. Nadeem Kazim***	Executive	Member	9

\* Mr. P. K. Katakya retired w.e.f. April 30, 2016 and Mr. G. Chatterjee was inducted as Chairman in his stead w.e.f. May 01, 2016.

\*\* Mr. Subir Chakraborty inducted as Member w.e.f. May 01, 2016.

\*\*\* Mr. Nadeem Kazim resigned w.e.f. November 28, 2016.

During the year under review, a sub-committee of the Share Transfer committee viz., "Share Transfer Committee of Executives" comprising of a representative from the registrar & share transfer agent, the compliance officer and an officer from the secretarial team was formed which meets at least once in a fortnight. All routine matters including inter alia formalities pertaining to transfer, transmission, etc. within certain threshold limits are being dealt by the sub-committee.

#### E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is responsible for -

1. formulating the CSR policy and proposing revisions as and when required subject to the approval of the board of directors;
2. proposing budget allocation for the CSR activities, subject to the approval of the board of directors;
3. identifying modalities of implementing the CSR activities;
4. formulation of an effective monitoring system;
5. monitoring the progress of the CSR programs on a regular basis;
6. review the impact assessment; and
7. annually report to the board, the status of CSR activities and contributions made.

The committee has formulated a Corporate Social Responsibility policy indicating the activities to be undertaken by the Company and recommend the expenditure on the specified CSR activities pursuant to Schedule VII of the Companies Act, 2013 and also monitor the policy from time to time. The said policy is available on the website of the Company at <http://www.exideindustries.com/investors/governance-policies.aspx>.

#### COMPOSITION & ATTENDANCE

The Corporate Social Responsibility committee comprises of four (4) members with Mr. Bharat D Shah, non executive independent director acting as chairman.

Four (4) meetings of the Corporate Social Responsibility committee were held during the year on April 27, 2016,

July 18, 2016, October 26, 2016 and January 25, 2017 respectively. The composition and attendance details of the committee are given below:

Name of Director	Category	Designation	Number of meetings attended
Mr. Bharat Dhirajlal Shah	Independent Non-Executive	Chairman	4
Mr. Sudhir Chand	Independent Non-Executive	Member	4
Mr. P. K. Katakya*	Executive	Member	1
Mr. G. Chatterjee	Executive	Member	4
Mr. Subir Chakraborty **	Executive	Member	3

\*Mr. P. K. Katakya retired w.e.f. April 30, 2016.

\*\* Mr. Subir Chakraborty inducted as a Member in the committee w.e.f. May 01, 2016.

#### F. BANKING OPERATIONS COMMITTEE

The Banking Operations committee has been constituted to approve opening and closing of bank accounts, change in bank signatories and carrying on other routine banking operations. The committee presently comprises of three (3) executive directors, viz. Mr. G. Chatterjee, Mr. A. K. Mukherjee and Mr. Subir Chakraborty. Mr. G. Chatterjee was appointed as chairman and Mr. Subir Chakraborty was inducted as member of the committee w.e.f. May 01, 2016. Mr. Nadeem Kazim resigned from the Company w.e.f. November 28, 2016 and hence ceased to be member of the committee.

#### G. EXECUTIVE COMMITTEE

The Executive committee comprises of the executive directors, key management personnel and senior management personnel viz. Mr. G. Chatterjee, Mr. A. K. Mukherjee, Mr. Subir Chakraborty, Mr. Arun Mittal, Mr. Jitendra Kumar, Mr. Achim Leulsdorf and Mr. Arnab Saha. Mr. Arun Mittal and Mr. Arnab Saha were inducted w.e.f. May 01, 2016. Mr. Nadeem Kazim resigned from the Company w.e.f. November 28, 2016 and hence ceased to be member of the committee. The committee focuses on the strategic management issues of the Company, subject to the overall supervision of the board of directors.



#### **H. INDEPENDENT DIRECTORS MEETING**

During the year under review, the Independent Directors met twice on April 27, 2016 and on January 25, 2017 inter alia, to discuss:

- i. Evaluation of the performance of non independent directors and the board of directors as a whole;
- ii. Evaluation of the performance of the chairman of the Company, taking into account the views of the executive and non executive directors; and
- iii. Evaluation of the quality, content and timelines of flow of information between the management and the board to effectively and reasonably perform its duties.

All the independent directors were present at the said meetings.

#### **MAJOR POLICIES ADOPTED BY THE COMPANY**

##### **I. Whistle Blower Policy/Vigil Mechanism**

In accordance with the provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014, every listed Company is required to have a vigil mechanism for the directors and employees to report their genuine concerns and grievances. The Company has a whistle blower policy in place and the same is also available on the website of the Company. The audit committee of directors is entrusted with the responsibility to oversee the vigil mechanism. During the year, no personnel was denied access to audit committee.

The Whistle Blower Policy is uploaded on the Company's website under the following web-link <http://www.exideindustries.com/investors/governance-policies.aspx>.

##### **II. Policy on Material Subsidiaries**

In accordance with the requirements of Regulation 16(1) (c) of SEBI Regulations, 2015 the Company has a policy on material subsidiaries. A subsidiary shall be considered a material subsidiary if any of the following conditions is satisfied:

- a. if the net-worth (i.e., paid-up capital and free reserves) of the subsidiary exceeds 20% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or

- b. if the income of the subsidiary exceeds 20% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year.

The policy on material subsidiaries have been uploaded in the Company's web-site under the following web-link <http://www.exideindustries.com/investors/governance-policies.aspx>.

##### **III. Policy on Related Party Transactions**

All transactions entered into with the related parties during the financial year ended 31st March, 2017 were in the ordinary course of business and on an arm's length basis and without any conflict of interest in accordance with the provisions of the Companies Act, 2013 and SEBI Regulations, 2015. Moreover, there were no materially significant related party transactions during the financial year which were in conflict with the interest of the Company. Suitable disclosures as prescribed under the applicable Accounting Standard have been made in the notes to the Financial Statements.

The policy for related party transactions has been uploaded on the Company's website. The web-link is <http://www.exideindustries.com/investors/governance-policies.aspx>.

##### **IV. Policy on Determination of Materiality for Disclosures and Archival Policy**

In accordance with Regulation 30 of SEBI Regulations, 2015, the Company has framed a policy on determination of materiality for disclosures to disclose events or information which, in the opinion of the board of directors of the Company, are material. Further, the Company has an archival policy in line with the requirements of SEBI Regulations to ensure that information relating to the Company is adequately disclosed on its website as required by law. The Policies have been uploaded on the Company's website. The web-link is <http://www.exideindustries.com/investors/governance-policies.aspx>.

##### **V. Policy on Preservation of Documents**

In accordance with Regulation 9 of SEBI Regulations, 2015, the Company has framed a policy on preservation of documents approved by the board of directors of the Company. The policy is intended to define preservation of documents and to provide guidance to the executives and employees working in the Company to make decisions that may have an impact on the operations of the Company. It not only covers the various aspects on preservation of the documents, but also the safe

disposal/destruction of the documents. The Policy has been uploaded on the Company's website. The web-link is <http://www.exideindustries.com/investors/governance-policies.aspx>.

## VI. Dividend Distribution Policy

In accordance with Regulation 43A of SEBI Regulations, 2015, the Company has framed the Dividend Distribution Policy approved by the board of directors of the Company. The Dividend Distribution Policy of the Company endeavors to maintain a consistent approach

towards dividend payment to its shareholders and regulate the process of dividend declaration and its payout by the Company as per the laws in force. The Policy inter alia covers the financial parameters that will be considered when declaring dividends, internal and external factors that would be considered for declaring dividends and the circumstances under which shareholders can or cannot expect dividend. The Policy has been uploaded on the Company's website. The web-link is <http://www.exideindustries.com/investors/governance-policies.aspx>.

## GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
67th	31.03.2014	Kala Mandir, 48 Shakespeare Sarani, Kolkata – 700 017	22.07.2014	10.00 AM
68th	31.03.2015	Kala Kunj, 48 Shakespeare Sarani, Kolkata – 700 017	31.07.2015	11.00 AM
69th	31.03.2016	Kala Mandir, 48 Shakespeare Sarani, Kolkata – 700 017	19.07.2016	11.00 AM

## SPECIAL RESOLUTIONS

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

Date of AGM	Subject matter of the resolution	Triggering Section of the Companies Act
22nd July, 2014	Payment of Commission to Non-Executive Chairman	149, 197 and 198 of the Companies Act, 2013
31st July, 2015	Payment of Commission to Non-Executive Chairman & Non-Executive Independent Director	149, 197 and 198 of the Companies Act, 2013
	Adoption of new set of Articles of Association	14 of the Companies Act, 2013
19th July, 2016	-	-

## POSTAL BALLOT

No resolution requiring postal ballot was placed before the last Annual General Meeting. No resolution requiring postal ballot is being proposed at the ensuing Annual General Meeting.

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

## DISCLOSURES

- There were no materially significant related party transactions entered into by the Company with promoters, directors, key managerial personnel or other persons which may have a potential conflict with the interest of the Company.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

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

- Disclosure of commodity price risk and commodity hedging activities

Lead and Lead Alloys are the primary materials consumed in the manufacture of batteries representing more than 70% of total material consumption by value.

The Company procures about 30% of its Lead and Lead Alloys requirement through imports or import parity pricing based on prices quoted on London Metal

Exchange (LME). Balance 70% of its Lead and Lead Alloys are procured from Local Smelters, including its own Smelters, prices of which are influenced by demand/supply situation as well as LME price movement.

At times, prices of Lead and Lead Alloys become volatile due to sudden changes in demand/supply situation as well as LME price movement due to international forces. The Company procures Lead and Lead Alloys mostly at current pricing or on LME averages and there is no long-term contract for pricing.

About 30% of Company's business with OEMs as well as institutional customers are having "Lead price variation clause" (Lead price denominated pricing). Hence, this portion of the business is protected from Lead price volatility. Balance 70% of Company's business to retail customers are exposed to lead price volatility as prices are determined by market forces. However, increasing usage of recycled Lead, replacing consumption of pure Lead, which is cheaper than pure Lead and not directly exposed to LME price movement, to some extent reduces the risk of Lead price volatility.

Exposure to currency fluctuations and its impact on Company's business is significant since about 30% of Lead and Lead Alloys procurement is based on "import parity price." Moreover, there are imports of few other materials as well as most of the capital goods (machineries).

While exposure to currency fluctuation on Lead and Lead alloy cost is to some extent mitigated as stated above, exposure on account of other imports remains. However, Exports, which constitutes about 5% of Company's business, acts as an automatic hedge against risks resulting from currency fluctuation.

As a policy, the Company does not enter into commodity hedging. Accordingly, as on the date of reporting, there was no open position held by the Company on commodity futures or options. Same principle applies in case of currency also. Very few "forward covers" are taken, at times, against import liabilities when situation warrants. As at end of March'17 there was some "forward cover contracts" which remained open, for foreign currency liability amounting to Rs. 56.09 crores.

- e. The disclosures on corporate governance as required under Regulation 17 to 27 and Clause (b) to (i) of sub regulation (2) of Regulation 46 have been adhered and complied with.

#### **MEANS OF COMMUNICATION**

- A. Quarterly Results and Audited Financial Results are generally published in following Newspapers:  
  
The Economic Times  
The Telegraph  
Times of India  
Hindu Business Line  
Ananda Bazar Patrika  
The Mint  
Business Standard  
Eishamay
- B. The Company's website at [www.exideindustries.com](http://www.exideindustries.com) is regularly updated with financial results.
- C. Whether MD & A is a part of Annual Report : Yes
- D. Whether Official news Releases and Presentations made to Institutional Investors/Analysts are posted on the website of the Company : Yes

#### **GENERAL SHAREHOLDER INFORMATION**

- 1. The 70th Annual General Meeting is proposed to be held for the financial year: 1st April, 2016 to 31st March, 2017.
- 2. The Company has furnished information, as required under Regulation 36 of SEBI Regulations, 2015, relating to appointment of new directors and re-appointment of retiring directors. Shareholders may kindly refer to the Notice convening the 70th Annual General Meeting of the Company. The name of other companies in which the directors appointed/re-appointed holds directorship and the membership of committees of the board are also given in the annexure to the Notice convening the 70th Annual General Meeting.

**3. Annual General Meeting for the financial year 2016-17**

Date	27th July, 2017
Venue	Kala Mandir, 48 Shakespeare Sarani, Kolkata – 700 017
Time	11.30 AM
Dates of Book Closure for Final Dividend	21st July, 2017 to 27 <sup>th</sup> July, 2017
Last Date of receipt of Proxy Forms	25th July, 2017 (11.30 A.M)

**4. Tentative financial calendar for 2017-2018**

First Quarterly Results	July, 2017
Second Quarterly/Half Yearly Results	October, 2017
Third Quarterly Results	January, 2018
Annual Results for the year ending on 31 <sup>st</sup> March, 2018	April, 2018
Annual General Meeting for the year ending on 31 <sup>st</sup> March, 2018	July, 2018

**5. Dividend Payment Date**

During the financial year 2016-17, the Company paid an interim dividend @ Rs. 1.60 per equity share to its shareholders.

The final dividend at the rate of Re. 0.80 per equity share as recommended by the board at its meeting held on 4th May, 2017 for the year ended 31st March, 2017, if approved by the shareholders at the ensuing Annual General Meeting to be held on 27th July, 2017, will be paid within 30 days from the date of the Annual General Meeting.

**Unclaimed Dividend**

Section 124 of the Companies Act, 2013 (erstwhile Section 205A of Companies Act, 1956) mandates that companies transfer dividend that has been unclaimed for a period of seven (7) years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF:

**Details of Unclaimed Dividend as on 31.03.2017**

Year	Type	Account No.	Date of Declaration	Due Date for transfer to IEPF
2010	Final	031026214003	14-Jul-10	19-Aug-17
2011	Interim	00142220001868	12-Oct-10	17-Nov-17
2011	Final	704718	21-Jul-11	26-Aug-18
2012	Interim	00142220002179	20-Oct-11	25-Nov-18
2012	Final	704784	17-Jul-12	27-Aug-19
2013	Interim	00142220002464	19-Oct-12	24-Nov-19
2013	Final	704862	16-Jul-13	21-Aug-20
2014	Interim	33105176380	23-Oct-13	29-Nov-20
2014	Final	50200006512872	22-Jul-14	28-Aug-21
2015	Interim	704922	21-Jul-14	21-Aug-21
2015	Final	50200013542151	31-Jul-15	06-Sept-22
2016	Interim	50200015464528	28-Oct-15	04-Dec-22
2016	Final	50200020247750	19-Jul-16	25-Aug-23
2017	Interim	705017	26-Oct-16	02-Dec-23

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 [erstwhile Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012], the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 19th July, 2016 (date of last Annual General Meeting) on the Company's website <http://www.exideindustries.com/investors/unclaimed-dividends.aspx> and on the website of Ministry of Corporate Affairs.

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

ISIN: INE302A01020

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

Name and Address of the Stock Exchange	Stock Code	Symbol
The Calcutta Stock Exchange Limited (CSE) 7 Lyons Range, Kolkata - 700 001	15060 & 10015060	-
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	500086	-
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	-	EXIDEIND

The listing fees for the Financial Year 2017-18 has been paid to the above Stock Exchanges.

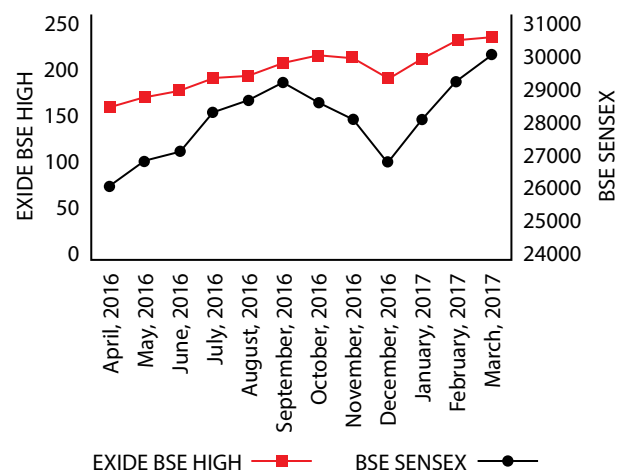
## 7. Stock Market price data for the year on BSE, NSE & CSE

Month	BSE(#)		NSE(#)		CSE*	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2016	154.20	130.05	153.40	130.00	*	*
May 2016	165.00	136.00	164.80	138.75	*	*
June 2016	172.00	153.95	170.70	154.00	*	*
July 2016	184.40	169.70	184.45	169.35	*	*
August 2016	187.80	169.40	187.70	168.50	*	*
September 2016	199.50	176.60	199.50	176.50	*	*
October 2016	207.70	184.00	207.65	184.00	*	*
November 2016	204.90	168.35	204.80	168.45	*	*
December 2016	183.60	170.40	183.80	170.05	*	*
January 2017	204.30	178.80	204.40	178.75	*	*
February 2017	223.00	196.75	223.10	196.00	*	*
March 2017	226.45	208.80	226.50	208.60	*	*

(#) Source BSE and NSE web-site

\* No trading on the exchange

## 8. Performance of Exide Share Price in comparison to BSE Sensex



## 9. Registrar and Transfer Agent

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

## 10. Share Transfer System

As stated above, the Company's shares are compulsorily traded in demat mode on the stock exchanges. The shareholders are therefore requested to kindly note

that physical documents, viz. Demat Request Forms (DRF) and share certificates, etc. should be sent by their Depository Participants (DP's) directly to the Share Transfer Agents. Any delay on the part of the DP's to send the DRF and the share certificates beyond 15 days from the date of generation of the DRN by the DP will be rejected/cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 15 days. Shareholders should, therefore, ensure that their DP's do not delay in sending the DRF and share certificates to the Share Transfer Agent after generating the DRN.

Request for transfer of shares held in physical form can be lodged with C B Management Services (P) Ltd. Share transfer processed and share certificate duly endorsed are issued within 30 days of the date of lodgment subject to documents being valid and complete in all respects. The decisions of the committee are placed at the next board meeting. The Company obtains from a Company Secretary in practice, a half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI Regulations, 2015 (erstwhile Clause 47(c) of Listing Agreement) and files a copy of the said certificate with the stock exchanges.

#### 11. Nomination Facility

Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital & Debentures) Rules, 2014, nomination facility is available to the shareholders. This facility is mainly useful for shareholders holding the shares in single name. In

cases where the shares are held in joint names, the nomination will be effective only in the event of death of all the joint holders.

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

Investors holding shares in physical form may obtain nomination form (Form SH-13) from the Registrar and Share Transfer Agent of the Company. However, if the shares are held in dematerialized form, the nomination has to be intimated to your depository participants directly, as per the format prescribed by them.

#### 12. Share Transfer Record

Month	No. of Transfer	No. of shares processed
April, 2016	5	2946
May, 2016	2	140
June, 2016	5	10,711
July, 2016	10	16,805
August, 2016	0	0
September, 2016	1	20
October, 2016	1	3160
November, 2016	1	3680
December, 2016	2	1900
January, 2017	5	2154
February, 2017	2	5080
March, 2017	0	0

#### 13. Distribution of Shareholding as on 31.03.2017

Range	Shares		Shareholders	
	No. of shares of face value Re.1/- each	% of total shares	Total no. of holders	% of Total holders
1-5000	3,40,33,081	4.00	94,574	96.04
5001-10000	1,45,43,479	1.71	2040	2.07
10001-20000	1,29,62,624	1.52	932	0.95
20001-30000	70,43,747	0.83	290	0.29
30001-40000	47,33,122	0.56	135	0.14
40001-50000	38,26,209	0.45	85	0.09
50001-100000	1,04,32,660	1.23	148	0.15
100001 & above	76,24,25,078	89.70	264	0.27
<b>Total</b>	<b>85,00,00,000</b>	<b>100.00</b>	<b>98,468</b>	<b>100.00</b>



**14. Shareholding pattern of the Company as on 31.03.2017:**

Category	No. of shares	% of total issued shares
Promoter Holding	39,09,54,666	45.99
Foreign Institutional Investors	11,91,20,286	14.02
Non Resident Individual	38,47,940	0.45
Mutual Funds	10,21,56,285	12.02
Financial Institutions, Insurance Companies & Banks	6,25,60,552	7.36
Public	10,55,79,883	12.42
Bodies Corporate	6,52,72,194	7.68
Directors & their relatives	5,08,194	0.06
<b>Total</b>	<b>85,00,00,000</b>	<b>100.00</b>

**15. Dematerialization of Shares and Liquidity**

Exide shares are tradable compulsorily in the electronic form. We have established connectivity with both depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to our shares under the Depository system is INE302A01020.

As on 31 March, 2017, 98.08% of the Company's total shares representing 83,36,80,279 shares are held in dematerialized form and 1.92% representing 1,63,19,721 shares are in physical form.

Category	Number		% to total equity
	Shareholders	Shares	
<b>Demat Mode</b>			
NSDL	63,216	81,79,49,264	96.23
CDSL	28,338	1,57,31,015	1.85
<b>Total</b>	<b>91,554</b>	<b>83,36,80,279</b>	<b>98.08</b>
<b>Physical Mode</b>	6914	1,63,19,721	1.92
<b>Grand Total</b>	<b>98,468</b>	<b>85,00,00,000</b>	<b>100.00</b>

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

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

**17. Cost Audit**

Name of the Cost Auditor: Shome & Banerjee

Cost Accountants  
5A, Nurulla Doctor Lane  
(West Range)  
2nd Floor, Kolkata – 700 017  
Regn No.: 000001

Actual date of filing the

Cost Audit Report

For 2015-16 : 8th August, 2016

**18. Commodity Price risk or Foreign Exchange risk and Hedging activities**

The same has already been explained under the heading 'Disclosures' in this report.

**19. Plant Locations**

State	Address
West Bengal	91 New Chord Road, Authpur, Shamnagar, 24 Parganas (N)- 743 128
West Bengal	Durgachak, Haldia, Dist Midnapore (E), West Bengal- 721 602
Haryana	Plot No. 179, Sector 3, HSIIDC Growth Centre, Bawal- 123 501
Maharashtra	D2, MIDC Industrial Estate, Chinchwad East, Pune- 411 019
Maharashtra	Plot No. T-17 MIDC Taloja Industrial Area, Taloja- 410 208
Maharashtra	E-5, MIDC, Nagpur Taluka, Ahmednagar - 414 111
Tamil Nadu	Chichurakanapalli, Sevaganapalli Panchayat, Hosur Taluk, Dist Krishnagiri - 635 103
Uttarakhand	Khasra No. - 275, Lakeshwari Industrial Area, Bhagwanpur, Roorkee, Dist-Haridwar – 247 661
Uttarakhand	Plot No. 31, Sector 8A, Integrated Industrial Estate, Ranipur, Haridwar – 249 403

## 20. Address for Correspondence

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

All Shareholders' correspondence should be addressed to:

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

Contact Person:

Mr. Jitendra Kumar,

Company Secretary and Compliance Officer,

Tel Nos.: [033] 2283 2118/ 2150/ 2271

Fax No.: [033] 2283 2637

Email : Jitendrak@exide.co.in

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

Contact Person:

Mr. Amit Banerjee,

GM- Operations

Tel No. : [033] 4011 6700/6725/6729/6742

Fax No.: [033] 40116739

Email: rta@cbmsl.com

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

## Status as regards adoption/non adoption of discretionary requirements laid down in Part E of Schedule II of Regulation 27(1) of SEBI Regulations, 2015 and forming part of the Report on Corporate Governance

Particulars	Status
<b>The Board</b> A non-executive chairperson may be entitled to maintain a chairperson's office at the expense of the Company and also allowed reimbursement of expenses incurred in performance of his duties.	Not Adopted
<b>Shareholders Rights</b> A half-yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each household of shareholders.	Not Adopted
<b>Modified opinion (s) in audit report</b> Company may move towards a regime of financial statements with unmodified audit opinion.	Company's financial statements have unmodified audit opinion
<b>Separate posts of Chairperson and CEO</b> The Company may appoint separate persons to the post of Chairperson and Managing Director/CEO.	Adopted
<b>Reporting of Internal Auditor</b> The Internal auditor may report directly to the Audit Committee.	Not Adopted

Pursuant to Regulation 34(3) read with Schedule V of SEBI Regulations, 2015, Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance by the Company is annexed with the Directors' Report.

## Auditors' Certificate

**To**  
**The Members of Exide Industries Limited**

We have examined the compliance of conditions of corporate governance by Exide Industries Limited, for the year ended on 31st March, 2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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

For **S.R. BATLIBOI & CO. LLP**  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005  
Sd/-  
per **Kamal Agarwal**  
Partner  
Membership No.: 058652

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

## Certification by Chief Executive Officer (CEO) & Chief Financial Officer (CFO)

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

We, Gautam Chatterjee, Managing Director & CEO and A. K. Mukherjee, Director-Finance & CFO of Exide Industries Limited certify to the Board in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, that we have reviewed the financial statement and cash flow statement of the Company for the financial year ended 31st March, 2017.

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

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

Sd/-  
**Gautam Chatterjee**  
Managing Director & CEO  
DIN : 00012306

Sd/-  
**A. K. Mukherjee**  
Director-Finance & CFO  
DIN : 00131626

## Annual Declaration under Regulation 34(3) read with Part D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### DECLARATION

As required under Regulation 34(3) read with Part D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Board members and Senior Management Personnel of the Company have complied with Code of Ethics of the Company for the year ended 31st March, 2017.

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

Sd/-  
**Gautam Chatterjee**  
Managing Director & CEO  
DIN : 00012306

## ANNEXURE- IV

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.**  
Extracts of the CSR Policy is stated towards the end of this Report.

**Weblink:**

<http://www.exideindustries.com/investors/governance-policies.aspx>

- Composition of the CSR Committee:**  
Mr. Bharat D. Shah (Chairman)  
Mr. Sudhir Chand (Member)  
Mr. Gautam Chatterjee (Member)  
Mr. Subir Chakraborty (Member)
- Average net profit of the Company for last three financial years:**  
Average net profit: Rs. 80292 lakhs
- Prescribed CSR Expenditure (two percent of the amount as in item 3 above):**  
Rs. 1606 lakhs

### 5. Details of CSR spend for the financial year:

#### a. Total amount spent for the financial year:

Rs. 1394 lakhs\*

#### b. Amount unspent, if any:

Rs. 212 lakhs (after considering the disbursed and committed amount)

\* This includes the total amount disbursed and committed during the year, the details of which are explained below:

- During the year, Exide Industries Limited disbursed Rs. 1323 lakhs across a broad spectrum of social sectors at a national level for the greater community as well as around its operational locations for the local community.
- Additionally, there are certain projects that required a slightly longer implementation timeframe for a sustainable and meaningful impact. An amount of Rs. 71 lakhs has been committed towards such projects, which will be disbursed during the year 2017-18.

Taken together, the total amount disbursed and committed during the year was Rs. 1394 lakhs.

Manner in which the amount spent during the Financial Year is detailed below:

(Figures in Rs. / Lacs)

Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects and program was undertaken	Amount outlay (Budget ) project or program wise	Amount spent on the Projects or Programs Sub Heads: 1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
1	Promoting health care including preventive health care	Clause i	Maharashtra - Mumbai	650.00	650.00	650.00	Diabetic Association of India; Society for the Rehabilitation of Paraplegics; Marrow Donor Registry (India)

## Manner in which the amount spent during the Financial Year is detailed below: (Contd.)

(Figures in Rs. / Lacs)

SI No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects and program was undertaken	Amount outlay (Budget ) project or program wise	Amount spent on the Projects or Programs Sub Heads: 1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
2	Sanitation and making available safe drinking water	Clause i	West Bengal - Malda & South 24 Parganas; Assam - Kamrup & Dibrugarh; Bihar - Vaishali & Rohtas	150.00	150.00	150.00	Unicef
3	Contribution to the Prime Minister' National Relief Fund	Clause viii		100.00	100.00	100.00	Prime Minister' National Relief Fund
4	Contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation	Clause i		50.00	50.00	50.00	Swach Bharat Kosh
5	Promoting education, including vocation skills especially among children	Clause ii	West Bengal - Kolkata	18.00	18.00	18.00	Haltu Arya Balika Vidyalaya; Child in Need Institute & South Gurukul Society
6	Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation	Clause i	West Bengal - Kolkata	12.00	12.00	12.00	Hope Kolkata Foundation; Holy Tabernacle & Cheshire Homes India-Kolkata unit
7	Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care); promoting education especially among children; setting up homes for orphans and measures for reducing inequalities faced by socially and economically backward groups; enduring environmental sustainability and conservation of natural resources	Clause i; ii; iii; iv	Maharashtra - Pune	53.53	53.53	53.53	India Sponsorship Committee



5. Manner in which the amount spent during the Financial Year is detailed below: (Contd.)

(Figures in Rs. / Lacs)							
SI No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects and program was undertaken	Amount outlay (Budget ) project or program wise	Amount spent on the Projects or Programs Sub Heads: 1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
8	Rural Development	Clause x	West Bengal - Howrah, Purba Medinipur, Barrackpore & Hooghly; Maharashtra - Ahmednagar	80.00	19.84	19.84	Direct
9	Promoting health care including preventive health care, sanitation and making available safe drinking water; promoting education among children, including special education and employment enhancing vocation skills especially women, and the differently abled and livelihood enhancement projects	Clause i; ii	West Bengal - South 24 Parganas, Purba Medinipur; Tamil Nadu - Krishnagiri; Haryana - Rewari; Maharashtra - Raigarh, Pune, Ahmednagar; Uttarakhand - Haridwar	243.21	232.90	232.90	Direct
10	Enduring environmental sustainability and conservation of natural resources	Clause iv	West Bengal - South 24 Parganas; Tamil Nadu - Krishnagiri; Maharashtra - Ahmednagar; Haryana - Rewari	23.89	23.89	23.89	Direct
11	Setting up homes for orphans and measures for reducing inequalities faced by socially and economically backward groups	Clause iii	Maharashtra - Ahmednagar	2.00	2.00	2.00	Direct
12	Promote rural sport, nationally recognized sports, Paralympics sports and Olympic sports;	Clause vii	Haryana - Rewari	11.00	11.00	11.00	Direct
13	Promoting health care including preventive health care; promoting education	Clause i; ii	West Bengal - Kolkata	212.47	0.00	0.00	Direct
<b>Total Fund Utilized</b>				<b>1606.10</b>	<b>1323.16</b>	<b>1323.16</b>	

**Committed Funds during the year FY 2016 -17, but will be disbursed during FY 2017-18**

(Figures in Rs. / Lacs)							
Sl No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) specify the state and district where projects and program was undertaken	Amount outlay (Budget ) project or program wise	Amount spent on the Projects or Programs Sub Heads: (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through Implementing Agency
1	Rural Development	Clause x	West Bengal - Howrah, Purba Medinipur, Barrackpore & Hooghly	79.00	60.19	60.19	Direct
2	Sanitation	Clause i	Maharashtra - Pune	17.14	10.66	10.66	Direct
<b>Total Fund Committed</b>				<b>96.14</b>	<b>70.85</b>	<b>70.85</b>	

**6. The Company has explained the reasons for shortfall in CSR spending during the year under review in the Report of the Board of Directors.****7. Responsibility Statement**

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR & G) Committee of the Board of Directors of the Company is reproduced below:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-

**Gautam Chatterjee**

Managing Director &amp; CEO

DIN : 00012306

Sd/-

**Bharat D. Shah**

Chairman of the CSR Committee

DIN : 00136969

### **EXTRACTS OF THE CSR POLICY**

**(Approved by the Board of Directors on 24th February, 2015)**

Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

To pursue these objectives we will continue to:

- i Increasingly contribute to activities that are beneficial to the society and community at large.
- ii Chart out a mechanism for undertaking CSR activities.
- iii Engage with the Company's key stakeholders in matters related to CSR activities.
- iv Align the CSR activities undertaken by the Company with the applicable laws.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2017  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	: L31402WB1947PLC014919
ii)	Registration Date	: 31st January 1947
iii)	Name of the Company	: <b>Exide Industries Limited</b>
iv)	Category/Sub-Category of the Company	: Public Company Limited by Shares
v)	Address of the Registered office and contact details	: Exide Industries Limited, Exide House, 59 E Chowringhee Road, Kolkata 700020
vi)	Whether listed company Yes/No	: Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any :	: C B Management Seviles (P) Ltd. P-22, Bondel Road, Kolkata 700019, West Bengal, India Ph: +913340116700/6729 Fax: +913340116739 Email: rta@cbmsl.com, Website: www.cbmsl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% total turnover of the Company
1	Storage Battery	31401	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiaries/ Associate	% of shares held	Applicable Section
1	Chloride Power Systems & Solutions Ltd. Exide House, 59E Chowringhee Road, Kolkata 700 020	U29221WB1980PLC032796	Subsidiary	100%	Section 2(87)(ii)
2	Chloride Metals Ltd. Exide House, 59E Chowringhee Road, Kolkata 700 020	U34300WB1998PLC181003	Subsidiary	100%	Section 2(87)(ii)

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - (CONTD.)

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiaries/ Associate	% of shares held	Applicable Section
3	Exide Life Insurance Company Ltd. No. 3/1, 3rd floor, JP Techno Park, Millers Road, Bangalore - 560001	U66010KA2000PLC028273	Subsidiary	100%	Section 2(87)(ii)
4	Chloride International Ltd. Exide House, 59E Chowringhee Road, Kolkata 700 020	U31402WB1947PLC014918	Subsidiary	100%	Section 2(87)(ii)
5	Chloride Batteries S.E Asia Pte. Ltd. 106, Neythal Road Singapore 628594	N.A.	Subsidiary	100%	Section 2(87)(ii)
6	Associated Battery Manufacturers (Ceylon) Ltd. 481, T.B Jayah Mawatha Colombo 10	N.A.	Subsidiary	61.50%	Section 2(87)(ii)
7	Espex Batteries Ltd. Fairway House, Link Business Park, Street Mellons, Cardiff, South Glamorgan CF3 0LT	N.A.	Subsidiary	100%	Section 2(87)(ii)

### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

#### i) Category-wise ShareHolding

Category of Shareholders	No. of Shares held at the beginning of the Year (As on 1st April 2016)				No. of Shares held at the end of the Year (As on 31st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual / HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
(a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	39,09,54,666	-	39,09,54,666	45.99	39,09,54,666	-	39,09,54,666	45.99	-
(d) Banks/ FI	-	-	-	-	-	-	-	-	-
(e) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2)</b>	<b>39,09,54,666</b>	-	<b>39,09,54,666</b>	<b>45.99</b>	<b>39,09,54,666</b>	-	<b>39,09,54,666</b>	<b>45.99</b>	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>39,09,54,666</b>	-	<b>39,09,54,666</b>	<b>45.99</b>	<b>39,09,54,666</b>	-	<b>39,09,54,666</b>	<b>45.99</b>	-

## i) Category-wise ShareHolding (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the Year (As on 1st April 2016)				No. of Shares held at the end of the Year (As on 31st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding (s)</b>									
<b>1. Institutions</b>									
a) Mutual Funds	8,45,25,950	-	8,45,25,950	9.94	10,21,56,285	-	10,21,56,285	12.02	2.07
b) Banks/Fl	11,22,738	3,69,983	14,92,721	0.18	6,36,484	3,69,983	10,06,467	0.12	-0.06
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8,60,73,849	-	8,60,73,849	10.13	6,15,54,085	-	6,15,54,085	7.24	-2.88
g) Flls	9,07,85,348	6,760	9,07,92,108	10.68	3,84,55,156	6,760	3,84,61,916	4.52	-6.16
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>26,25,07,885</b>	<b>3,76,743</b>	<b>26,28,84,628</b>	<b>30.93</b>	<b>20,28,02,010</b>	<b>3,76,743</b>	<b>20,31,78,753</b>	<b>23.90</b>	<b>-7.02</b>
<b>B2.Non- Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	5,90,86,647	1,64,844	5,92,51,491	6.97	6,28,68,263	1,58,824	6,30,27,087	7.41	0.44
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	5,60,31,246	1,51,67,464	7,11,98,710	8.38	5,90,86,501	1,47,04,901	7,37,91,402	8.68	0.31
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1,69,98,189	6,84,079	1,76,82,268	2.08	2,70,40,781	6,84,079	2,77,24,860	3.26	1.18
<b>c) Others (specify)</b>									
NRI	30,16,729	3,53,060	33,69,789	0.40	34,51,256	3,09,434	37,60,690	0.44	0.05
Clearing Member	12,13,103	-	12,13,103	0.14	22,45,107	-	22,45,107	0.26	0.12
OCB	-	-	-	-	-	-	-	-	-
Trust	53,00,896	-	53,00,896	0.62	45,48,775	-	45,48,775	0.54	-0.09
Foreign Portfolio Investor	3,80,35,669	-	3,80,35,669	4.47	8,06,58,370	-	8,06,58,370	9.49	5.01
Foreign National	-	85,740	85,740	0.01	1,510	85,740	87,250	0.01	0.00
Custodian of enemy property	-	23,040	23,040	0.00	23,040	-	23,040	0.00	0.00
<b>Sub-total(B)(2)</b>	<b>17,96,82,479</b>	<b>1,64,78,227</b>	<b>19,61,60,706</b>	<b>23.08</b>	<b>23,99,23,603</b>	<b>1,59,42,978</b>	<b>25,58,66,581</b>	<b>30.10</b>	<b>7.02</b>
<b>Total Public Shareholding (B) = (B) (1)+ (B) (2)</b>	<b>44,21,90,364</b>	<b>1,68,54,970</b>	<b>45,90,45,334</b>	<b>54.01</b>	<b>44,27,25,613</b>	<b>1,63,19,721</b>	<b>45,90,45,334</b>	<b>54.01</b>	<b>0.00</b>
<b>Total (A) + (B)</b>	<b>83,31,45,030</b>	<b>1,68,54,970</b>	<b>85,00,00,000</b>	<b>100.00</b>	<b>83,36,80,279</b>	<b>1,63,19,721</b>	<b>85,00,00,000</b>	<b>100.00</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>83,31,45,030</b>	<b>1,68,54,970</b>	<b>85,00,00,000</b>	<b>100.00</b>	<b>83,36,80,279</b>	<b>1,63,19,721</b>	<b>85,00,00,000</b>	<b>100.00</b>	<b>0.00</b>



ii) Shareholding of Promoters

Sl No.	Shareholding at the beginning of the year (As on 01.04.2016)				Shareholding at the end of the year (As on 31.03.2017)			
	Shareholder's Name	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares	Shareholder's Name	No of Shares	% of total shares of Company	% of shares Pledged/ encumbered to total shares
1	Chloride Eastern Ltd.	39,09,54,666	45.99	NIL	Chloride Eastern Ltd.	39,09,54,666	45.99	NIL
	<b>Total</b>	<b>39,09,54,666</b>	<b>45.99</b>	<b>NIL</b>		<b>39,09,54,666</b>	<b>45.99</b>	<b>NIL</b>

iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl No.		Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Chloride Eastern Ltd.</b>				
	At the beginning of the year	39,09,54,666	45.99	39,09,54,666	45.99
	Datewise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	There was no increase / decrease in Promoter Shareholding during the year		-	-
	<b>At the End of the year (31.03.2017)</b>	<b>39,09,54,666</b>	<b>45.99</b>	<b>39,09,54,666</b>	<b>45.99</b>

(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS)

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2017)	Date of event	Buy / Sale	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Hathway Investments Ltd.</b>						
(a)	At the beginning of the year	1-Apr-2016	-	3,67,52,730	4.32	-	-
(b)	Changes during the year			No changes during the year			
(c)	At the end of the year	31-Mar-2017	-	-	-	3,67,52,730	4.32
<b>2</b>	<b>Life Insurance Corporation of India*</b>						
(a)	At the beginning of the year	1-Apr-2016	-	4,94,25,211	5.81	-	-

\*Note : Upon receipt of declaration from Life Insurance Corporation of India (LIC), various schemes of LIC having common PAN have been clubbed.

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS) (Contd.)**

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2017)	Date of event	Buy / Sale	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
(b)	Changes during the year	15-Jul-2016	Sale	42,730	0.01	4,93,82,481	5.81
		22-Jul-2016	Sale	13,40,240	0.16	4,80,42,241	5.65
		29-Jul-2016	Sale	8,06,448	0.09	4,72,35,793	5.56
		5-Aug-2016	Sale	31,02,745	0.37	4,41,33,048	5.19
		12-Aug-2016	Sale	22,48,303	0.26	4,18,84,745	4.93
		19-Aug-2016	Sale	1,50,000	0.02	4,17,34,745	4.91
		26-Aug-2016	Sale	2,91,357	0.03	4,14,43,388	4.88
		2-Sep-2016	Sale	2,26,398	0.03	4,12,16,990	4.85
		9-Sep-2016	Sale	1,000	0.00	4,12,15,990	4.85
		30-Sep-2016	Sale	11,59,074	0.14	4,00,56,916	4.71
		7-Oct-2016	Sale	15,86,190	0.19	3,84,70,726	4.53
		14-Oct-2016	Sale	4,75,000	0.06	3,79,95,726	4.47
		21-Oct-2016	Sale	3,79,736	0.04	3,76,15,990	4.43
		27-Jan-2017	Sale	49,847	0.01	3,75,66,143	4.42
		10-Mar-2017	Sale	21,44,099	0.25	3,44,22,044	4.05
		17-Mar-2017	Sale	15,40,000	0.18	3,28,82,044	3.87
		24-Mar-2017	Sale	3,15,901	0.04	3,25,66,143	3.83
(c)	At the end of the year	31-Mar-2017	-	-	-	3,25,66,143	3.83
<b>3</b>	<b>Nalanda India Equity Fund Limited</b>						
(a)	At the beginning of the year	1-Apr-2016	-	3,02,67,261	3.56	-	-
(b)	Changes during the year	5-Aug-2016	Sale	6,56,918	0.08	2,96,10,343	3.48
		5-Aug-2016	Sale	29,610,343	3.48	-	0.00
(c)	At the end of the year	31-Mar-2017	-	-	-	-	0.00
<b>4</b>	<b>Government Pension Fund Global</b>						
(a)	At the beginning of the year	1-Apr-2016	-	1,73,36,552	2.04	-	-
(b)	Changes during the year	2-Dec-2016	Buy	2,48,104	0.03	1,75,84,656	2.07
		9-Dec-2016	Buy	4,54,393	0.05	1,80,39,049	2.12
		16-Dec-2016	Buy	7,65,526	0.09	1,88,04,575	2.21
		27-Jan-2017	Buy	28,83,327	0.34	2,16,87,902	2.55
		3-Feb-2017	Buy	16,70,363	0.20	2,33,58,265	2.75
		10-Feb-2017	Buy	6,00,000	0.07	2,39,58,265	2.82
		17-Feb-2017	Buy	5,34,664	0.06	2,44,92,929	2.88
		3-Mar-2017	Buy	11,66,301	0.14	2,56,59,230	3.02
		10-Mar-2017	Buy	33,26,425	0.39	2,89,85,655	3.41
		17-Mar-2017	Buy	74,199	0.01	2,90,59,854	3.42
(c)	At the end of the year	31-Mar-2017	-	-	-	2,90,59,854	3.42

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS) (Contd.)**

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2017)	Date of event	Buy / Sale	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>5</b>	<b>The New India Assurance Company Limited</b>						
(a)	At the beginning of the year	1-Apr-2016	-	2,02,79,212	2.39	-	-
(b)	Changes during the year	10-Jun-2016	Sale	49,463	0.01	2,02,29,749	2.38
		24-Jun-2016	Sale	67,000	0.01	2,01,62,749	2.37
		30-Jun-2016	Sale	2,30,000	0.03	1,99,32,749	2.35
		1-Jul-2016	Sale	20,000	0.00	1,99,12,749	2.34
		30-Sep-2016	Sale	2,27,578	0.03	1,96,85,171	2.32
		4-Nov-2016	Sale	1,29,242	0.02	1,95,55,929	2.30
		11-Nov-2016	Sale	1,64,849	0.02	1,93,91,080	2.28
		2-Dec-2016	Sale	30,000	0.00	1,93,61,080	2.28
		9-Dec-2016	Sale	2,28,920	0.03	1,91,32,160	2.25
		16-Dec-2016	Sale	1,01,080	0.01	1,90,31,080	2.24
		23-Dec-2016	Sale	3,19,998	0.04	1,87,11,082	2.20
		30-Dec-2016	Sale	1,20,002	0.01	1,85,91,080	2.19
		3-Feb-2017	Sale	1,00,000	0.01	1,84,91,080	2.18
		10-Feb-2017	Sale	1,10,000	0.01	1,83,81,080	2.16
		17-Feb-2017	Sale	80,000	0.01	1,83,01,080	2.15
		24-Feb-2017	Sale	2,23,641	0.03	1,80,77,439	2.13
		3-Mar-2017	Sale	96,359	0.01	1,79,81,080	2.12
		31-Mar-2017	Sale	2,50,000	0.03	1,77,31,080	2.09
(c)	At the end of the year	31-Mar-2017	-	-	-	1,77,31,080	2.09
<b>6</b>	<b>Nalanda India Fund Limited</b>						
(a)	At the beginning of the year	1-Apr-2016	-	1,58,07,349	1.86	-	-
(b)	Changes during the year	5-Aug-2016	Sale	3,43,082	0.04	1,54,64,267	1.82
		5-Aug-2016	Sale	1,54,64,267	1.82	-	0.00
(c)	At the end of the year	31-Mar-2017	-	-	-	-	0.00
<b>7</b>	<b>ICICI Prudential Discovery Fund</b>						
(a)	At the beginning of the year	1-Apr-2016	-	1,26,06,036	1.48	-	-
(b)	Changes during the year			No changes during the year			
(c)	At the end of the year	31-Mar-2017	-	-	-	1,26,06,036	1.48
<b>8</b>	<b>Baron Emerging Markets FUND**</b>						
(a)	At the beginning of the year	1-Apr-2016	-	72,50,000	0.85	-	-
(b)	Changes during the year	13-May-2016	Buy	2,50,000	0.03	75,00,000	0.88
		30-Jun-2016	Buy	1,40,000	0.02	76,40,000	0.90
		1-Jul-2016	Buy	2,50,000	0.03	78,90,000	0.93
		8-Jul-2016	Buy	1,10,000	0.01	80,00,000	0.94
		29-Jul-2016	Buy	5,00,000	0.06	85,00,000	1.00
		12-Aug-2016	Buy	11,50,000	0.14	96,50,000	1.14
		4-Nov-2016	Buy	8,50,000	0.10	1,05,00,000	1.24
		17-Feb-2016	Buy	3,25,000	0.04	1,08,25,000	1.27
(c)	At the end of the year	31-Mar-2017	-	-	-	1,08,25,000	1.27

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS) (Contd.)**

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2017)	Date of event	Buy / Sale	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>9</b>	<b>HDFC Standard Life Insurance Company Limited</b>						
(a)	At the beginning of the year	1-Apr-2016	-	12,287,439	1.45	-	-
(b)	Changes during the year	8-Apr-2016	Buy	5,51,237	0.06	1,28,38,676	1.51
		22-Apr-2016	Buy	6,27,867	0.07	1,34,66,543	1.58
		29-Apr-2016	Sale	7,34,820	0.09	1,27,31,723	1.50
		6-May-2016	Buy	78,469	0.01	1,28,10,192	1.51
		13-May-2016	Buy	98,267	0.01	1,29,08,459	1.52
		20-May-2016	Buy	6,537	0.00	1,29,14,996	1.52
		27-May-2016	Buy	2,967	0.00	1,29,17,963	1.52
		3-Jun-2016	Buy	1,33,266	0.02	1,30,51,229	1.54
		17-Jun-2016	Buy	2,822	0.00	1,30,54,051	1.54
		30-Jun-2016	Sale	2,83,069	0.03	1,27,70,982	1.50
		8-Jul-2016	Sale	2,27,474	0.03	1,25,43,508	1.48
		12-Jul-2016	Buy	32,916	0.00	1,25,76,424	1.48
		15-Jul-2016	Sale	17,057	0.00	1,25,59,367	1.48
		29-Jul-2016	Sale	3,14,903	0.04	1,22,44,464	1.44
		12-Aug-2016	Sale	1,74,990	0.02	1,20,69,474	1.42
		16-Sep-2016	Sale	5,52,783	0.07	1,15,16,691	1.35
		23-Sep-2016	Buy	3,329	0.00	1,15,20,020	1.36
		7-Oct-2016	Sale	4,58,833	0.05	1,10,61,187	1.30
		21-Oct-2016	Buy	1,58,833	0.02	1,12,20,020	1.32
		4-Nov-2016	Sale	26,256	0.00	1,11,93,764	1.32
		11-Nov-2016	Buy	607	0.00	1,11,94,371	1.32
		18-Nov-2016	Buy	44,893	0.01	1,12,39,264	1.32
		2-Dec-2016	Buy	2,05,000	0.02	1,14,44,264	1.35
		16-Dec-2016	Buy	75,000	0.01	1,15,19,264	1.36
		23-Dec-2016	Buy	3,575	0.00	1,15,22,839	1.36
		30-Dec-2016	Buy	1,779	0.00	1,15,24,618	1.36
		6-Jan-2017	Buy	44,924	0.01	1,15,69,542	1.36
		13-Jan-2017	Buy	30,331	0.00	1,15,99,873	1.36
		27-Jan-2017	Buy	99	0.00	1,15,99,972	1.36
		3-Feb-2017	Sale	3,39,173	0.04	1,12,60,799	1.32
		10-Feb-2017	Sale	31,000	0.00	1,12,29,799	1.32
		17-Feb-2017	Sale	10,000	0.00	1,12,19,799	1.32
		24-Feb-2017	Sale	27,067	0.00	1,11,92,732	1.32
		3-Mar-2017	Sale	5,29,305	0.06	1,06,63,427	1.25
		10-Mar-2017	Sale	2,30,975	0.03	1,04,32,452	1.23
		17-Mar-2017	Sale	1,00,000	0.01	1,03,32,452	1.22
		24-Mar-2017	Buy	4,300	0.00	1,03,36,752	1.22
		31-Mar-2017	Sale	2,52,289	0.03	1,00,84,463	1.19
(c)	At the end of the year	31-Mar-2017	-	-	-	1,00,84,463	1.19

**(iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRS) (Contd.)**

Sl. No.	Name of the top 10 Shareholder of the Company (As on 31.03.2017)	Date of event	Buy / Sale	Shareholding at the beginning of the year (01.04.2016)		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>10</b>	<b>UTI OPPORTUNITIES FUND**</b>						
(a)	At the beginning of the year	1-Apr-2016	-	77,85,080	0.92	-	-
(b)	Changes during the year	28-Oct-2016	Sale	1,80,000	0.02	76,05,080	0.89
		30-Dec-2016	Buy	8,51,001	0.10	84,56,081	0.99
(c)	At the end of the year	31-Mar-2017	-	-	-	84,56,081	0.99
<b>11</b>	<b>HDFC Trustee Company Ltd - A/C HDFC Mid Cap Opportunities Fund</b>						
(a)	At the beginning of the year	1-Apr-2016	-	81,00,000	0.95	-	-
(b)	Changes during the year			No changes during the year			
(c)	At the end of the year	31-Mar-2017	-	-	-	81,00,000	0.95
<b>12</b>	<b>General Insurance Corporation of India</b>						
(a)	At the beginning of the year	1-Apr-2016	-	81,01,400	0.95	-	-
(b)	Changes during the year	30-Jun-2016	Sale	90,000	0.01	80,11,400	0.94
		1-Jul-2016	Sale	10,000	0.00	80,01,400	0.94
		8-Jul-2016	Sale	25,000	0.00	79,76,400	0.94
		12-Jul-2016	Sale	60,000	0.01	79,16,400	0.93
		15-Jul-2016	Sale	15,000	0.00	79,01,400	0.93
		7-Oct-2016	Sale	50,000	0.01	7,851,400	0.92
		21-Oct-2016	Sale	1,00,000	0.01	77,51,400	0.91
		28-Oct-2016	Sale	75,000	0.01	76,76,400	0.90
		2-Dec-2016	Sale	30,000	0.00	76,46,400	0.90
		16-Dec-2016	Sale	50,000	0.01	75,96,400	0.89
		23-Dec-2016	Sale	1,25,000	0.01	74,71,400	0.88
		6-Jan-2017	Sale	70,000	0.01	74,01,400	0.87
		17-Feb-2017	Sale	50,000	0.01	73,51,400	0.86
		24-Feb-2017	Sale	50,000	0.01	73,01,400	0.86
		3-Mar-2017	Sale	1,50,000	0.02	71,51,400	0.84
		17-Mar-2017	Sale	1,25,000	0.01	70,26,400	0.83
		24-Mar-2017	Sale	25,000	0.00	70,01,400	0.82
		31-Mar-2017	Sale	1,50,000	0.02	68,51,400	0.81
(c)	At the end of the year	31-Mar-2017	-	-	-	68,51,400	0.81

\*\* Not in the list of Top 10 Shareholders as on 01/04/2016. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31/03/2017.

**(v) Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Name of Directors / KMPs				
	Subir Chakraborty	A. K. Mukherjee	Arun Mittal	Mona N Desai	Sudhir Chand
At the beginning of the year	1106	1000	1152	78,666	18,872
Datewise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	NIL	NIL	NIL	NIL	NIL
At the End of the year	1106	1000	1152	78,666	18,872

\* None of the other Directors /Key Managerial Personnel hold any shares in the Company.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year (2016-17)</b>				
i) Principal Amount	317,889,285	707,144,598	-	1,025,033,883
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	919,173	1,695,894	-	2,615,067
<b>Total (i+ii+iii)</b>	<b>318,808,458</b>	<b>708,840,492</b>	<b>-</b>	<b>1,027,648,950</b>
<b>Change in Indebtedness during the financial year</b>				
<b>Addition</b>				
i) Principal Amount	98,260,307	810,159,307*	-	908,419,614
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	659,965	3,066,305	-	3,726,270
<b>Total (i+ii+iii)</b>	<b>98,920,272</b>	<b>813,225,612</b>	<b>-</b>	<b>912,145,884</b>
<b>Reduction</b>				
i) Principal Amount	231,183,147*	-	-	231,183,147
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,19,172	-	-	9,19,172
<b>Total (i+ii+iii)</b>	<b>232,102,319</b>	<b>-</b>	<b>-</b>	<b>232,102,319</b>
<b>Net Change</b>	<b>185,626,411</b>	<b>1,522,066,104</b>	<b>-</b>	<b>1,707,692,515</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	184,966,445	1,517,303,905	-	1,702,270,350
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	659,966	4,762,199	-	5,422,165
<b>Total (i+ii+iii)</b>	<b>185,626,411</b>	<b>1,522,066,104</b>	<b>-</b>	<b>1,707,692,515</b>

\* Includes reclassification of Loans from Secured to Unsecured during the year.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD/ Manager						Total Amount
		G. Chatterjee	A. K. Mukherjee	Subir Chakraborty	Arun Mittal	Nadeem Kazim <sup>1</sup>	P. K. Katakya <sup>2</sup>	
1	Gross salary							in Rs.
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,06,86,500	1,14,12,720	83,86,120	57,21,837	54,27,898	15,73,000	5,32,08,075
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	13,21,785	14,70,429	8,30,834	12,85,710	9,08,724	1,85,528	60,03,010

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Contd.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD/ Manager						Total Amount
		G. Chatterjee	A. K. Mukherjee	Subir Chakraborty	Arun Mittal	Nadeem Kazim <sup>1</sup>	P. K. Katakya <sup>2</sup>	
(c)	Profits in lieu of salary under Section 17(3) of Income- tax Act, 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	99,08,250	57,06,360	38,33,060	27,50,000	27,13,949	7,86,500	2,56,98,119
	- as % of profit	-	-	-	-	-	-	-
	- others, specify...	-	-	-	-	-	-	-
5	Others, please specify (Retiral Benefits)	49,86,822	28,72,011	19,29,179	13,84,075	13,65,931	3,95,845	1,29,33,863
	<b>Total (A) = (1+2+3+4+5)</b>	<b>3,69,03,357</b>	<b>2,14,61,520</b>	<b>1,49,79,193</b>	<b>1,11,41,622</b>	<b>1,04,16,502</b>	<b>29,40,873</b>	<b>9,78,43,067</b>
	Ceiling as per the Act	Rs. 97,55,83,083/- (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						

### B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director							Total Amount
		R. G. Kapadia <sup>3</sup>	R. B. Raheja	Mona N Desai	Vijay Aggarwal	Sudhir Chand	Bharat D Shah	Nawshir H. Mirza	
<b>1</b>	<b>Independent Directors</b>								
	Fee for attending board & committee meetings	-	-	6,00,000	6,00,000	6,00,000	3,00,000	6,00,000	27,00,000
	Commission <sup>4</sup>	-	-	10,00,000	-	10,00,000	30,00,000	30,00,000	80,00,000
	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>16,00,000</b>	<b>6,00,000</b>	<b>16,00,000</b>	<b>33,00,000</b>	<b>36,00,000</b>	<b>1,07,00,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>								
	Fee for attending board & committee meetings	-	2,25,000	-	-	-	-	-	2,25,000
	Commission	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	<b>2,25,000</b>	-	-	-	-	-	<b>2,25,000</b>
	<b>Total (B) = (1+2)</b>	-	<b>2,25,000</b>	<b>16,00,000</b>	<b>6,00,000</b>	<b>16,00,000</b>	<b>33,00,000</b>	<b>36,00,000</b>	<b>1,09,25,000</b>
	<b>Total Managerial Remuneration (A+B)</b>								<b>10,87,68,067</b>
	Overall Ceiling as per the Act	Rs. 107,31,41,391/- (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

1. Mr. Nadeem Kazim resigned w.e.f. November 28, 2016.

2. Mr. P. K. Katakya retired w.e.f. April 30, 2016.

3. Mr. R. G. Kapadia resigned w.e.f. July 15, 2016.

4. The commission for the year ended March 31, 2017 will be paid, subject to deduction of tax, after adoption of accounts by the members at the ensuing Annual General Meeting.



**C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

Sl. No.	Particulars of Remuneration	Jitendra Kumar	Total
1	Gross salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	46,62,000	46,62,000
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	4,10,585	4,10,585
	(c) Profits in lieu of salary under Section 17(3) of Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify (Retiral Benefits)	9,34,694	9,34,694
	<b>Total (C) = (1+2+3+4+5)</b>	<b>60,07,279</b>	<b>60,07,279</b>

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty					
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty					
Punishment					
Compounding					

NIL

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

On behalf of Board of Directors  
Sd/-  
**Bharat D. Shah**  
Chairman  
DIN : 00136969

## ANNEXURE- VI

**Information as per Clause (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2017.**

### **A. CONSERVATION OF ENERGY**

There is constant focus at all level in the organization to conserve the energy and use it efficiently. This is also key to financial success, as energy is one of the important cost element of conversion cost. Your Company has been implementing short and long term actions to improve the energy efficiency as its commitment towards minimizing the effects of factors of climate change. Your Company has grounded mechanism to excel in this area. Regular review is conducted for evaluating the progress and effectiveness of various ongoing initiatives to reduce the energy consumption. TPM is leveraged to excel in operation. Your Company's factories have Energy as one of the TPM Pillar which exclusively focuses on achieving global performance standards. Periodic energy audit is also conducted.

The factory wise energy conservation initiatives taken during 2016-17 are detailed below -

#### **Chinchwad Plant**

- > Installation of IGBT based battery charging rectifier's for 6 location in-place of SCR controlled, conversion of entire factory lighting to LED, conversion of electrically heated lead pot to PNG fired for 24 MT ball mill, SLI and MC GC.
- > Installation of energy efficient pumps at 13 locations and micro fusion controller for GC common gravity feed line.

#### **Bawal Plant**

- > Energy saved through Retrofitting of HPSV lamp with induction lamp in Grid Casting, Retrofitting of HPSV lamp with induction lamp in Formation, Led Light implementation in Assembly Section, Grid Casting Heater Pot replacement with Gas pot of gravity feed line, FFT conveyor automation done.

- > Energy saved through VFD installation for AHU 1 Nos. in grid casting and optimization of ball mill pot temperature for fuel saving.

#### **Hosur Plant**

- > Captive power purchase, Cost saving through energy saving projects.

#### **Taloja Plant**

- > Converting auto shed with LED lighting, use of solar panels in motor cycle shed for street lighting, use of VFD panel for auto JF fume extraction system linked to loading of charging tank – 2 sets.
- > Day light harvesting by using Noori cool lighting system, use of double impeller suction blower for BM10 machines. Maintaining power factor as unity throughout the year resulted in savings, open access power purchase.
- > Automation of 2 nos. ageing oven to reduce the cycle time, use of condensate as boiler feed water for curing, installation of maximum demand controller for controlling peak demand, automatic switching off cooling tower motor and fresh air blower during shift change, initiated roof solar 1 MW and completed 200 KW in motor cycle shed.

#### **Shamnagar Plant**

- > The engineering based improvements implemented to reduce the power consumption are, upgradation of compressor screw elements, installation of 75 HP VFD in DE system blower, Energy saving T5 tube lights in place of conventional tube lights, SCR based lead pot heating system in place of conventional, additional Capacitor panel to maintain average power factor above 0.99

- Installation of 33 KV substation, conversion of 25 sets LED Lights to solar power, installation of impedance heating system in common feed line in conventional grid casting

#### **Haldia Plant**

- Installation & commissioning of additional 3 × 500 KVAR APFC panels with capacitor banks and harmonic filters to maintain power factor at 0.996 (avg.) & obtain maximum rebate in electricity bill.
- Controlling of maximum demand throughout the billing cycle of every month by alarm and tripping arrangement based on production volume to achieve maximum load factor. Average load factor at 33KV feeder – I at approx. 82% and 33KV feeder – II at approx. 77%.
- Installation of 30 nos. 65W LED light for street lighting instead of 250W HPMV light and 30 Nos. 145W LED light at different locations of shop floor instead of 400W HPMV Lamps to reduce energy consumption.
- Replacement of 2 Nos. 248 CFM LP reciprocating compressor by 1 no. 560 CFM LP energy efficient screw compressor at automotive. Similarly, replaced 2 nos. 132 CFM HP reciprocating compressors by energy efficient 1 no. 264 CFM HP screw compressor at industrial.

#### **Ahmednagar Plant**

- Reduced air compressor consumption by installing root blower for maintaining specific gravity of acid storage tank, minimized compressed air leakage at plate manufacturing & assembly area machines.
- Adopt standard practices of switching off power supply of charger panel when not in use and Interlock of ESP unit established with heat sealing machine, VCC, & COS machine to reduce idle running.

#### **Haridwar Plant**

- Installation of turbo ventilation at canteen area and removal of exhaust fan & tube lights resulting in savings of 6489 KWH/Year. Normal tube lights have been replaced by LED lights at LKVA shop floor

#### **Roorkee Plant**

- Normal tube lights have been replaced by LED lights at LKVA shop floor

**The Capital investment made by the Company on energy conservation equipment during the financial year ended 31st March, 2017: Rs. 12 crores**

### **B. TECHNOLOGY ABSORPTION**

#### **I. Technology Absorption, Adaptation and Innovation**

In order to maintain its leadership position, your Company is continuously focused on upgrading its product and manufacturing technology as well as acquire new and advanced technology to meet the emerging expectations of the customers. The R&D Department is actively involved in the development of new cutting-edge products together with developments in new materials as well as advanced manufacturing techniques. The activities are in full consonance of the Company objective of offering the most advanced energy storage solutions at minimum cost. Your Company also acquires state-of-the-art technologies through technical collaboration agreements with leading international battery manufacturers. The in-house R&D plays a major role in providing the interface between the Company priorities and the adoption of the collaborators technology.

Up-gradation of the existing range of our products with help from our collaborators is a continuous process. This happens through visits, from either side, exchange of mail etc.

#### **II. Benefits**

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

### III. Particulars of Imported Technology in the last 3 years

Technology Imported	Year of Import	Has Technology been absorbed	If not fully absorbed, reasons and future action plan
Automotive and VRLA Lead Acid Storage Batteries with Shin-Kobe Electric Machinery Co. Ltd., Japan for Shamnagar, Haldia, Chinchwad and Hosur Plants.	Since 1994 – 95. Current arrangement is effective from 1st April, 2015 and is valid upto 31st March, 2020.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuous the Agreement will be ongoing.
Valve Regulated Lead Acid Storage Batteries (VRLA) for Motorcycles with Furukawa Battery Co. Ltd, Japan for Bawal and Ahmednagar Plants.	Since 9th March, 2007. Current arrangement is effective from 1st April, 2015 and is valid till 31st March, 2020.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuous, the Agreement will be ongoing.
Automotive Batteries with C21 Alloy with Furukawa Battery Co. Ltd, Japan for Taloja and Bawal Plants.	Since 2010. Current arrangement is effective from 1st December, 2015 and is valid till 30th November, 2020.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuous, the Agreement will be ongoing.
Automotive Technical Assistance Agreement with Furukawa Battery Co. Ltd, Japan for Taloja and Bawal Plants.	Since 1987-1988. Current arrangement is effective from 1st December, 2015 and is valid till 30th November, 2020.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuous, the Agreement will be ongoing.
Automotive Batteries for Idling Stop System with Furukawa Battery Co. Ltd, Japan for Taloja and Bawal Plants.	Since 1st February, 2010. Current arrangement is effective from 1st April, 2015 and is valid till 31st March, 2020.	Agreement is for Technical Assistance for continuous improvements in manufacturing technology of different products and is in progress.	Since the technology is continuous, the Agreement will be ongoing.
Lead acid batteries, used for automotive, industrial, motor cycle and other applications, with East Penn Manufacturing Co., USA.	15th January, 2017 valid upto 14th January, 2020.	In progress	Still under development.
Special Conventional Batteries for Automotive applications with Shin-Kobe Electric Machinery Co. Ltd. Japan.	3rd February, 2013 valid upto 2nd February, 2023.	In progress.	Still under development.

**III. Particulars of Imported Technology in the last 3 years (Contd.)**

Technology Imported	Year of Import	Has Technology been absorbed	If not fully absorbed, reasons and future action plan
Technical assistance collaboration agreement to manufacture Li-Ion batteries with Zhejiang Chaowei Chuangyuan Shiye Co. Ltd. Group, China.	3rd January, 2017 till 2nd January, 2025	In progress	Still under development
Technology Cooperation and joint marketing of energy storage solution centred around Ultra Battery Technology with Smart Storage Pty Ltd. Australia (Ecoul)	1st January, 2017 valid upto 31st December, 2021	In progress	Still under development

**IV. Expenditure on Research & Development**

The capital and revenue expenditure on R&D were Rs. 4.23 Crores and Rs.18.44 Crores respectively, aggregating to Rs. 22.67 Crores.

Total R & D expenditure as percentage of Net Turnover: 0.30%

**C. Foreign Exchange – Earnings and Outgoings****Total Foreign Exchange used and earned:**

Used : Rs. 703.92 lacs

Earned : Rs. 284.47 lacs

On behalf of the Board of Directors  
Sd/-

**Bharat D. Shah**

Chairman

DIN : 00136969

Place: Mumbai

Date: 4<sup>th</sup> May, 2017

## ANNEXURE- VII

### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 134(3) (Q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Requirements of Rule 5(1)	Details
The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	<b>Directors:</b> Mr. Gautam Chatterjee : 38 x Mr. A. K. Mukherjee : 21 x Mr. Subir Chakraborty : 14 x Mr. Arun Mittal : 10 x
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors:</b> Mr. Gautam Chatterjee : 10% Mr. A. K. Mukherjee : 10% Mr. Subir Chakraborty : 10% Mr. Arun Mittal : NA <b>Key Managerial Personnel:</b> Mr. Jitendra Kumar : 10%
The percentage increase in the median remuneration of employees in the financial year	10%
The number of permanent employees on the rolls of company	5157 employees as on 31.03.2017
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average Salary increase of non-managerial employees is 10% Average Salary increase of managerial employees is 9.4% There are no exceptional circumstances in increase in managerial remuneration
Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the year ended 31 March, 2017 is as per the Remuneration Policy of the Company.

Place: Mumbai  
Date: 4<sup>th</sup> May, 2017

On behalf of the Board of Directors  
Sd/-  
**Bharat D. Shah**  
Chairman  
DIN : 00136969

# Independent Auditor's Report

## To the Members of Exide Industries Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Exide Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to

be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.



# Independent Auditor's Report

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 26 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. The Company has provided requisite disclosures in Note 46 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Mumbai

Date: May 04, 2017

## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

### TO THE MEMBERS OF EXIDE INDUSTRIES LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except for following immovable properties aggregating net block of Rs. 7.08 Crore as at March 31, 2017 for which title deeds are not in the name of the Company:

(Rs. in Crore)			
Total Number of Properties	Type of property	Gross block	Net Block
3	Residential Apartments	0.05	0.01
1	Leasehold land	4.03	3.79
1	Freehold land	3.28	3.28
<b>Total</b>		<b>7.36</b>	<b>7.08</b>

- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties

covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

- (iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of investments made have been complied with by the company. There are no loans, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of company's products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Crore)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944 and Service Tax	Determination of Assessable Value/ Denial of Exemption Notification/ Availment of Cenvat credit	5.37	1998-99 to 2015-16	Various Commissioner (Appeals)/Deputy Commissioner
		46.55	1996-97 to 2015-16	Various CESTAT
		0.44	1993-96	Supreme Court
	MRP based Assessment	69.72	2006-07 to 2009-10	CESTAT, Kolkata
The Central Sales Tax Act, 1956	Demand relating to Non submission of C forms and other documents	43.99	1997-98 to 2016-17	Various Appellate Authorities
Various State Sales Tax Act	Demand relating to non- submission of Local forms and other documents/dispute related to VAT credit/dispute relating to classification of goods	40.33	1996-97 to 2016-17	Various Appellate Authorities
		0.19	2000-01 to 2008-09	Various High Courts
	Turnover Dispute	2.79	2005-06 to 2010-11	Various Appellate Authorities
The Income Tax Act, 1961	Disallowance of certain expenses	0.35	Assessment year 2007-08	Income Tax Appellate Tribunal
		3.04	Assessment year - 2013-14	Commissioner of Income tax (Appeals)

Out of the total dues against various Excise demands, stay was granted to the Company by the appellate authorities for dues amounting to Rs. 114.43 crores.

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding dues in respect of a financial institution or to government during the year and there were no outstanding debentures.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to

the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE**

of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration paid / provided during the year is within the limits specified u/s 197 and no approvals u/s 197 read with Schedule V to the Companies Act, 2013 were required.

- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the Balance Sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures

during the year under review and hence not commented upon.

- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Sd/-  
per **Kamal Agarwal**  
Partner  
Membership Number: 058652

Place of Signature: Mumbai  
Date: May 04, 2017

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EXIDE INDUSTRIES LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Exide Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Mumbai

Date: May 04, 2017

# Balance Sheet

as at March 31, 2017

(Rs. in Crores)

Particulars	Note No.	March 31, 2017	March 31, 2016	April 1, 2015
<b>I) Assets</b>				
<b>1) Non Current Assets</b>				
a) Property, Plant and Equipment	2	1,524.50	1,242.44	1,070.17
b) Capital Work-in-Progress		141.36	185.81	100.17
c) Goodwill	3	-	3.89	3.89
d) Other Intangible Assets	3	21.50	19.08	16.31
e) Financial Assets				
(i) Investments	4	1,768.46	1,769.97	1,769.55
(ii) Trade Receivables	5	1.81	0.73	1.29
(iii) Loans and Deposits	6	13.03	12.43	9.77
f) Other Non-Financial Assets	7	128.52	59.44	118.97
		<b>3,599.18</b>	<b>3,293.79</b>	<b>3,090.12</b>
<b>2) Current Assets</b>				
a) Inventories	8	1,527.37	1,133.51	1,522.77
b) Financial Assets				
(i) Investments	9	905.48	927.87	141.72
(ii) Trade Receivables	10	621.65	603.94	552.03
(iii) Cash and Cash Equivalents	11	11.19	66.63	23.61
(iv) Bank Balances other than (iii) above	12	8.38	7.20	6.20
(v) Loans and Deposits	13	10.46	10.33	8.79
(vi) Other Financial Assets	14	24.54	31.41	20.45
c) Other Non-Financial Assets	15	67.35	63.72	49.74
		<b>3,176.42</b>	<b>2,844.61</b>	<b>2,325.31</b>
<b>Total Assets</b>		<b>6,775.60</b>	<b>6,138.40</b>	<b>5,415.43</b>
<b>II) Equity And Liabilities</b>				
<b>1) Equity</b>				
a) Equity Share Capital	16	85.00	85.00	85.00
b) Other Equity	17	4,878.59	4,426.43	4,046.62
		<b>4,963.59</b>	<b>4,511.43</b>	<b>4,131.62</b>
<b>2) Liabilities</b>				
<b>i) Non-Current Liabilities</b>				
a) Financial Liabilities				
(i) Trade Payables	18	3.73	3.35	3.35
(ii) Capital Creditors	19	2.07	1.64	1.74
b) Provisions	20	42.54	35.49	28.85
c) Deferred Tax Liabilities (Net)	21	155.18	126.95	130.47
		<b>203.52</b>	<b>167.43</b>	<b>164.41</b>
<b>ii) Current Liabilities</b>				
a) Financial Liabilities				
i) Borrowings	22	170.23	102.51	17.55
ii) Trade Payables	23			
Total Outstanding Dues of Micro and Small Enterprises		10.04	3.32	3.50
Total Outstanding Dues of others		757.81	741.58	644.37
iii) Other Financial Liabilities	24	316.21	236.27	176.63
b) Other Non-Financial Liabilities	25	132.07	177.17	93.48
c) Provisions	26	222.13	198.69	183.87
		<b>1,608.49</b>	<b>1,459.54</b>	<b>1,119.40</b>
<b>Total Equity and Liabilities</b>		<b>6,775.60</b>	<b>6,138.40</b>	<b>5,415.43</b>
Significant accounting policies	1			

The accompanying notes are an integral part of the financial statements  
As per our report of even date.

## S.R.Batliboi & Co. LLP

Registration Number: 301003E/ E300005  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**



# Statement of Profit and Loss

for the year ended March 31, 2017

(Rs. in Crores)

Particulars	Note No.	2016-17	2015-16
<b>I) Income:</b>			
Revenue from operations	27	8,598.65	7,733.62
Other Income	28	103.88	51.70
<b>Total Income (I)</b>		<b>8,702.53</b>	<b>7,785.32</b>
<b>II) Expenses:</b>			
Cost of raw materials and components consumed	29	4,986.28	3,986.10
Purchase of traded goods		15.71	3.20
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	30	(294.25)	252.00
Excise duty on sale of goods		970.27	879.93
Employee Benefits Expenses	31	519.57	467.03
Other Expenses	34	1,318.59	1,129.28
<b>Total Expenses (II)</b>		<b>7,516.17</b>	<b>6,717.54</b>
<b>III) Earnings before Interest, Tax, Depreciation and Amortisation expenses (I-II)</b>		<b>1,186.36</b>	<b>1,067.78</b>
Finance Costs	32	4.31	1.67
Depreciation and Amortisation Expenses	33	206.32	157.93
<b>IV) Interest, Depreciation and Amortisation expenses</b>		<b>210.63</b>	<b>159.60</b>
<b>V) Profit Before Tax (III-IV)</b>		<b>975.73</b>	<b>908.18</b>
<b>VI) Tax Expenses:</b>			
1. Current Tax [net of reversal of excess provision for earlier years Rs. 8.44 crs (PY: Rs. 2.96 crs)]		253.85	287.18
2. Deferred Tax		28.24	(3.46)
		<b>282.09</b>	<b>283.72</b>
<b>VII) Profit After Tax (V-VI)</b>		<b>693.64</b>	<b>624.46</b>
<b>VIII) Other Comprehensive Income (OCI)</b>			
Other Comprehensive Income not to be reclassified to Statement of Profit or Loss in subsequent periods :			
a) Re-Measurement gains/(losses) on defined benefit plans	37	(3.13)	(7.70)
Income tax effect		1.08	2.66
b) Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value		3.95	(5.29)
Income tax effect		-	0.07
<b>Other Comprehensive Income for the year</b>		<b>1.90</b>	<b>(10.26)</b>
<b>IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>695.54</b>	<b>614.20</b>
Earnings Per Share - Basic and Diluted (Nominal value Re 1 per share (PY Re 1 per share))		8.16	7.35
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements  
As per our report of even date.

## S.R.Batlboi & Co. LLP

Registration Number: 301003E/ E300005  
Chartered Accountants

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

For and on behalf of the Board of Directors

# Cash Flow Statement

for the year ended March 31, 2017

(Rs. in Crores)

	2016-17	2015-2016
<b>(A) Cash Flow from Operating activities:</b>		
Net Profit before tax	975.73	908.18
Adjustment for :		
Depreciation and Amortisation	206.32	157.93
Loss on Fixed Assets sold / discarded (net)	0.55	4.24
Dividend Income	(79.31)	(39.46)
Rent Income	(0.04)	(0.04)
Interest Expense	4.31	1.67
Interest Income	(10.53)	(2.16)
(Loss) on Fair Value of Investments in Mutual Fund units	(0.75)	(0.51)
	120.55	121.67
Operating profit before working capital changes	1,096.28	1,029.85
(Increase) in Trade Receivables (net of provision)	(18.93)	(51.43)
(Increase) / decrease in Inventories	(393.86)	389.26
(Increase) / decrease in Loans, other Financial Assets and other Assets	2.01	(17.06)
Increase in other Financial Liabilities, other Liabilities and Provisions	26.81	257.54
Cash generated from operations	712.31	1,608.16
Direct Taxes Paid (net of refunds and interest thereon)	(281.22)	(268.40)
Net Cash from operating activities	431.09	1,339.76
<b>(B) Cash Flow from Investing activities:</b>		
Purchase of Fixed Assets	(416.06)	(395.25)
Sale of Fixed Assets	0.27	0.48
Acquisition of Shares / units	(4.00)	(6.00)
Redemption of units	9.47	0.35
Purchase of Mutual Fund units	(980.00)	(1,376.81)
Sale of Mutual Fund units	1,000.00	596.81
Interest Received	0.61	0.57
Rent Received	0.04	0.04
Dividend received	82.45	33.81
Net Cash used in investing activities	(307.22)	(1,146.00)
<b>(C) Cash Flow from Financing activities :</b>		
Proceeds from Short term Borrowing (net)	67.72	84.96
Dividends Paid (including tax)	(242.19)	(233.39)
Interest Paid	(3.66)	(1.31)
Net Cash used in financing activities	(178.13)	(149.74)
Net Increase/(Decrease) in cash and cash equivalents	(54.26)	44.02
Cash and cash equivalents - Opening Balance #	66.63	23.61
Bank Balances other than above - Opening Balance #	7.20	6.20
Total	73.83	29.81
Cash and cash equivalents - Closing Balance #	11.19	66.63
Bank Balances other than above - Closing Balance #	8.38*	7.20*
Total	19.57	73.83

# as disclosed in Notes 11 & 12

\* Represents Rs. 8.38 crs (PY Rs. 7.20 crs) lying in Unclaimed Dividend Account, being the amount available for restricted use.

The accompanying notes are an integral part of the financial statements

As per our report of even date.

**S.R.Batliboi & Co. LLP**

Registration Number: 301003E/ E300005

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

Mumbai, May 04, 2017

# Statement of Changes in Equity

for the year ended March 31, 2017

## A) Equity Share Capital

Equity Shares of INR 1 each issued, subscribed and fully paid	Number	Amount (Rs. in Crores)
On April 1, 2015	85,00,00,000	85.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2016	85,00,00,000	85.00
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2017</b>	<b>85,00,00,000</b>	<b>85.00</b>

## B) Other Equity

Particulars	Reserves and Surplus			OCI	Total
	Securities Premium Account	Contingency Reserve	Retained earnings	Investments in equity shares / units at fair value	
Balance at April 1, 2015	737.88	25.00	3,269.86	13.88	4,046.62
Profit for the year	-	-	624.46	-	624.46
Re-Measurement gains/(losses) on defined benefit plans, net of tax	-	-	(5.04)	-	(5.04)
Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value, net of tax	-	-	-	(5.22)	(5.22)
	<b>737.88</b>	<b>25.00</b>	<b>3,889.28</b>	<b>8.66</b>	<b>4,660.82</b>
<b>Adjustments</b>					
Final Dividend for the year 2014-15 (Re. 0.70 per share)	-	-	(59.50)	-	(59.50)
Tax on Final Dividend for the year 2014-15	-	-	(11.20)	-	(11.20)
Payment of Interim dividend for FY 15-16 (Rs. 1.60 per share)	-	-	(136.00)	-	(136.00)
Tax on interim dividend for FY 15-16	-	-	(27.69)	-	(27.69)
<b>Balance at March 31, 2016</b>	<b>737.88</b>	<b>25.00</b>	<b>3,654.89</b>	<b>8.66</b>	<b>4,426.43</b>
<b>Profit for the year</b>	-	-	693.64	-	693.64
Re-Measurement gains/(losses) on defined benefit plans, net of tax	-	-	(2.05)	-	(2.05)
Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value, net of tax	-	-	-	3.95	3.95
	<b>737.88</b>	<b>25.00</b>	<b>4,346.48</b>	<b>12.61</b>	<b>5,121.97</b>
<b>Adjustments</b>					
Final Dividend for the year 2015-16 (Re. 0.80 per share)	-	-	(68.00)	-	(68.00)
Tax on Final Dividend for the year 2015-16	-	-	(11.69)	-	(11.69)
Payment of Interim dividend for FY 16-17 (Rs. 1.60 per share)	-	-	(136.00)	-	(136.00)
Tax on interim dividend for FY 16-17	-	-	(27.69)	-	(27.69)
<b>Balance at March 31, 2017</b>	<b>737.88</b>	<b>25.00</b>	<b>4,103.10</b>	<b>12.61</b>	<b>4,878.59</b>

Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date.

**S.R.Batlilboi & Co. LLP**

Registration Number: 301003E/ E300005

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

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**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## Effect of IND AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015

(Rs. in Crores)

Particulars	As at March 31, 2016 (End of Last Period presented under previous GAAP)				As at April 1, 2015 (Date of Transition)		
	Footnote Reference Number	Previous GAAP	Effect of Transition to IND AS	IND-AS	Previous GAAP	Effect of Transition to IND AS	IND-AS
<b>I) Assets</b>							
<b>1) Non Current Assets</b>							
a) Property, Plant and Equipment	f (vii)	1,242.23	0.21	1,242.44	1,069.96	0.21	1,070.17
b) Capital Work in Progress		185.81	-	185.81	100.17	-	100.17
c) Goodwill	e	1.67	2.22	3.89	3.89	-	3.89
d) Other Intangible Assets		19.08	-	19.08	16.31	-	16.31
e) Financial Assets							
(i) Investments	a	1,760.72	9.25	1,769.97	1,755.02	14.53	1,769.55
(ii) Trade Receivables		0.73	-	0.73	1.29	-	1.29
(iii) Loans and deposits	f (ii)	71.88	(59.45)	12.43	128.75	(118.98)	9.77
f) Other non-financial Assets	f (ii)	-	59.44	59.44	-	118.97	118.97
		<b>3,282.12</b>	<b>11.67</b>	<b>3,293.79</b>	<b>3,075.39</b>	<b>14.73</b>	<b>3,090.12</b>
<b>2) Current Assets</b>							
a) Inventories		1,133.51	-	1,133.51	1,522.77	-	1,522.77
b) Financial Assets							
(i) Investments	a	926.29	1.58	927.87	140.65	1.07	141.72
(ii) Trade Receivables	f (iii)	607.48	(3.54)	603.94	555.03	(3.00)	552.03
(iii) Cash and Cash Equivalents	f (v)	73.83	(7.20)	66.63	29.82	(6.21)	23.61
(iv) Bank balances other than (iii) above	f (v)	-	7.20	7.20	-	6.20	6.20
(v) Loans and deposits	f (ii)	105.46	(95.13)	10.33	78.97	(70.18)	8.79
(vi) Other Financial Assets	f (ii)	-	31.41	31.41	-	20.45	20.45
c) Other non-financial Assets	f (ii)	-	63.72	63.72	-	49.74	49.74
		<b>2,846.57</b>	<b>(1.96)</b>	<b>2,844.61</b>	<b>2,327.24</b>	<b>(1.93)</b>	<b>2,325.31</b>
<b>Total</b>		<b>6,128.69</b>	<b>9.71</b>	<b>6,138.40</b>	<b>5,402.63</b>	<b>12.80</b>	<b>5,415.43</b>
<b>II) Equity and Liabilities</b>							
<b>1) Equity</b>							
a) Equity Share Capital		85.00	-	85.00	85.00	-	85.00
b) Other Equity	Equity reco	4,349.07	77.36	4,426.43	3,969.59	77.03	4,046.62
<b>Total Equity</b>		<b>4,434.07</b>	<b>77.36</b>	<b>4,511.43</b>	<b>4,054.59</b>	<b>77.03</b>	<b>4,131.62</b>
<b>2) Non-Current Liabilities</b>							
a) Financial Liabilities							
(i) Trade Payables		3.35	-	3.35	3.35	-	3.35
(ii) Capital creditors		1.64	-	1.64	1.74	-	1.74
b) Provisions	f (vii)	34.47	1.02	35.49	27.92	0.93	28.85
c) Deferred Tax Liabilities (Net)	d	124.90	2.05	126.95	125.92	4.55	130.47
		<b>164.36</b>	<b>3.07</b>	<b>167.43</b>	<b>158.93</b>	<b>5.48</b>	<b>164.41</b>
<b>3) Current Liabilities</b>							
a) Financial Liabilities							
(i) Borrowings		102.51	-	102.51	17.55	-	17.55
(ii) Trade Payables							
Total outstanding dues of Micro and small enterprises		3.32	-	3.32	3.50	-	3.50
Total outstanding dues of others		741.58	-	741.58	644.37	-	644.37
(iii) Other Financial Liabilities	c and f (ii)	404.47	(168.20)	236.27	268.92	(92.29)	176.63
b) Other Non financial Liabilities	c and f (ii)	-	177.17	177.17	-	93.48	93.48
c) Provisions	b	278.38	(79.69)	198.69	254.77	(70.90)	183.87
		<b>1,530.26</b>	<b>(70.72)</b>	<b>1,459.54</b>	<b>1,189.11</b>	<b>(69.71)</b>	<b>1,119.40</b>
<b>Total</b>		<b>6,128.69</b>	<b>9.71</b>	<b>6,138.40</b>	<b>5,402.63</b>	<b>12.80</b>	<b>5,415.43</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## Reconciliation of Total Equity as at March 31, 2016 and April 1, 2015

Particulars	Footnote Reference	(Rs. in Crores)	
		As at March 31, 2016 (End of Last Period presented under previous GAAP)	As at April 1, 2015 (Date of Transition)
<b>Total Equity (Shareholders' funds) under previous GAAP</b>		<b>4,434.07</b>	<b>4,054.59</b>
Investments at Fair Value	a	10.81	15.59
Reversal of proposed dividend including tax thereon	b	79.69	70.90
Deferral of Revenue (customer's incentive scheme)	c	(10.95)	(3.24)
Reversal of Goodwill Amortisation	e	2.22	-
Allowance for doubtful debts	f(iii)	(1.54)	(0.95)
Provision for site restoration liabilities	f(vii)	(0.82)	(0.72)
Deferred Tax Impact of above adjustments	d	(2.05)	(4.55)
<b>Total Adjustment to Equity</b>		<b>77.36</b>	<b>77.03</b>
<b>Total Equity under IND AS</b>		<b>4,511.43</b>	<b>4,131.62</b>

## Effect of IND AS adoption on the Statement of Profit and Loss for the year ended March 31, 2016

Particulars	Footnote Reference	(Rs. in Crores)		
		Previous GAAP	Effect of Transition to IND AS	IND-AS
<b>I) Income:</b>				
Revenue from operations	c, f(iv) and f(vi)	6,809.18	924.44	7,733.62
Other Income	a	56.15	(4.45)	51.70
<b>Total Income (I)</b>		<b>6,865.33</b>	<b>919.99</b>	<b>7,785.32</b>
<b>II) Expenses:</b>				
Cost of raw materials and components consumed	c and f(iv)	4,111.34	(125.24)	3,986.10
Purchase of traded goods		3.20	-	3.20
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods		252.00	-	252.00
Excise duty on sale of goods	f(vi)	-	879.93	879.93
Employee Benefits Expenses	f(i)	474.73	(7.70)	467.03
Other Expenses	f(iii) and f(iv)	957.34	171.94	1,129.28
<b>Total expenses (II)</b>		<b>5,798.61</b>	<b>918.93</b>	<b>6,717.54</b>
<b>III) Earnings before Interest, Tax, Depreciation and Amortisation expenses (I-II)</b>		<b>1,066.72</b>	<b>1.06</b>	<b>1,067.78</b>
Finance Costs	f(vii)	0.30	1.37	1.67
Depreciation and Amortisation expenses	e	160.15	(2.22)	157.93
<b>IV) Interest, Depreciation and Amortisation expenses</b>		<b>160.45</b>	<b>(0.85)</b>	<b>159.60</b>
<b>V) Profit Before Tax (III-IV)</b>		<b>906.27</b>	<b>1.91</b>	<b>908.18</b>
<b>VI) Tax expenses:</b>				
1. Current Tax		284.52	2.66	287.18
2. Deferred Tax	d	(1.02)	(2.44)	(3.46)
		<b>283.50</b>	<b>0.22</b>	<b>283.72</b>
<b>VII) Profit for the Year (V-VI)</b>		<b>622.77</b>	<b>1.69</b>	<b>624.46</b>
<b>VIII) Other Comprehensive Income</b>				
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods:				
a) Re-Measurement gains/(losses) on defined benefit plans	f(i)	-	(7.70)	(7.70)
Income tax effect		-	2.66	2.66
b) Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value	a	-	(5.29)	(5.29)
Income tax effect		-	0.07	0.07
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(10.26)</b>	<b>(10.26)</b>
<b>IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>622.77</b>	<b>(8.57)</b>	<b>614.20</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## Footnotes to the reconciliation of Equity and Balance Sheet as at March 31, 2016 and April 1, 2015 and Profit or Loss for the year ended March 31, 2016.

### a. Investments in equity shares / units

Under Indian GAAP, all investments in equity shares / units were measured at cost. As explained in accounting policy in 1(d) below, under Ind-AS, investments in shares / units (other than investments in subsidiaries) are accounted for at fair value. These estimates are based on conditions existing on the respective Balance Sheet dates.

### b. Dividend

Under Indian GAAP, proposed final dividends including Dividend Distribution Taxes (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are approved. Under Ind AS, such dividend is recognised as a liability when approved by shareholders.

### c. Deferral of Revenue (Customers incentive scheme)

Under Indian GAAP, provision towards customer incentive was recognised at cost. As explained in accounting policy 1(k) below, under Ind-AS, incentive payable is accounted for at fair value. These estimates are based on conditions existing on the respective Balance Sheet dates.

### d. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Further, the various transitional adjustments arising on adoption of Ind-AS also create temporary differences, deferred tax adjustments whereon are also recognised and recorded in Retained Earnings, Statement of Profit and Loss or OCI along with the corresponding item of adjustment.

### e. Goodwill amortization

Under Indian GAAP, the acquired goodwill was

amortised over the period of 5 years. However, under IND AS, acquired goodwill is not amortised, but tested for impairment. Accordingly, amortisation of goodwill has been reversed.

### f. Re-classifications and other miscellaneous items

The Company has done the following reclassifications as per the requirements of Ind-AS:

- i) Re-Measurement gain/loss on defined benefit plans are re-classified from Statement of Profit and Loss to OCI
- ii) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other Assets / liabilities.
- iii) Allowance for doubtful debts accounted for based on trend of historical default rates as per Ind-AS 109 - Financial Instruments.
- iv) Warranty cost, earlier being netted off with cost of raw material consumed, has been re-classified to other expenses. Similarly, excise duty on warranty, earlier netted off with Sales, has now been re-classified to other expenses.
- v) The Company has re-classified Unpaid dividend balance from cash and cash equivalents to other bank balances.
- vi) Excise duty on sales of goods earlier netted off with sales has been disclosed as a separate item in expenses
- vii) The Company has made Provision for site restoration liabilities and provided Interest thereon as per Ind-AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

### g. Other comprehensive income

Ind-AS requires preparation of Statement of Other Comprehensive Income in addition to Statement of Profit and Loss.

### h. Ind-AS 101 Exemptions applied

The Company has adopted following exemptions from retrospective application of certain requirements under Ind-AS, as allowed by Ind-AS 101 - First-time Adoption of Indian Accounting Standards

# Notes to Financial Statements

as at and for the year ended March 31, 2017

- (i) The Company has opted not to apply Ind-AS 103- Business Combinations, to acquisitions occurred before April 1, 2015.
- (ii) The Company has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements of following items as deemed cost at the transition date, viz., April 1, 2015 in accordance with Ind-AS 101- First-time Adoption of Indian Accounting Standards.
  - A. Property Plant and Equipments
  - B. Intangible Assets
  - C. Investment in subsidiaries
- (iii) The Company has designated investment in equity instruments (other than investment in subsidiaries and investment in mutual funds) held at April 1, 2015 as FVTOCI investments and investment in mutual funds as FVTPL instruments.

## Corporate Information

Exide Industries Limited (the company) is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. Its shares are listed on three recognised stock exchanges in India. The registered office of the company is located at Exide House, 59E Chowringhee Road, Kolkata, 700020. The Company is primarily engaged in the manufacturing of Storage Batteries and allied products in India.

These separate financial statements were authorised for issue in accordance with a resolution of the Directors on May 4, 2017.

## Basis of preparation

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Company, wherein the Company has restated its Balance Sheet as at April 1, 2015 and financial statements for the year ended and as at March 31, 2016 also as per Ind-AS.

The financial statements have been prepared on a historical cost basis, except for certain investments measured at fair value (refer accounting policy on investments).

## 1. Significant accounting policies

### a. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Expenditure directly attributable to expansion projects is capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are expensed.

Depreciation / Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particular	Useful economic life
Land under finance lease	Lease period
Buildings	28.5/58.5 years
Plant and machinery (including electrical installation)	10/15 years
Moulds	8.5 years
Furniture and fittings	10 years
Office equipment	5 years
Vehicles	6 years
Computers	3 to 6 years

Based on technical assessment done by experts and management's estimate,

- (i) the useful life of factory buildings, other buildings, moulds and vehicles are lower than those indicated in Schedule II to the Companies Act, 2013,
- (ii) residual value of plant & machinery, moulds and computers has been considered to be 2% of the cost as against 5% specified in Schedule II of the Companies Act, 2013. For buildings, office equipment, furniture & fittings and vehicles, residual value has been estimated at 5% of the cost.



# Notes to Financial Statements

as at and for the year ended March 31, 2017

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Gain or loss arising on disposal of an asset is treated as income or expense.

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external or 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 using pre-tax discount rates and risks specific to the asset.

Refer Notes 2 and 33 to the Financial Statements.

## b. Intangible assets

Acquired intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over their respective useful economic lives and assessed for impairment whenever there is an impairment indicator, except goodwill which is tested for impairment annually whether or not impairment conditions exist. The amortisation expense and the gain or loss on disposal, is recognised in the Statement of Profit and Loss. Intangible assets with infinite useful lives are tested for impairment annually.

The amortisation policies applied to the Company's intangible assets are as follows:

Intangible assets	Useful lives	Amortisation method used
Goodwill	Infinite	No amortisation
Computer Software / Trademark	Finite (5 years)	Amortised on a straight-line basis over the life

Research costs are expensed as incurred.

Refer Notes 3 and 33 to the Financial Statements.

## c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Refer Notes 2, 22 and 32 to the Financial Statements.

## d. Investments

Investments in subsidiaries are measured at cost as per Ind AS 27: Separate Financial Statements. Investment in other equity shares / units are measured at fair value. The fair value changes, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of an investment. Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in the Statement of Profit and Loss.

Refer Notes 4 and 9 to the Financial Statements.

## e. Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of Profit and Loss.

Refer Note 10 to the Financial Statements.

## f. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Raw materials, Components, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which

# Notes to Financial Statements

as at and for the year ended March 31, 2017

they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- (ii) Finished goods and work-in-progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.
- (iii) Traded goods: These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to sell them.

Refer Note 8 to the Financial Statements.

## g. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Refer Note 11 to the Financial Statements.

## h. Provisions

Provisions are recognised when the Company has a present obligation as a result of a 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.

Provision for product related warranty/ guarantee costs is based on the claims received upto the year end, as well as 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.

Refer Notes 20 and 26 to the Financial Statements.

## i. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates

- (a) Defined benefit gratuity plan, which requires contributions to be made to a separately administered fund and
- (b) Post-retirement medical benefit plan which is unfunded.

Gratuity and Post-Retirement Medical Benefit liability are provided for on the basis of actuarial valuation, using the projected unit credit method, made at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## (ii) Net interest expense or income

Long term compensated absences are provided for based on an actuarial valuation done at the end of each financial year.

Pension liability is split into a defined benefit portion and a defined contribution portion. The part of the liability towards pension plan upto March 31, 2003 for employees as on that date is in the nature of defined benefit plan. From April 1, 2003, the pension remains as a defined contribution liability. The Defined benefit portion is provided for on the basis of an actuarial valuation done at the end of each financial year. The contributions towards defined contribution are charged to Statement of Profit and Loss of the year when the employee renders the service.

The current and non-current bifurcation is done as per Actuarial report.

Refer Notes 20, 26, 31 and 37 to the Financial Statements.

## j. Foreign Currency

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction. The Company's functional currency and reporting currency is the same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

## k. Revenue Recognition

### Sale of goods

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment for them is made. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, in accordance with the Sale of Goods Act, 1930. Revenue is measured at the fair value of the

consideration received or receivable excluding taxes or duties collected on behalf of the government.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT) are collected on behalf of the government and accordingly, it is excluded from revenue.

The Company operates customer incentive programmes, which allows dealers to accumulate points when they purchase products from the Company and which can be redeemed for free products or gifts.

Consideration received by the Company on sale of goods is allocated between the products sold and the points issued based on their fair values. Fair value of the points is determined by applying past trend and management's estimate of the value of the products / gifts proposed to be issued against such points. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed by the dealers.

Refer Note 27 to the Financial Statements.

## Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Refer Note 28 to the Financial Statements.

## l. Taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against

# Notes to Financial Statements

as at and for the year ended March 31, 2017

which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

Refer Notes 7 and 21 to the Financial Statements.

## **m. Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

Refer Notes 2 and 34 to the Financial Statements.

## **n. Earning per share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year 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 before OCI 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.

Refer Note 35 to the Financial Statements.

## **o. Segment reporting**

The Company has identified two operating segments viz, Automotive and Industrial. As per Ind AS - 108: Operating Segments, due to similar nature of products, production process, customer types, etc., the two operating segments have been aggregated as single operating segment of "storage batteries and allied products" during the year. The analysis of geographical

segments is based on the areas in which customers of the Company are located.

Refer Note 41 to the Financial Statements.

## **p. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Refer Note 38 to the Financial Statements.

## **q. Measurement of EBITDA**

The Company has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the Statement of Profit or Loss.

## **r. Standards Issued but not yet Effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable from April 1, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and their effect on the financial statements.

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 2 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Land under Finance lease	Buildings	Plant & machinery (including electrical installation)	Moulds	Office Equipment	Furniture & fittings	Vehicles	Computers	Total
(Rs. in Crores)										
<b>Cost</b>										
As at April 1, 2015 (Refer Note (c) below)	26.50	28.00	215.09	707.76	76.45	5.16	1.01	1.65	8.55	1,070.17
Additions	-	4.04	57.52	217.49	51.30	2.32	0.57	0.59	2.64	336.47
Disposals / deductions	-	-	2.90	11.58	0.11	0.01	0.01	-	0.06	14.67
As at March 31, 2016	26.50	32.04	269.71	913.67	127.64	7.47	1.57	2.24	11.13	1,391.97
Additions	3.23	-	70.33	340.00	52.50	3.34	1.15	0.18	7.63	478.36
Disposals / deductions	-	-	0.28	1.47	0.49	0.01	0.02	0.01	0.14	2.42
<b>As at March 31, 2017</b>	<b>29.73</b>	<b>32.04</b>	<b>339.76</b>	<b>1,252.20</b>	<b>179.65</b>	<b>10.80</b>	<b>2.70</b>	<b>2.41</b>	<b>18.62</b>	<b>1,867.91</b>
<b>Depreciation</b>										
As at April 1, 2015 (Refer Note (c) below)	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	0.57	9.66	120.25	16.52	1.75	0.12	0.38	3.07	152.32
Disposals / deductions	-	-	0.05	2.61	0.09	-	-	-	0.04	2.79
As at March 31, 2016	-	0.57	9.61	117.64	16.43	1.75	0.12	0.38	3.03	149.53
Charge for the year	-	0.86	11.59	155.47	21.72	1.78	0.22	0.41	3.46	195.51
Disposals / deductions	-	-	0.15	1.02	0.38	-	-	-	0.08	1.63
<b>As at March 31, 2017</b>	<b>-</b>	<b>1.43</b>	<b>21.05</b>	<b>272.09</b>	<b>37.77</b>	<b>3.53</b>	<b>0.34</b>	<b>0.79</b>	<b>6.41</b>	<b>343.41</b>
<b>Net Block</b>										
As at April 1, 2015	26.50	28.00	215.09	707.76	76.45	5.16	1.01	1.65	8.55	1,070.17
As at March 31, 2016	26.50	31.47	260.10	796.03	111.21	5.72	1.45	1.86	8.10	1,242.44
<b>As at March 31, 2017</b>	<b>29.73</b>	<b>30.61</b>	<b>318.71</b>	<b>980.11</b>	<b>141.88</b>	<b>7.27</b>	<b>2.36</b>	<b>1.62</b>	<b>12.21</b>	<b>1,524.50</b>
a. Conveyance / Lease deeds for certain immovable properties valued at Rs. 7.21 crs (March 31, 2016: Rs. 7.21 crs; April 1, 2015: Rs. 3.77 crs) are pending execution.										
b. Buildings includes Rs. 0.10 crs (March 31, 2016: Rs. 0.10 crs; April 1, 2015: Rs. 0.10 crs) being the cost of shares in respective Co-operative Housing Societies.										
c. For Property, plant and equipment existing as on April 1, 2015, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross Block under Ind-AS. The accumulated depreciation so netted off as on 1st April 2015, is as below -										
Gross Block	26.50	32.19	304.21	1,599.59	176.33	11.86	7.13	2.55	28.19	2,188.55
Accumulated depreciation	-	4.19	89.12	891.83	99.88	6.70	6.12	0.90	19.64	1,118.38
<b>Net Block</b>	<b>26.50</b>	<b>28.00</b>	<b>215.09</b>	<b>707.76</b>	<b>76.45</b>	<b>5.16</b>	<b>1.01</b>	<b>1.65</b>	<b>8.55</b>	<b>1,070.17</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## d. Details of Overhead expenditure on New Projects (Pending allocation and lying in Capital work-in-progress)

(Rs. in Crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance brought forward from previous year	2.16	0.60	-
Salaries, Wages & Bonus	-	0.75	0.44
Borrowing Cost	1.02	1.47	-
Travelling expenses	-	0.21	0.44
	3.18	3.03	0.88
Less : Allocated to Fixed Assets upon capitalisation during the year	3.18	0.87	0.28
	-	2.16	0.60

## 3 Goodwill and Other Intangible Assets

(Rs. in Crores)

	Goodwill	Trade Mark	Computer Software	Total
<b>Cost</b>				
As at April 1, 2015 (Refer note 3.2 below)	3.89	3.12	13.19	20.20
Additions	-	-	8.38	8.38
As at March 31, 2016	3.89	3.12	21.57	28.58
Additions	-	-	9.34	9.34
Disposals / deductions	-	-	-	-
<b>As at March 31, 2017</b>	<b>3.89</b>	<b>3.12</b>	<b>30.91</b>	<b>37.92</b>
<b>Amortisation</b>				
As at April 1, 2015 (Refer note 3.2 below)	-	-	-	-
Charge for the year	-	0.84	4.77	5.61
As at March 31, 2016	-	0.84	4.77	5.61
Charge for the year (including impairment)	3.89	0.84	6.08	10.81
<b>As at March 31, 2017</b>	<b>3.89</b>	<b>1.68</b>	<b>10.85</b>	<b>16.42</b>
<b>Net Block</b>				
As at April 1, 2015	3.89	3.12	13.19	20.20
As at March 31, 2016	3.89	2.28	16.80	22.97
<b>As at March 31, 2017</b>	<b>-</b>	<b>1.44</b>	<b>20.06</b>	<b>21.50</b>

### 3.1 Allocation of Goodwill to cash-generating units

The carrying value of goodwill pertained to Home UPS business which was acquired by the Company in 2011-12. The management impaired the goodwill amounting to Rs. 3.89 crs since the Home UPS business is very volatile and highly competitive. No other write down of the assets of Home UPS business is considered necessary.

**3.2** For Intangible assets existing as on April 1, 2015, i.e. date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net WDV as per Indian GAAP as on April 1, 2015 has been considered as Gross Block under Ind-AS. The accumulated amortisation so netted off as on April 1, 2015, is as below -

Gross Block	12.12	4.21	21.41	37.74
Accumulated amortization	8.23	1.09	8.22	17.54
Net Block	3.89	3.12	13.19	20.20

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 4 Investments

(Rs. in Crores)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>Investments at cost (Unquoted)</b>			
<b>Government Securities</b>			
Government Securities (lodged as security deposits with various authorities)	0.01	0.01	0.01
<b>Equity Shares, Fully Paid Up</b>			
<b>In Subsidiary Companies</b>			
Chloride International Limited of Rs. 10 each (4,50,000 shares (March 31, 2016: 4,50,000 Shares, April 1, 2015: 4,50,000 Shares))	0.20	0.20	0.20
Chloride Power Systems & Solutions Limited of Rs. 10 each (19,80,000 shares (March 31, 2016: 19,80,000 Shares, April 1, 2015: 19,80,000 Shares))	2.93	2.93	2.93
Chloride Metals Limited of Rs. 10 each (4,23,80,952 shares (March 31, 2016: 4,23,80,952 shares, April 1, 2015: 1,50,00,000 shares) { Refer note (iv) below }	109.03	109.03	34.65
Chloride Alloys India Limited of Rs. 10 each (Nil shares (March 31, 2016: Nil shares, April 1, 2015: 2,50,00,000 shares) { Refer note (iv) below }	-	-	74.38
Chloride Batteries S.E.Asia Pte Limited of Singapore \$ 1 each (70,00,000 shares (March 31, 2016: 70,00,000 shares, April 1, 2015: 70,00,000 shares))	10.35	10.35	10.35
Espex Batteries Limited of GBP 1 each (1,02,000 shares (March 31, 2016: 1,02,000 shares, April 1, 2015: 1,02,000 shares))	0.78	0.78	0.78
Associated Battery Manufacturers (Ceylon) Ltd of Sri Lankan Rupees 10 each (38,96,640 shares (March 31, 2016: 38,96,640 shares, April 1, 2015: 38,96,640 shares))	7.31	7.31	7.31
Exide Life Insurance Company Limited of Rs. 10 each (1,75,00,00,000 shares (March 31, 2016: 1,75,00,00,000 shares, April 1, 2015: 1,75,00,00,000 shares))	1,579.60	1,579.60	1,579.60
<b>Investments at fair value through OCI</b>			
<b>Debentures (Fully Paid Up)</b>			
Woodlands Multispeciality Hospital Limited			
1/2% Debentures of Rs. 100 each (20 debentures (March 31, 2016: 20 debentures, April 1, 2015: 20 debentures))	- ^	-	-
5% Non-redeemable Registered Debentures of Rs. 6,000 each (1 debenture (March 31, 2016: 1 debenture, April 1, 2015: 1 debenture))	- ^	-	-
<b>Units (Unquoted)</b>			
Faering Capital India Evolving Fund of Rs. 1,000 each (2,45,741 units (March 31, 2016: 2,37,753 units, April 1, 2015: 1,80,716 units))	34.19	35.22	28.85
<b>Equity shares (Unquoted)</b>			
Haldia Integrated Development Agency Ltd of Rs. 10 each (5,00,000 shares (March 31, 2016: 5,00,000 shares, April 1, 2015: 5,00,000 shares))	3.35	3.35	3.70
Suryadev Alloys of Rs. 10 each (2,500 shares (March 31, 2016: 2,500 shares, April 1, 2015: 2,500 shares))	0.03	0.03	0.03
<b>Equity shares (Quoted)</b>			
Hathway Cable and Datacom Limited of Rs. 2 each (54,62,830 shares (March 31, 2016: 54,62,830 shares, April 1, 2015: 54,62,830 shares))	20.68	21.16	26.76
	<b>1,768.46</b>	<b>1,769.97</b>	<b>1,769.55</b>
(i) Aggregate book value of unquoted investments -	1,747.78	1,748.81	1,742.79
(ii) Aggregate book value and market value of quoted investments	20.68	21.16	26.76
(iii) Investments at fair value through OCI reflect investment in quoted equity securities and unquoted units of a venture fund. Refer note 42 for determination of fair values.			



# Notes to Financial Statements

as at and for the year ended March 31, 2017

Particulars	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
(iv) Chloride Alloys India Limited has been merged with Chloride Metals Limited with effect from April 1, 2015, both being wholly owned subsidiaries, pursuant to the scheme of Amalgamation approved by the High Court of Calcutta. Consequent to such merger, the Company has received 2,73,80,952 shares of Chloride Metals Limited in lieu of its holding of 2,50,00,000 shares in Chloride Alloys India Limited.			
(v) ^ Figures being less than Rs. 50,000 in each case, has not been disclosed .			

## 5 Trade Receivables (at amortised cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unsecured, Considered good</b>			
Trade Receivables	1.81	0.73	1.29
	<b>1.81</b>	<b>0.73</b>	<b>1.29</b>

Trade receivables are pledged against the borrowings obtained by the Company as referred in Note 22.

## 6 Loans and Deposit (at amortised cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Loans to employees	0.03	0.07	0.16
b) Loans and advances to others	0.01	0.01	0.01
c) Deposits	12.99	12.35	9.60
	<b>13.03</b>	<b>12.43</b>	<b>9.77</b>

## 7 Other Non-Financial Assets

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Capital advances	50.75	19.33	61.69
b) Advance Payment of Income Tax (net of Provisions)	74.33	36.66	51.07
c) Prepaid expenses	3.44	3.45	6.21
<b>(ii) Unsecured, considered doubtful</b>			
a) Advances recoverable in cash or kind	1.89	1.95	1.93
b) Balances with Customs, Sales Tax & Excise Authorities	5.04	3.08	2.13
	135.45	64.47	123.03
Less : Provision for doubtful deposits and Advances	6.93	5.03	4.06
	<b>128.52</b>	<b>59.44</b>	<b>118.97</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 8 Inventories

(Rs. in Crores)					
Particulars	March 31, 2017		March 31, 2016		April 1, 2015
<b>(At Lower of cost and net realisable value)</b>					
a) Stores, spare parts, loose tools etc	28.28		22.82		25.30
b) Raw materials and components [Including in transit/ lying in bonded warehouse Rs. 73.48 crs (March 31, 2016: Rs. 53.81 crs, April 1, 2015: Rs. 58.12 crs)]	371.51		277.36		412.14
c) Work-in-progress	455.01		386.11		460.32
d) Finished goods	555.20		363.95		510.46
Add: Excise Duty	109.87	665.07	80.70	444.65	98.80 609.26
e) Trading Goods	7.50		2.57		15.75
	<b>1,527.37</b>		<b>1,133.51</b>		<b>1,522.77</b>

Inventories are pledged against the borrowings obtained by the Company as referred in Note 22.

## 9 Investments

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of units	(Rs. in Crores)	No. of units	(Rs. in Crores)	No. of units	(Rs. in Crores)
<b>Investments at fair value through P&amp;L</b>						
<b>Units of Mutual Fund (Unquoted)</b>						
Kotak Banking & PSU Debt Fund - Daily Dividend Reinvestment of Rs. 10 each	-	-	-	-	50,15,316	5.03
Kotak Treasury Advantage Fund - Regular Plan Daily Dividend Reinvestment of Rs. 10 each	5,96,51,415	60.13	3,99,46,872	40.27	-	-
Franklin India Ultra Short Bond Fund Super Institutional Plan -Daily Dividend Reinvestment of Rs. 10 each	4,97,46,872	50.15	4,99,64,369	50.34	1,49,59,419	15.08
DSP Black Rock Ultra Short Term Fund -Regular Plan -Daily Dividend Reinvestment of Rs. 10 each	20,90,12,422	210.76	21,04,18,045	211.44	1,20,23,341	12.07
IDFC Ultra Short Term Fund -Daily Dividend Reinvestment - Regular Plan of Rs. 10 each	6,97,63,720	70.26	6,52,84,247	65.47	1,00,21,221	10.04
Birla Sunlife Savings Fund -Daily Dividend Reinvestment of Rs. 100 each	59,96,875	60.23	65,22,351	65.42	6,20,586	6.23
Birla Sunlife Cash Plus Fund -Institutional Plan -Daily Dividend Reinvestment of Rs. 100 each	-	-	-	-	1,68,386	1.82
Birla Sunlife Cash Plus Fund -Regular Plan Daily Dividend Reinvestment of Rs. 100 each	-	-	-	-	80	- ^
HDFC Floating Rate Income Fund -Short Term Plan Wholesale Option -Daily Dividend Reinvestment of Rs. 10 each	7,96,79,041	80.32	7,99,16,941	80.56	1,49,48,568	15.07
SBI SHF Ultra Short Term Fund -Regular Plan -Daily Dividend Reinvestment of Rs. 1,000 each	2,49,446	25.10	2,00,295	20.15	1,00,018	10.05
IDBI Ultra Short Term Fund -Regular Plan Daily Dividend Reinvestment of Rs. 1,000 each	-	-	1,49,906	15.13	49,938	5.03
TATA Floater Fund Regular Plan Daily Dividend Reinvestment of Rs. 1,000 each	4,49,877	45.15	4,01,299	40.27	50,123	5.03
India Bulls Ultra Short Term Fund - Existing Plan Daily Dividend Reinvestment of Rs. 1,000 each	3,00,204	30.13	3,01,188	30.20	1,50,370	15.07

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 9 Investments (Contd.)

Particulars	March 31, 2017		March 31, 2016		April 1, 2015	
	No. of units	(Rs. in Crores)	No. of units	(Rs. in Crores)	No. of units	(Rs. in Crores)
Baroda Pioneer Treasury Advantage Fund Plan A - Daily Dividend Reinvestment of Rs. 1,000 each	48,881	5.03	1,46,365	15.04	-	-
Sundaram Ultra Short Term Fund -Regular Plan- Daily Dividend Reinvestment of Rs. 10 each	99,89,190	10.03	50,17,127	5.04	50,11,047	5.03
L&T Ultra Short Term Fund - Daily Dividend Reinvestment Plan units of Rs. 10 each	3,91,45,895	40.15	3,95,18,623	40.26	49,47,291	5.03
ICICI Prudential Flexible Income Fund - Daily Dividend Reinvestment of Rs. 100 each	75,93,937	80.29	57,11,951	60.40	47,56,643	5.03
UTI Treasury Advantage Fund -Institutional Plan- Daily Dividend Reinvestment of Rs. 1,000 each	3,99,857	40.13	4,01,908	40.28	49,884	5.00
Reliance Money Manager Fund - Daily Dividend Reinvestment LPID of Rs. 1,000 each	-	-	-	-	1,00,155	10.04
Reliance Medium Term Fund - Daily Dividend Reinvestment units of Rs. 10 each	1,46,76,218	25.09	1,47,28,726	25.18	-	-
Religare Invesco Ultra Short Term Fund - Daily Dividend Reinvestment of Rs. 1,000 each	-	-	1,00,612	10.08	-	-
HSBC Ultra Short Term Bond Fund -Daily Dividend Reinvestment of Rs. 10 each	-	-	50,23,463	5.04	-	-
JM Money Manager Fund -Super Plus Plan - Daily Dividend Reinvestment of Rs. 10 each	1,49,04,550	15.06	1,00,48,379	10.08	-	-
Pramerica Ultra Short Term Bond Fund - Daily Dividend Reinvestment of Rs. 1,000 each	-	-	-	-	49,751	5.00
DHFL Pramerica Ultra Short Term Fund - Daily Dividend Reinvestment of Rs. 10 each	-	-	2,50,72,015	25.19	-	-
Escorts Liquid Plan - Daily Dividend Reinvestment of Rs. 10 each	36,69,104	5.02	36,66,215	5.03	-	-
LIC Nomura MF Savings Plus Fund -Short Term Plan - Daily Dividend Reinvestment of Rs. 10 each	-	-	49,65,552	5.04	-	-
Taurus Ultra Short Term Bond Fund Regulars Plan Super Institutional - Daily Dividend Reinvestment of Rs. 1,000 each	-	-	1,00,563	10.08	-	-
LIC MF Income Plus Fund - Daily Dividend Reinvestment of Rs 10 each	4,968,162	5.02	-	-	-	-
Canara Robeco Savings Plus Fund- Regular Plan - Daily Dividend Reinvestment of Rs. 10 each	-	-	98,08,893	10.06	-	-
Axis Treasury Advantage Fund - Daily Dividend Reinvestment of Rs. 1,000 each	2,98,947	30.08	2,50,688	25.16	-	-
BNP Paribas Money Plus Fund - Daily Dividend Reinvestment of Rs. 10 each	-	-	1,00,35,427	10.09	-	-
DSP Black Rock India Enhanced Equity Fund- Class B-3, of Rs. 100 each	5,00,000	7.32	5,00,000	6.57	5,00,000	6.07
		<b>895.45</b>		<b>927.87</b>		<b>141.72</b>
<b>Units of Mutual Fund (Quoted)</b>						
HDFC Cancer Cure Fund-Debt Plan of Rs. 10 each	1,00,00,000	10.03	-	-	-	-
		<b>10.03</b>		-		-
		<b>905.48</b>		<b>927.87</b>		<b>141.72</b>
Aggregate amount of quoted investment and market value thereof		10.03		-		-
Aggregate amount of unquoted investment		895.45		927.87		141.72

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

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 10 Trade receivables (Unsecured) (at amortised cost)

	(Rs. in Crores)		
PARTICULARS	March 31, 2017	March 31, 2016	April 1, 2015
Considered good	621.65	603.94	552.03
Considered doubtful	8.00	6.32	3.82
	629.65	610.26	555.85
Less :- Allowance for doubtful debts	8.00	6.32	3.82
Total	621.65	603.94	552.03

(Refer Note no 40 for Related Party disclosure)

Trade receivables are pledged against the borrowings obtained by the Company as referred in Note 22.

## 11 Cash and bank balances

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Cash and Cash Equivalents</b>			
a) Balances with banks on			
Current / Cash Credit Account	10.82	66.40	23.36
b) Cash in hand	0.37	0.23	0.25
	11.19	66.63	23.61

## 12 Other bank balances

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Unpaid Dividend Account	8.38	7.20	6.20
	8.38	7.20	6.20

## 13 Loans and Deposits (at amortised cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unsecured, considered good</b>			
a) Loans to employees	0.07	0.10	0.22
b) Deposits - Others	10.39	10.23	8.57
	10.46	10.33	8.79

## 14 Other Financial Assets (at amortised cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Other receivables	17.15	21.81	20.45
b) Claims Receivable	7.39	9.60	-
	24.54	31.41	20.45

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 15 Other non-financial assets

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unsecured, considered good</b>			
a) Advances recoverable in cash or kind	14.03	13.27	14.43
b) Balances with Customs, Sales Tax & Excise Authorities	48.77	42.94	28.36
c) Prepaid expenses	4.55	7.51	6.95
	<b>67.35</b>	<b>63.72</b>	<b>49.74</b>

## 16 Share Capital

	(Rs. in Crores)		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Authorised</b>			
1,00,00,00,000 (PY: 1,00,00,00,000) Equity Shares of Re. 1 each	100.00	100.00	100.00
	100.00	100.00	100.00
<b>b) Issued, subscribed &amp; fully paid-up</b>			
85,00,00,000 (PY: 85,00,00,000) Equity Shares of Re. 1 each	85.00	85.00	85.00
	85.00	85.00	85.00
There is no change in the number of shares in current year and last year .			
<b>c) Terms / rights attached to equity shares</b>			
The company has only one class of Equity Shares having a Par Value of Re. 1 per share. Each Holder of Equity Shares is entitled to one Vote per share. The company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year, the Company has proposed a final dividend of Re. 0.80 per share (March 31, 2016: Re. 0.80 per share, April 1, 2015: Re. 0.70 per share).			
In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
<b>d) Shares held by holding company</b>			
<b>Name of Shareholder</b>			
Chloride Eastern Limited, UK (considered to be Holding company by virtue of de-facto control) 45.99% (March 31, 2016: 45.99%, April 1, 2015: 45.99%) equity shares	39,09,54,666	39,09,54,666	39,09,54,666
<b>e) Details of shareholders holding more than 5% shares in Company</b>			
<b>Name of Shareholder</b>	<b>Number of Shares</b>		
Chloride Eastern Limited, UK holding 45.99 % (March 31, 2016: 45.99 %, April 1, 2015: 45.99 %)	39,09,54,666	39,09,54,666	39,09,54,666
Life Insurance Corporation of India holding 3.83 % (March 31, 2016: 5.82%, April 1, 2015: 4.85 %)	3,25,66,143	4,94,25,211	4,11,84,383
As per records of the company, including its register of shareholders / members and other declaration received from shareholders, the above shareholding represents legal ownership of shares.			

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 17 Other Equity

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Securities Premium Account</b>	737.88	737.88	737.88
Premium received on equity shares issued are recognised in the securities premium account.			
<b>b) Contingency Reserve</b>	25.00	25.00	25.00
The Contingency reserve is created to set aside funds for meeting contingencies and claims .			
<b>c) Retained earnings</b>	4,103.10	3,654.89	3,269.86
Retained earnings includes General reserves, Surplus in Statement of Profit and Loss, Impact of Ind-AS adjustments on the date of transition, re-measurement gains/ losses on defined benefit plans and revaluation reserve.			
<b>d) OCI Reserve</b>	12.61	8.66	13.88
OCI reserve includes net gain / Loss on fair value of Investments			
	<b>4,878.59</b>	<b>4,426.43</b>	<b>4,046.62</b>

## 18 Non-Current Trade Payables (At Amortised Cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Trade payables	3.73	3.35	2.56
b) Payables for expenses	-	-	0.79
	<b>3.73</b>	<b>3.35</b>	<b>3.35</b>

## 19 Capital Creditors (At Amortised Cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Payables for Capital Goods	2.07	1.64	1.74
	<b>2.07</b>	<b>1.64</b>	<b>1.74</b>

## 20 Non Current Provisions

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Provision for employee benefits (refer note 37)</b>			
Post retirement medical benefits	4.88	4.28	4.11
Gratuity	8.68	5.74	2.82
Pension	3.18	2.40	2.03
Leave benefits	24.67	22.04	18.96
<b>Others</b>			
Provision for site restoration liabilities	1.13	1.03	0.93
	<b>42.54</b>	<b>35.49</b>	<b>28.85</b>
A provision is recognised for site restoration liabilities on leasehold lands taken by the Company:			
<b>Opening Balance</b>	1.03	0.93	-
Add: Interest accrued on the provision during the year	0.10	0.10	-
<b>Closing Balance</b>	<b>1.13</b>	<b>1.03</b>	<b>0.93</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 21 Deferred Tax Liability (Net)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Deferred tax liability:</b>			
Arising out of temporary difference in depreciable assets	144.41	123.98	115.85
Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year	45.93	34.75	38.74
Unrealised gain on investment in equity shares carried at FVTOCI	0.57	0.57	0.64
<b>b) Deferred tax assets:</b>			
On expenses allowable against taxable income in future years	22.93	21.83	16.39
Expenses disallowed in earlier assessments which are being contested	12.80	10.52	8.37
	<b>155.18</b>	<b>126.95</b>	<b>130.47</b>
<b>Reconciliation of statutory rate of tax and effective rate of tax:</b>			
Tax rate as a % of PBT	28.91	31.24	
<b>Adjustments:</b>			
Non-deductible expenses for tax purposes	(0.73)	(0.28)	
Dividend Income - exempt for tax purposes	2.75	1.20	
Various allowances claimed under Income Tax Act, 1961	2.82	2.12	
Tax impact of earlier years	0.86	0.33	
At India's statutory income tax rate of 34.61% (PY: 34.61%)	34.61	34.61	

## 22 Borrowings (At Amortised Cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Buyers' Credit from banks (The buyers' credit is repayable in 6 months and carries interest in the range of 1.5% to 2.1%)			
Secured	84.77	31.79	9.21
(Secured by hypothecation of Stocks and book debts, both present and future)			
Unsecured	85.46	70.72	8.34
	<b>170.23</b>	<b>102.51</b>	<b>17.55</b>

## 23 Current Trade Payables (At Amortised Cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Trade payable for goods &amp; services</b>			
Total outstanding dues of Micro and small enterprises (refer note no. 39)	10.04	3.32	3.50
Total outstanding dues of creditors other than Micro and small enterprises	653.78	644.12	585.52
<b>b) Acceptances</b>	104.03	97.46	58.85
	<b>767.85</b>	<b>744.90</b>	<b>647.87</b>

Trade payables and acceptances are non-interest bearing and are normally settled on 30 day terms.  
For terms and conditions with related parties, refer to Note 40



# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 24 Other Current Financial Liabilities (At Amortised Cost)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Interest accrued but not due on borrowings :	0.55	0.26	-
b) Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	8.38	7.20	6.20
c) Derivatives liability	0.70	-	-
d) Other payables -			
For Selling Expenses	122.00	110.67	68.58
For Capital Goods	98.59	38.25	43.09
For Other Expenses	85.99	79.89	58.76
	<b>316.21</b>	<b>236.27</b>	<b>176.63</b>

## 25 Other Non Financial Liabilities

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Taxes and duties payable	53.97	48.19	31.70
b) Advances from customers	23.13	33.25	21.62
c) Other payables - For Selling Expenses	54.97	95.73	40.16
	<b>132.07</b>	<b>177.17</b>	<b>93.48</b>

## 26 Current Provisions

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Provision for employee benefits (refer note 37)</b>			
Post retirement medical benefits	0.45	0.37	0.26
Leave benefits	3.66	2.95	1.47
<b>b) Others</b>			
Provision for Warranty Claims	178.13	163.39	155.92
Provision for litigations and tax disputes	39.89	31.98	26.22
	<b>222.13</b>	<b>198.69</b>	<b>183.87</b>
<b>Provisions for warranties</b>			
A provision is recognised for expected warranty claims on products sold, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provision :			
<b>Opening Balance</b>	163.39	155.92	
Add: Provision created during the year	205.63	171.42	
Less: Utilised against warranty claims during the year	190.89	163.95	
<b>Closing Balance</b>	178.13	163.39	155.92
<b>Provisions for litigations and tax disputes (refer notes below)</b>			
The management has estimated the provisions for pending litigation, claims and demands relating to indirect taxes based on its assessment of probability for these demands crystallising against the company in due course :			
<b>Opening Balance</b>	31.98	26.22	
Add: Provision created during the year	7.91	5.76	
<b>Closing Balance</b>	39.89	31.98	26.22

# Notes to Financial Statements

as at and for the year ended March 31, 2017

- (a) There are other tax disputes / litigations amounting to Rs. 6.22 crs (March 31, 2016: Rs. 4.26 crs, April 1, 2015: Rs. 3.32 crs) against which the Company has also deposited money under protest and made provision there - against. Such deposits and provisions have been netted off in these financial statements.
- (b) There are also provisions against Income Tax claims amounting to Rs. 12.80 crs (March 31, 2016: Rs. 10.52 crs, April 1, 2015: Rs. 8.37 crs) which is included in Note 7 i (b), against which the Company has also created deferred tax assets as disclosed in Note 21.

## 27 Revenue from operations

	(Rs. in Crores)	
	2016-17	2015-16
Sale of products (including excise duty)	8,590.55	7,727.58
Other operating income		
Scrap sales	3.44	2.84
Income from Service / Installation	4.66	3.20
	<b>8,598.65</b>	<b>7,733.62</b>

(i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax etc.

(ii) Sale of goods includes excise duty collected from customers of Rs. 970.27 crs (PY: Rs. 879.93 crs).

## 28 Other Income

	(Rs. in Crores)	
	2016-17	2015-16
<b>Interest Income on:</b>		
Income Tax refunds	9.92	1.46
Others	0.61	0.70
<b>Dividend Income on</b>		
Long Term Investments in subsidiaries	21.64	10.58
Current investments	57.67	28.88
<b>Other non-operating income</b>		
Gain on fair value of investments in mutual fund units	0.75	0.51
Net foreign exchange gain	8.93	5.88
Others	4.36	3.69
	<b>103.88</b>	<b>51.70</b>

## 29 Cost of raw materials and components consumed

	(Rs. in Crores)	
	2016-17	2015-16
Opening Stock	277.36	412.14
Add: Purchases (including Processing charges, Procurement expenses etc, and after adjusting Cenvat Credits)	5,080.43	3,851.32
	<b>5,357.79</b>	<b>4,263.46</b>
Less: Closing Stock	371.51	277.36
	<b>4,986.28</b>	<b>3,986.10</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 30 (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods

	(Rs. in Crores)	
	2016 -17	2015-16
<b>Opening Stock</b>		
Work-in-progress	386.11	460.32
Finished goods	363.95	510.46
Traded Goods	2.57	15.75
	<b>752.63</b>	<b>986.53</b>
<b>Closing Stock</b>		
Work-in-progress	455.01	386.11
Finished goods	555.20	363.95
Traded Goods	7.50	2.57
	<b>1,017.71</b>	<b>752.63</b>
(Increase) / Decrease in Excise Duty on Finished Goods	(29.17)	18.10
	<b>(294.25)</b>	<b>252.00</b>

## 31 Employee benefit expenses

	(Rs. in Crores)	
	2016 -17	2015-16
Salaries and wages	430.42	388.33
Contribution to provident and other funds (Refer Note 37)	29.33	24.98
Staff welfare expenses	59.82	53.72
	<b>519.57</b>	<b>467.03</b>

## 32 Finance costs

	(Rs. in Crores)	
	2016 -17	2015-16
Interest expenses	3.99	0.40
Exchange difference to the extent considered as an adjustment to borrowing cost	0.32	1.27
	<b>4.31</b>	<b>1.67</b>

## 33 Depreciation and Amortisation

	(Rs. in Crores)	
	2016 -17	2015-16
Depreciation of tangible assets	195.51	152.32
Amortisation of intangible assets*	10.81	5.61
	<b>206.32</b>	<b>157.93</b>

\* Includes Impairment of Goodwill amounting to Rs. 3.89 crs (PY: Nil) as explained in Note no. 3

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 34 Other expenses

	(Rs. in Crores)	
	2016-17	2015-16
Stores and spare parts consumed	68.50	57.40
Power and fuel	254.95	213.27
Battery Charging / Battery assembly expenses	123.77	106.43
Repairs and maintenance		
Buildings	9.47	8.21
Plant & machinery	27.84	20.68
Others	11.74	9.23
Rent & Hire Charges	27.58	24.85
Rates and taxes	2.85	2.92
Insurance	7.48	5.37
Commission	3.64	5.22
Royalty and Technical Aid Fees	34.61	31.21
Warranty expenses	205.63	171.42
Publicity and Sales Promotion	72.61	53.51
Freight & Forwarding (net)	209.17	196.51
Cash Discounts	52.23	59.08
After Sales Services	57.43	44.36
C & F Expenses	27.31	25.55
Travelling & Conveyance	37.95	30.46
Bank Charges	0.96	1.08
Communication Costs	5.65	5.60
Donations	0.01	0.03
Directors' Sitting Fees	0.17	0.17
Loss on Property, plant and equipment sold/discarded (net)	0.55	4.24
Auditors' Remuneration		
As Auditors		
- For Statutory audit	0.49	0.49
- For Limited Reviews	0.29	0.29
- For Others	0.05	0.05
As Tax Auditors	0.07	0.07
Other Services	0.31	0.01
Out of pocket expenses	0.04	0.03
Miscellaneous expenses (refer Note 34.1)	75.24	51.54
	<b>1,318.59</b>	<b>1,129.28</b>

i) The Company has a full-fledged Research and Development Center and it has thereby been able to improve manufacturing efficiency and product quality. During the year, a sum of Rs. 22.67 crs. (PY Rs. 16.73 crs), including capital expenditure Rs. 4.23 crs. (PY Rs. 2.09 crs), was spent on Research and Development work.

ii) Rent and Hire charges include Rs. 25.53 crs (PY Rs. 23.35 crs) towards lease of residential apartments, office premises and godowns. These are cancellable leases, renewable by mutual agreement. The lease term is for various numbers of years and renewable for further periods, as per the lease agreements, at the option of the company. In lease agreements, escalation clauses are present ; however there are no restrictions imposed by the lease arrangements . There are no sub-leases.

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 34.1 Miscellaneous Expenses

	(Rs. in Crores)	
	2016-17	2015-16
Motor Vehicle Running Expenses	5.91	6.00
Consultancy & Services outsourced	26.28	16.25
Security Service Charges	8.72	8.62
General Expenses	1.10	0.81
Legal Expenses	1.99	2.63
Printing & Stationery	5.93	5.40
Total Quality Management Expenses	0.38	0.84
Corporate Social Responsibility expenses	13.30	4.68
Pollution Control Expenses	3.11	3.51
Testing Charges	1.56	0.95
Liquidated Damages	4.55	0.63
Battery Erection / Installation Costs	2.41	1.22
	<b>75.24</b>	<b>51.54</b>

## 35 Earnings per share (EPS)

	2016-17	2015-16
<b>Details for calculation of basic and diluted earning per share:</b>		
Profit after tax as per Statement of Profit and Loss (Rs. in Crores)	693.64	624.46
Weighted average number of equity share (Numbers)	85,00,00,000	85,00,00,000
Basic and diluted earning per share (Rs.)	8.16	7.35

## 36 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

### (a) Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer to Note 37.

### (b) Fair value measurement of investments

The fair value of unquoted investments are determined using valuation methods which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 42.

### (c) Deferral of Revenue (customer's incentive scheme)

The Company estimates the fair value of points awarded to its sales agents under incentives schemes, based on past trends of similar incentive schemes and by applying a budgeted incentive payout rate. Inputs include assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As at March 31, 2017, the estimated liability towards unredeemed points amounted to approximately Rs. 54.97 crs (March 31, 2016: Rs. 95.73 crs, April 1, 2015: Rs. 40.16 crs)

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## (d) Warranty

The Company estimates the provision for warranty based on past trend of actual issues of batteries under warranty. As at March 31, 2017, the estimated liability towards warranty amounted to approximately Rs. 178.13 crs (March 31, 2016: Rs. 163.39 crs, April 1, 2015: Rs. 155.92 crs)

The provision towards warranty is not discounted as the management, based on past trend, expects to use the provision within twelve months after the Balance Sheet date.

## 37 Gratuity and Other Post employment Benefit Plan

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

The Company provides certain post-retirement medical benefits (PRMB) to the employees qualifying

for such benefits under the scheme upto March 31, 2006, and accordingly the number of beneficiaries is frozen on that date. This benefit is unfunded.

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

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

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Post - retirement benefit plans .

(Rs. in Crores)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Gratuity Plan (Benefit)	Pension Plan (Benefit)	Prmb Plan (Benefit)	Gratuity Plan (Benefit)	Pension Plan (Benefit)	Prmb Plan (Benefit)
<b>I Expenses recognised in the Statement of Profit &amp; Loss</b>						
1 Current / Past Service Cost	5.34	-	0.07	4.69	-	0.10
2 Interest Cost	5.54	0.38	0.34	5.05	0.43	0.34
3 Expected Return on plan assets	5.33	0.16	-	5.83	0.27	-
4 Total	5.55	0.22	0.41	3.91	0.16	0.44
<b>Expenses recognised in OCI</b>						
5 Actuarial (Gains) / Losses	3.13	(0.49)	0.49	7.81	(0.21)	0.10
6 Total Expense	8.68	(0.27)	0.90	11.72	(0.05)	0.54
<b>II Net Asset / (Liability) recognised in the Balance Sheet</b>						
1 Present Value of Defined Benefit Obligation	83.61	4.41	5.33	77.59	5.42	4.65
2 Fair Value of Plan Assets	74.93	1.23	-	71.85	3.02	-
3 Net Asset / (Liability)	(8.68)	(3.18)	(5.33)	(5.74)	(2.40)	(4.65)
<b>III Change in Obligation during the year</b>						
1 Present Value of Defined Benefit Obligation at the beginning of the year	77.59	5.42	4.65	66.29	5.77	4.37
2 Current Service Cost / Plan amendments	5.34	-	0.07	4.69	-	0.10
3 Interest Cost	5.54	0.38	0.34	5.05	0.43	0.34
4 Benefits Paid	7.32	0.86	0.22	6.22	0.68	0.26
5 Actuarial (Gains) / Losses						
Arising from changes in experience	(0.63)	(0.58)	0.28	5.06	(0.17)	(0.08)
Arising from changes in demographic assumptions	-	-	-	-	-	-
Arising from changes in financial assumptions	3.08	0.05	0.21	2.72	0.07	0.18
Total	2.45	(0.53)	0.49	7.78	(0.10)	0.10
6 Present Value of Defined Benefit Obligation at the end of the year	83.60	4.41	5.33	77.59	5.42	4.65

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 37 Gratuity and Other Post employment Benefit Plan (Contd.)

(Rs. in Crores)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Gratuity	Pension	Prmb	Gratuity	Pension	Prmb
	Plan (Benefit)			Plan (Benefit)		
<b>IV Change in the Fair Value of Plan Assets during the year</b>						
1 Plan assets at the beginning of the year	71.85	3.02	-	63.47	-	-
2 Expected return on plan assets	5.33	0.16	-	5.83	0.27	-
3 Contribution by employer	5.75	(1.04)	-	8.80	(0.42)	-
4 Actual Benefits Paid	7.32	0.86	-	6.22	0.68	-
5 Actuarial Gains / (Losses)	(0.68)	(0.05)	-	(0.03)	0.11	-
6 Plan assets at the end of the year	74.93	1.23	-	71.85	(0.72)	-
7 Actual return on Plan Assets	4.65	0.11	-	5.80	0.38	-
<b>V</b> In 2017-18 the Company expects to contribute Rs. 8.00 crs (2016-17: Rs. 5.00 crs, 2015-16- Rs. 6.00 crs ) to gratuity and Rs. 4.00 crs (2016-17 - Rs. 3.75 crs, 2015-16 - Rs. 3.50 crs ) to Pension.						
<b>VI The major categories of plan assets as a percentage of the fair value of total plan assets</b>						
Investments with insurer	100%	100%	-	100%	100%	-
<b>VII Actuarial Assumptions</b>						
1 Discount Rate	7 % p.a (March 31, 2016: 7.50% p.a., April 1, 2015: 8.00 %)					
2 Expected rate of return on plan assets	7 % p.a (March 31, 2016: 9% p.a., April 1, 2015: 9 %)					
3 Mortality pre retirement	Indian Assured Lives Mortality (2006-08) (modified) Ult.					
4 Mortality post retirement	LIC (1996-98) Ultimate					
5 Employee Turnover Rate	2.00 %					
<b>VIII</b> Healthcare cost trend rates have no effect on the amounts recognised in the Statement of Profit and Loss, since the benefit is in the form of a fixed amount as per the various grades, which is not subject to change.						
<b>IX</b> 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.						
<b>X</b> Contribution to Provident and Other Funds includes Rs. 23.38 crs (2015-16 - Rs. 20.96 crs, 2014-15 - Rs. 18.82 crs ) paid towards Defined Contribution Plans						
<b>XI Maturity profile of the defined benefit obligation</b>						
Weighted average duration of the defined benefit obligation	3 & 9 years	3 years	3 years	3 & 9 years	3 years	3 years
Expected benefit payments for the year ending						
Not later than 1 year	10.11	2.23	0.45	8.93	2.22	0.38
Later than 1 year and not later than 5 years	32.30	1.37	1.93	33.11	2.14	1.66
More than 5 years	46.59	1.29	2.39	45.68	1.66	2.33



# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 37 Gratuity and Other Post employment Benefit Plan (Contd.)

	(Rs. in crores)		
	Year ended March, 2017	Year ended March, 2016	Year ended March, 2015
<b>XII Amounts for the current and previous two periods are as follows :</b>			
<b>1 Gratuity</b>			
Defined Benefit Obligation	83.61	77.59	66.29
Plan Assets	74.93	71.85	63.47
Surplus / (deficit)	(8.68)	(5.74)	(2.82)
Experience (Gain) / loss adjustments on plan liabilities	(0.63)	5.06	(2.10)
Experience Gain / (loss) adjustments on plan assets	(0.68)	(0.03)	(1.05)
<b>2 Pension</b>			
Defined Benefit Obligation	4.41	5.42	5.77
Plan Assets	1.23	3.02	3.74
Surplus / (deficit)	(3.18)	(2.40)	(2.03)
Experience (Gain) / loss adjustments on plan liabilities	(0.58)	(0.17)	0.26
Experience Gain / (loss) adjustments on plan assets	(0.05)	0.11	(0.09)
<b>3 Post Retirement Medical Benefit</b>			
Defined Benefit Obligation	5.33	4.37	4.37
Experience (Gain) / loss adjustments on plan liabilities	0.28	(0.08)	(0.20)

## XIII The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

	(Rs. in crores)			
	March 31, 2017		March 31, 2016	
<b>Assumptions</b>	<b>Discount rate (a)</b>		<b>Discount rate (a)</b>	
Sensitivity level	<b>1% increase</b>	<b>1% decrease</b>	<b>1% increase</b>	<b>1% decrease</b>
Impact on Gratuity liability	(5.95)	6.85	(5.26)	6.03
<b>Assumptions</b>	<b>Future salary increases (b)</b>		<b>Future salary increases (b)</b>	
Sensitivity level	<b>1% increase</b>	<b>1% decrease</b>	<b>1% increase</b>	<b>1% decrease</b>
Impact on Gratuity liability	5.89	(5.45)	5.33	(4.88)

(a) Based on interest rates of government bonds

(b) Based on managements estimate

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 38 Commitments and contingencies

	(Rs. in crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(i) Capital and other commitments</b>			
Commitment for acquisition of fixed assets	384.10	267.79	386.75
Commitment for investment	31.27	35.27	1.27
Commitment for royalty fees	-	5.73	10.97
	415.37	308.79	398.99
<b>(ii) Contingent Liabilities</b>			
Guarantees excluding financial guarantees			
Outstanding Bank Guarantees / Indemnity Bonds	33.21	26.49	29.58
Claims against the Company not acknowledged as debt:			
Sales Tax demands	27.31	27.66	28.35
Excise Duty demands	36.82*	36.49*	34.37*
Income Tax demands	16.54	16.58	16.10
Other claims being disputed by the Company	0.44	0.44	0.44
Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not Ascertainable	Not Ascertainable	Not Ascertainable
	114.32	107.66	108.84

\* Includes a Demand of Rs. 32.60 crs plus penalties, as applicable, for the period June 2006-May 2009 on the grounds that Excise Duty was payable on the MRP of batteries. The Company has contested applicability of The Standards of Weights & Measures Act, 1976 and Rules thereunder, the applicability of which is still to be adjudicated by the Hon'ble Supreme Court. Meanwhile, Company has been granted a stay on this Excise Duty demand by CESTAT, Kolkata.

## 39 Details of dues to micro and small enterprises as defined under MSMED Act, 2006

	(Rs. in crores)	
	2016-17	2015-16
Principal amount due	10.04	3.32
Interest due on above	0.01	0.01
Amount of interest paid in terms of Sec 16 of the Micro, Small and Medium Enterprise Development Act 2006	-	-
Amount of interest due and payable for the period of delay	0.01	0.01
Amount of interest accrued and remaining unpaid as at year end	0.13	0.12
Amount of further interest remaining due and payable in the succeeding year	-	-

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 40 Related Party Disclosure:

### i) Particulars of related parties :

A.	Where control exists	
	<b>1. Subsidiaries</b>	Chloride Batteries S.E. Asia Pte. Limited, Singapore. (CBSEA) Chloride International Limited (CIL) Chloride Power Systems and Solutions Limited (CPSSL) Espex Batteries Limited, UK (Espex) Associated Battery Manufacturers (Ceylon) Ltd, Sri Lanka (ABML) Chloride Metals Limited (CML) Exide Life Insurance Company Limited (ELI)
	<b>2. Enterprise / Individuals having a direct or indirect control over the Company</b>	Chloride Eastern Limited, UK. (CEL) Chloride Eastern Industries Pte Limited, Singapore (CEIL) LIEC Holdings SA, Switzerland Mr. S B Raheja
<b>B.</b>	<b>Others</b>	
	<b>1. Key Management Personnel (As on March 31, 2017)</b>	Mr. P K Katakya, Whole Time Director (till April 30, 2016) Mr. G Chatterjee, Whole Time Director Mr. A K Mukherjee, Whole Time Director Mr. Nadeem Kazim, Whole Time Director (till November 28, 2016) Mr. Subir Chakraborty, Whole Time Director Mr. Arun Mittal, Whole Time Director (w.e.f. May 1, 2016) Mr. Bharat D. Shah, Director Mr. R.B.Raheja, Director Mr. Nawshir H. Mirza, Director Mr. Rajesh G. Kapadia, Director (till July 15, 2016) Mr. Vijay Agarwal, Director Mr. Sudhir Chand, Director Ms. Mona N. Desai, Director Mr. Jitendra Kumar, Company Secretary
	<b>2. Name of the Companies / firms / in which Directors / Key Management Personnel have significant influence with whom transactions have happened during the year.</b>	Shalini Construction Company Private Limited Peninsula Estates Private Limited Raheja QBE General Insurance Company Limited

# Notes to Financial Statements

as at and for the year ended March 31, 2017

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

(Rs. in Crores)						
		Subsidiaries	Enterprise/ Individuals having direct or indirect control	Companies / firms in which Directors / Key Management Personnel have significant influence	Key Management Personnel	Total
		Transaction Value	Transaction Value	Transaction Value	Transaction Value	Transaction Value
<b>Purchases of goods</b>	A B M L	0.97	-	-	-	0.97
		(0.34)	-	-	-	(0.34)
	Chloride Metals	1,656.53	-	-	-	1,656.53
		(1,159.46)	-	-	-	(1,159.46)
	C B S E A	0.04	-	-	-	0.04
		-	-	-	-	-
	Espex	0.02	-	-	-	0.02
		-	-	-	-	-
	CPSSL	10.59	-	-	-	10.59
		(4.76)	-	-	-	(4.76)
	<b>Total</b>	<b>1,668.15</b>	-	-	-	<b>1,668.15</b>
		<b>(1,164.56)</b>	-	-	-	<b>(1,164.56)</b>
<b>Sale of goods</b>	ABML	-	-	-	-	-
		(0.01)	-	-	-	(0.01)
	CBSEA	39.83	-	-	-	39.83
		(34.17)	-	-	-	(34.17)
	CPSSL	24.71	-	-	-	24.71
		(20.84)	-	-	-	(20.84)
	Espex	36.75	-	-	-	36.75
		(33.89)	-	-	-	(33.89)
	Chloride Metals	233.65	-	-	-	233.65
		(195.92)	-	-	-	(195.92)
	<b>Total</b>	<b>334.94</b>	-	-	-	<b>334.94</b>
		<b>(284.83)</b>	-	-	-	<b>(284.83)</b>
<b>Rent and Maintenance Costs</b>						
	CIL	0.53	-	-	-	0.53
		(0.47)	-	-	-	(0.47)
	Shalini Construction	-	-	0.52	-	0.52
		-	-	(0.41)	-	(0.41)
	Peninsula Estates	-	-	0.13	-	0.13
		-	-	(0.10)	-	(0.10)
	<b>Total</b>	<b>0.53</b>	-	<b>0.65</b>	-	<b>1.18</b>
		<b>(0.47)</b>	-	<b>(0.51)</b>	-	<b>(0.98)</b>
<b>Insurance Expenses</b>						
	Raheja QBE	-	-	0.01	-	0.01
		-	-	(0.02)	-	(0.02)
<b>Employee Welfare Expenses</b>						
	ELI	0.58	-	-	-	0.58
		(0.54)	-	-	-	(0.54)

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## ii) Details of transactions entered into with the related parties : (Contd.)

(Rs. in Crores)						
		Subsidiaries	Enterprise/ Individuals having direct or indirect control	Companies / firms in which Directors / Key Management Personnel have significant influence	Key Management Personnel	Total
		Transaction Value	Transaction Value	Transaction Value	Transaction Value	Transaction Value
<b>Dividend Income</b>						
	ABML	2.54	-	-	-	2.54
		(1.30)	-	-	-	(1.30)
	Espex	0.55	-	-	-	0.55
		(0.28)	-	-	-	(0.28)
	Chloride Metals	16.95	-	-	-	16.95
		(7.50)	-	-	-	(7.50)
	CIL	0.41	-	-	-	0.41
		(0.31)	-	-	-	(0.31)
	CPSSL	1.19	-	-	-	1.19
		(1.19)	-	-	-	(1.19)
	<b>Total</b>	<b>21.64</b>	-	-	-	<b>21.64</b>
		<b>(10.58)</b>	-	-	-	<b>(10.58)</b>
<b>Technical Assistance Expenses</b>						
	CEIL	-	0.12	-	-	0.12
		-	(0.12)	-	-	(0.12)
<b>Technical Assistance Income</b>						
	ABML	0.36	-	-	-	0.36
		(0.43)	-	-	-	(0.43)
<b>Remuneration</b>						
	to Directors (Short term employee benefits)	-	-	-	10.87	10.87
		-	-	-	(12.97)	(12.97)
	to Others (Short term employee benefits)	-	-	-	0.60	0.60
		-	-	-	(0.48)	(0.48)
	<b>Total</b>	-	-	-	<b>11.47</b>	<b>11.47</b>
		-	-	-	<b>(13.45)</b>	<b>(13.45)</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## iii) Details of amounts due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows :

Particulars	(Rs. in Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Amounts due to or due from Subsidiaries</b>			
<b>Trade Payables</b>			
- Chloride Metals Limited	61.93	66.90	39.52
- CBSEA	0.02	-	-
- CPSSL	2.55	0.33	0.16
<b>- Total</b>	<b>64.50</b>	<b>67.23</b>	<b>39.68</b>
<b>Trade Receivables</b>			
- CBSEA	9.33	11.49	13.89
- CPSSL	6.51	6.79	10.23
- Espex	19.96	11.99	11.06
<b>- Total</b>	<b>35.80</b>	<b>30.27</b>	<b>35.18</b>
<b>Technical Assistance Income</b>			
- ABML	0.36	0.12	0.12
<b>Amounts due to Key Managerial Personnel</b>			
- Remuneration to Director (Short term employee benefits)	5.94	7.26	5.15

Notes : (1) Final dividend amounting to Rs. 31.28 crs was paid for the year 2015-16 (Rs. 27.37 crs for the year 2014-15) and Rs. 62.55 crs towards Interim Dividend for 2016-17 (Rs. 62.55 crs for Interim Dividend 2015-16) to Chloride Eastern Limited, UK.

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Nil, April 1, 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 41 Segment Reporting

The Company has identified two operating segments viz, Automotive and Industrial. As per Ind AS - 108, due to similar nature of products, production process, customer types, etc., the two operating segments have been aggregated as single operating segment of "storage batteries and allied products" during the year. The analysis of geographical segments is based on the areas in which customers of the Company are located.

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## Geographical Segments

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

Particulars	(Rs. in Crores)		
	Year ended March 31, 2017		
	India	Overseas	Total
Revenue (Gross Sale)	8,190.67	407.98	8,598.65
Non-current assets other than financial assets	1,815.88	-	1,815.88
Particulars	Year ended March 31, 2016		
	India	Overseas	Total
Revenue (Gross Sale)	7,347.89	385.73	7,733.62
Non-current assets other than financial assets	1,510.66	-	1,510.66

## 42 Fair values

### (i) Class wise fair value of the Company's financial assets:

	(Rs. in Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Class wise fair value of the Company's financial assets:</b>			
Investments (quoted) in equity shares / mutual funds	926.16	949.03	168.48
Investments (unquoted) in equity shares / units	37.57	38.60	32.58
	<b>963.73</b>	<b>987.63</b>	<b>201.06</b>

### (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company assets

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Quantitative disclosures fair value measurement hierarchy for assets:</b>				
Assets measured at fair value:	31-Mar-17	926.16	34.19	3.38
Investments	31-Mar-16	949.03	35.22	3.38
	1-Apr-15	168.48	28.85	3.73

### (iii) Reconciliation of fair value measurement of unquoted equity shares (categorised as level 3 above) classified as FVTOCI assets:

	Investment in unquoted equity shares / units
<b>Opening Balance as on April 1, 2015</b>	<b>3.73</b>
Re-measurement recognised in OCI	(0.35)
<b>Closing Balance as on March 31, 2016</b>	<b>3.38</b>
Re-measurement recognised in OCI	-
<b>Closing Balance as on March 31, 2017</b>	<b>3.38</b>



# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 43 Financial Risk Management Objectives and policies

The Company's financial liabilities comprise short-term borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investment in subsidiaries and deposits. The Company also holds investments.

The Company has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company. The Board of Directors also review these risks and related risk management policy.

The market risks and credit risks are further explained below:

### I) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, trade payables, trade receivables, etc.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are not hedged by the Company. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

#### Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in USD rate	Foreign currency Payable (net)	Effect on profit before tax
	%	(Rs. in Crores)	(Rs. in Crores)
March 31, 2017	5%	215.28	(10.76)
	(5%)		10.76
March 31, 2016	5%	119.03	(5.95)
	(5%)		5.95

#### ii) Commodity price risks

The Company is affected by the price volatility of certain commodities. Its operating activity is manufacturing of batteries and therefore requires supply of lead. Due to significant volatility in the lead price, the Company enters into purchase contract with vendors wherein the prices are linked to the quoted London Metal Exchange rates. Similarly, the Company's selling price of batteries to OEM customers is linked to such rates. As the Company's significant revenue is linked to cost of lead, the impact of change in lead prices on Company's profit is not expected to be significant.

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## iii) Equity price risks

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments / mutual funds. Reports on the investment portfolio are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

### Equity price sensitivity

The following table shows the effect of price changes in listed equity

	Changes in price/ NAV	Investment	Effect on profit before tax
	%	(Rs. in Crores)	(Rs. in Crores)
March 31, 2017	5%	28.00	1.40
	(5%)		(1.40)
March 31, 2016	5%	27.73	1.39
	(5%)		(1.39)

## II) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

### Trade receivables

A significant part of the Company's sales are under the 'cash and carry' model which entails no credit risk. For others, an impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 5 and 10 as the Company does not hold collateral as security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are from several industries.

## 44 Capital Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

# Notes to Financial Statements

as at and for the year ended March 31, 2017

## 45 List of subsidiaries of the Company

The Company has following subsidiaries for which the Company prepares Consolidated Financial Statements as per Ind AS 110 "Consolidated Financial Statements". These subsidiaries have been accounted at cost in these separate financial statements of the Company.

Name	Principal place of business	% of ownership interest as on March 31, 2017
Chloride International Limited (CIL)	India	100
Chloride Power Systems & Solutions Ltd. (CPSSL)	India	100
Chloride Batteries S.E. Asia Pte Ltd. (CBSEA) & its wholly owned subsidiary (Exide Batteries Pvt. Ltd.)	Singapore	100
Espex Batteries Limited (ESPEX)	UK	100
Associated Battery Manufacturers (Ceylon) Ltd. (ABML)	Sri Lanka	61.5
Chloride Metals Ltd. (CML)	India	100
Exide Life Insurance Company Limited (ELI)	India	100

## 46 Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below

	SBNs	Other denomination notes	(Rs. in Crores) Total
Closing cash in hand as on November 08, 2016	0.48	0.17	0.65
(+) Permitted receipts	-	1.22*	1.22
(-) Permitted payments	-	1.14	1.14
(-) Amount deposited in Banks	0.48	-	0.48
Closing cash in hand as on December 30, 2016	-	0.25	0.25

\* Represents cash withdrawals from bank accounts across various locations for petty cash purposes.

As per our report of even date.

### S.R.Batliboi & Co. LLP

Registration Number: 301003E/ E300005

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

# Independent Auditor's Report

To the Members of Exide Industries Limited

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Exide Industries Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted

# Independent Auditor's Report

in India of the consolidated state of affairs of the Group, as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of

Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 33 and 48 to the consolidated Ind AS financial statements;
  - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2017;
  - iv. The Holding Company and subsidiaries incorporated in India, wherever applicable,

# Independent Auditor's Report

have provided requisite disclosures in Note 56 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company. The auditors of Exide Life Insurance Company Limited ('ELI'), a subsidiary company, have reported that the disclosure requirement as envisaged in Notification G.S.R.308(E) dated March 30, 2017 is not applicable to ELI.

## Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose Ind AS financial statements include total assets of Rs. 12,156.85 crores and net assets of Rs. 1,187.96 crores as at March 31, 2017, and total revenues of Rs. 3,694.57 crores and net cash inflows of Rs. 83.77 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid

subsidiaries, is based solely on the reports of such other auditors.

- (b) The auditors of Exide Life Insurance Company Limited ('ELI'), a subsidiary company, have reported that the actuarial valuation of liabilities for life policies in force is the responsibility of ELI's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2017 has been duly certified by the Appointed Actuary and in his opinion, the assumption of such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ('IRDAI') ('Authority') and the Institute of Actuaries of India in concurrence with the Authority. The ELI auditors have relied upon Appointed Actuary's certificate in this regard for forming opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exist on financial statements of ELI.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Mumbai.

Date: May 04, 2017

# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EXIDE INDUSTRIES LIMITED

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of Exide Industries Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Exide Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF EXIDE INDUSTRIES LIMITED

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

- (1) The auditors of Exide Life Insurance Company Limited ('ELI'), a subsidiary company, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued, but liability exists as at March 31, 2017, is the responsibility of ELI's

Appointed Actuary (the 'Appointed Actuary'). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liabilities exists as at March 31, 2017 has been duly certified by the Appointed Actuary and in his opinion, the assumption of such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory Development Authority of India ('IRDAI') ('Authority') and the Institute of Actuaries of India in concurrence with the Authority. The ELI auditors have relied upon Appointed Actuary's certificate in this regard for forming opinion on the financial statements of ELI.

Accordingly, ELI auditors have not tested the internal financial control over financial reporting in respect of valuation and accuracy of liabilities for life policies certified by the Appointed Actuary and has been relied upon by them.

- (2) Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Mumbai.

Date: May 04, 2017

# Consolidated Balance Sheet

as at March 31, 2017

(Rs. in Crores)

Particulars	Note No.	March 31, 2017	March 31, 2016	April 1, 2015
<b>I) ASSETS</b>				
<b>1) Non Current Assets</b>				
a) Property, Plant and Equipment	2	1,647.64	1,363.99	1,176.17
b) Capital Work-in-Progress		146.37	191.06	113.82
c) Goodwill	3	-	3.89	3.89
d) Other Intangible Assets	3	29.26	25.40	19.47
e) Intangible Assets under Development		2.36	1.40	0.75
f) Reinsurance Asset		20.05	11.71	4.13
g) Goodwill on consolidation	4	581.90	581.90	581.90
h) Financial Assets				
(i) Investments				
- Investments of Life insurance business	5	10,238.77	8,820.54	8,094.92
- Other Investments	6	58.26	59.77	59.35
(ii) Trade Receivables	7	1.81	0.73	1.29
(iii) Loans and Deposits	8	26.10	23.39	37.10
i) Other Non-Financial Assets	9	177.45	102.65	155.87
		<b>12,929.97</b>	<b>11,186.43</b>	<b>10,248.66</b>
<b>2) Current Assets</b>				
a) Inventories	10	1,702.01	1,245.88	1,646.36
b) Financial Assets				
(i) Investments				
- Investments of Life insurance business	11	678.30	631.06	597.28
- Other investments	12	908.80	934.41	149.63
(ii) Trade Receivables	13	738.57	718.73	688.71
(iii) Cash and Cash Equivalents	14	314.98	286.65	201.15
(iv) Bank balances other than (iii) above	15	8.55	7.34	6.32
(v) Loans and Deposits	16	18.66	19.57	16.02
(vi) Other Financial Assets	17	347.07	216.01	330.27
c) Other Non-Financial Assets	18	118.35	124.35	88.52
		<b>4,835.29</b>	<b>4,184.00</b>	<b>3,724.26</b>
<b>Total Assets</b>		<b>17,765.26</b>	<b>15,370.43</b>	<b>13,972.92</b>
<b>II) EQUITY AND LIABILITIES</b>				
<b>1) Equity</b>				
a) Equity Share Capital	19	85.00	85.00	85.00
b) Other Equity	20	4,947.13	4,304.82	3,907.72
		<b>5,032.13</b>	<b>4,389.82</b>	<b>3,992.72</b>
<b>2) Non-Controlling Interest</b>	21	15.76	14.61	12.78
<b>Total Equity</b>		<b>5,047.89</b>	<b>4,404.43</b>	<b>4,005.50</b>
<b>3) Liabilities</b>				
<b>i) Non-Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	22	0.78	2.60	3.32
(ii) Trade Payables	23	4.16	3.62	3.76
(iii) Embedded Derivative Liability		0.66	0.64	0.61
(iv) Capital Creditors	24	2.07	1.64	1.74
b) Provisions	25	52.58	46.21	39.27
c) Insurance Contract Liabilities	26	8,598.82	7,133.39	6,239.81
d) Investment Contract Liabilities	27	1,128.25	1,180.87	1,274.79
e) Deferred Tax Liabilities (Net)	28	156.07	132.47	139.44
f) Other Non-Financial Liabilities				
(i) Fund for discontinued policies (Linked and Non-Linked)		124.89	108.58	90.08
(ii) Fund for future Appropriation (Linked and Non-Linked)		41.56	30.03	9.04
		<b>10,109.84</b>	<b>8,640.05</b>	<b>7,801.86</b>
<b>ii) Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	29	184.10	108.80	51.36
(ii) Trade Payables	30			
Total outstanding dues of Micro and Small Enterprises		20.20	8.13	9.27
Total outstanding dues of others		1,195.66	1,124.10	1,036.36
(iii) Other Financial Liabilities	31	402.64	326.77	259.20
b) Other Non-Financial Liabilities	32	148.17	190.22	103.24
c) Provisions	33	227.28	204.62	188.84
d) Insurance Contract liabilities	34	425.91	361.15	515.87
e) Investment Contract liabilities	35	1.65	0.78	0.21
f) Current Tax Liabilities (Net)		1.92	1.38	1.21
		<b>2,607.53</b>	<b>2,325.95</b>	<b>2,165.56</b>
<b>Total Equity and Liabilities</b>		<b>17,765.26</b>	<b>15,370.43</b>	<b>13,972.92</b>
Significant accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date.

**S.R.Batlboi & Co. LLP**

Registration Number: 301003E/ E300005

Chartered Accountants

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

# Consolidated Statement of Profit and Loss

for the year ended march 31, 2017

(Rs. in Crores)

Particulars	Note No.	2016-17	2015-16
<b>I) INCOME:</b>			
Revenue from Operations	36	12,195.14	10,418.19
Other Income	37	102.71	62.94
<b>Total Income (I)</b>		<b>12,297.85</b>	<b>10,481.13</b>
<b>II) EXPENSES:</b>			
Cost of raw materials and components consumed	38	4,989.59	3,996.81
Purchase of traded goods		84.68	66.83
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	39	(323.69)	240.11
Excise Duty on sale of goods		971.59	882.59
Employee Benefits Expenses	40	867.70	838.13
Change in valuation of liability of life insurance policies in force	41	1,549.71	770.79
Other Expenses	44	2,688.91	2,445.01
<b>Total expenses (II)</b>		<b>10,828.49</b>	<b>9,240.27</b>
<b>III) Earnings Before Interest, Tax, Depreciation and Amortisation expenses (I-II)</b>		<b>1,469.36</b>	<b>1,240.86</b>
Finance Costs	42	146.29	73.35
Depreciation and Amortisation expenses	43	225.93	175.30
<b>IV) Interest, Depreciation and Amortisation expenses</b>		<b>372.22</b>	<b>248.65</b>
<b>V) Profit Before Tax (III-IV)</b>		<b>1,097.14</b>	<b>992.21</b>
<b>VI) Tax expenses:</b>			
Current Tax [net of reversal of excess provision for earlier years Rs. 9.03 crs (PY: Rs. 2.94 crs)]		269.37	298.82
Deferred Tax		23.75	(6.73)
		<b>293.12</b>	<b>292.09</b>
<b>VII) Profit After Tax (V-VI)</b>		<b>804.02</b>	<b>700.12</b>
<b>VIII) Other Comprehensive Income (OCI)</b>			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods :			
a) Re-Measurement gains/(losses) on defined benefit plans		(4.10)	(9.08)
Income tax effect		1.16	2.74
b) Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value		72.25	(26.88)
Income tax effect		-	0.07
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods :			
a) Net (Loss)/ gain on investment in debt securities accounted at Fair Value		24.68	(33.60)
b) Change in Foreign Currency Translation Reserve		(5.59)	2.67
<b>Other Comprehensive Income for the year</b>		<b>88.40</b>	<b>(64.08)</b>
<b>IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>892.42</b>	<b>636.04</b>
Total comprehensive income attributable to:			
Non-controlling interests		2.97	2.72
Equity holders of the parent		889.45	633.32
Profit for the year attributable to:			
Non-controlling interests		2.97	2.72
Equity holders of the parent		801.05	697.40
Earnings Per Share - Basic and Diluted (Nominal value Re.1 per share (PY Re. 1 per share))	45	9.46	8.24
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements  
As per our report of even date.

**S.R.Batliboi & Co. LLP**

Registration Number: 301003E/ E300005

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

# Consolidated Cash Flow Statement

for the year ended March 31, 2017

(Rs. in Crores)

	2016-17	2015-16
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	1,097.14	992.21
Adjustment for :		
Depreciation and Amortisation	225.93	175.30
Net Profit on sale of investment	(283.99)	(181.83)
Loss on Fixed Assets sold / discarded (net)	0.49	3.88
Investment income	(663.00)	(594.54)
Gain / (loss) on fair value of financial assets	(122.76)	232.88
Interest Income	(11.08)	(2.38)
Dividend Income on current investments	(57.98)	(29.29)
Gain on fair value of investments in mutual fund units	(0.75)	(0.50)
Interest Expense	2.67	2.87
Change in valuation of liability against life policies	1,549.71	770.79
	639.24	377.18
Operating profit before working capital changes	1,736.38	1,369.39
(Increase) in Trade Receivables (net of provision)	(26.21)	(37.57)
(Increase) / decrease in Inventories	(455.53)	400.48
(Increase) in Loans, other Financial Assets and other Assets	(29.30)	(11.43)
Increase in other Financial Liabilities, other Liabilities and Provisions	64.89	142.04
	(446.15)	493.52
Cash generated from operations	1,290.23	1,862.91
Direct Taxes Paid (net of refunds and interest thereon)	(291.68)	(280.16)
Net Cash from operating activities	998.55	1,582.75
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(441.21)	(423.47)
Sale of Fixed Assets	0.47	1.36
Acquisition of Shares / units	(4.00)	(6.00)
Redemption of units	9.47	0.35
Purchase of Mutual Fund units	(980.00)	(1,376.81)
Sale of Mutual Fund units	1,003.40	598.41
Purchase of investments	(7,634.11)	(6,642.93)
Proceeds of investments	6,686.75	5,964.87
Investment in money market instruments and in liquid mutual fund (net)	(71.84)	26.77
Loan against policies	(58.66)	(69.76)
Interest / Dividends received	702.62	598.03
Net Cash used in investing activities	(787.11)	(1,329.18)

# Consolidated Cash Flow Statement

for the year ended March 31, 2017

(Rs. in Crores)

	2016-17	2015-16
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of Long Term Borrowings	(0.67)	(2.97)
Proceeds from Short term Borrowing (net)	68.86	74.62
Dividends Paid (including tax)	(248.19)	(236.35)
Interest Paid	(1.90)	(2.35)
Net Cash used in financing activities	(181.90)	(167.05)
Net Increase in cash and cash equivalents	29.54	86.52
Cash and cash equivalents - Opening Balance #	286.65	201.15
Bank Balances other than above - Opening Balance #	7.34	6.32
<b>Total</b>	<b>293.99</b>	<b>207.47</b>
Cash and cash equivalents - Closing Balance #	314.98	286.65
Bank Balances other than above - Closing Balance #	8.55 *	7.34 *
<b>Total</b>	<b>323.53</b>	<b>293.99</b>

# as disclosed in Notes 14 & 15

\* Represents Rs. 8.55 crs (PY Rs. 7.34 crs) lying in Unclaimed Dividend Account and deposits, being the amount available for restricted use.

The accompanying notes are an integral part of the financial statements  
As per our report of even date.

## S.R.Batliboi & Co. LLP

Registration Number: 301003E/ E300005  
Chartered Accountants

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

For and on behalf of the Board of Directors

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2017

## A) Equity Share Capital

	Number	Amount (Rs. in Crores)
Equity Shares of Re. 1 each issued, subscribed and fully paid		
On April 1, 2015	85,00,00,000	85.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2016	85,00,00,000	85.00
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	85,00,00,000	85.00

## B) Other Equity

(Rs. in Crores)

Particulars	Attributable to the equity holders of the parent					Non-controlling interest		Total Equity			
	Reserves and Surplus			OCI		Foreign currency translation reserve	Total				
	Capital reserve	Securities Premium reserve	Contingency Reserve	Capital Redemption Reserve	Retained earnings				Investments in equity shares / units at fair value	Investments in debt instruments at fair value	
Balance at April 1, 2015	2.89	737.88	25.00	0.80	3,041.81	27.50	71.84	-	3,907.72	12.78	3,920.50
Profit for the year	-	-	-	-	697.40	-	-	-	697.40	2.72	700.12
Re-Measurement gains/(losses) on defined benefit plans, net of tax	-	-	-	-	(6.34)	-	-	-	(6.34)	-	(6.34)
Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value, net of tax	-	-	-	-	-	(26.81)	-	-	(26.81)	-	(26.81)
Net (Loss)/ gain on investment in debt securities accounted at Fair Value, net of tax	-	-	-	-	-	-	(33.60)	-	(33.60)	-	(33.60)
Change in Foreign Currency Translation Reserve	-	-	-	-	-	-	-	2.67	2.67	-	2.67
Adjustments	2.89	737.88	25.00	0.80	3,732.87	0.69	38.24	2.67	4,541.04	15.50	4,556.54
Final Dividend for the year 2014-15 (Re. 0.70 per share)	-	-	-	-	(59.50)	-	-	-	(59.50)	-	(59.50)
Tax on Final Dividend for the year 2014-15	-	-	-	-	(11.20)	-	-	-	(11.20)	-	(11.20)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(0.89)	(0.89)
Payment of Interim dividend for FY 15-16 (Rs. 1.60 per share)	-	-	-	-	(136.00)	-	-	-	(136.00)	-	(136.00)
Tax on interim dividend for FY 15-16	-	-	-	-	(29.52)	-	-	-	(29.52)	-	(29.52)
Balance at March 31, 2016	2.89	737.88	25.00	0.80	3,496.65	0.69	38.24	2.67	4,304.82	14.61	4,319.43

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2017

Particulars	Attributable to the equity holders of the parent						Non-controlling interest	Total Equity			
	Reserves and Surplus			OCI							
	Capital reserve	Securities Premium reserve	Contingency Reserve	Capital Redemption Reserve	Retained earnings	Investments in equity shares / units at fair value			Investments in debt instruments at fair value	Foreign currency translation reserve	Total
Profit for the year	-	-	-	-	801.05	-	-	801.05	2.97	804.02	
Re-Measurement gains/(losses) on defined benefit plans, net of tax	-	-	-	-	(2.94)	-	-	(2.94)	-	(2.94)	
Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value, net of tax	-	-	-	-	-	72.25	-	72.25	-	72.25	
Net (Loss)/ gain on investment in debt securities accounted at Fair Value, net of tax	-	-	-	-	-	-	24.68	-	24.68	24.68	
Change in Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(5.59)	(5.59)	(5.59)	
Adjustments	2.89	737.88	25.00	0.80	4,294.76	72.94	62.92	(2.92)	5,194.27	17.58	5,211.85
Final Dividend for the year 2015-16 (Re. 0.80 per share)	-	-	-	-	(68.00)	-	-	-	(68.00)	-	(68.00)
Tax on Final Dividend for the year 2015-16	-	-	-	-	(11.68)	-	-	-	(11.68)	-	(11.68)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(1.82)	(1.82)	(1.82)
Payment of Interim dividend for FY 16-17 (Rs. 1.60 per share)	-	-	-	-	(136.00)	-	-	-	(136.00)	-	(136.00)
Tax on interim dividend for FY 16-17	-	-	-	-	(31.46)	-	-	-	(31.46)	-	(31.46)
Balance at March 31, 2017	2.89	737.88	25.00	0.80	4,047.62	72.94	62.92	(2.92)	4,947.13	15.76	4,962.89

1

Significant accounting policies

The accompanying notes are an integral part of the financial statements  
As per our report of even date.

**S.R.Batilbhai & Co. LLP**

Registration Number: 301003E/ E300005  
Chartered Accountants

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

For and on behalf of the Board of Directors

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Effect of IND AS adoption on the Balance Sheet as on March 31, 2016 and April 1, 2015

(Rs. in Crores)

Particulars	As at March 31, 2016 (End of Last Period presented under previous GAAP)				As at April 1, 2015 (Date of Transition)		
	Footnote Reference Number	Previous GAAP	Effect of Transition to IND AS	Ind AS	Previous GAAP	Effect of Transition to IND AS	Ind AS
<b>I) ASSETS</b>							
<b>1) Non Current Assets</b>							
a) Property, Plant and Equipment	f(vi) & f(vii)	1,382.61	(18.62)	1,363.99	1,175.96	0.21	1,176.17
b) Capital Work-in-Progress		192.46	(1.40)	191.06	114.57	(0.75)	113.82
c) Goodwill	e	1.67	2.22	3.89	3.90	(0.01)	3.89
d) Other Intangible Assets		25.40	-	25.40	19.47	-	19.47
e) Intangible assets under development		-	1.40	1.40	-	0.75	0.75
f) Reinsurance asset	g	-	11.71	11.71	-	4.13	4.13
g) Goodwill on consolidation		581.90	-	581.90	581.90	-	581.90
h) Financial Assets							
(i) Investments							
- Investments of Life insurance business	h & n(ii)	8,784.63	35.91	8,820.54	8,025.94	68.98	8,094.92
- Other investments	a	50.54	9.23	59.77	44.83	14.52	59.35
(ii) Trade Receivables		0.73	-	0.73	1.34	(0.05)	1.29
(iii) Loans and deposits	f (ii) & i	128.76	(105.37)	23.39	199.05	(161.95)	37.10
i) Other non-financial Assets	f (ii) & i	-	102.65	102.65	-	155.87	155.87
		<b>11,148.70</b>	<b>37.73</b>	<b>11,186.43</b>	<b>10,166.96</b>	<b>81.70</b>	<b>10,248.66</b>
<b>2) Current Assets</b>							
a) Inventories		1,245.88	-	1,245.88	1,646.36	-	1,646.36
b) Financial Assets							
(i) Investments							
- Investments of Life insurance business	h	631.09	(0.03)	631.06	597.55	(0.27)	597.28
- Other investments	a	932.84	1.57	934.41	148.56	1.07	149.63
(ii) Trade Receivables	f (iii)	722.16	(3.43)	718.73	690.15	(1.44)	688.71
(iii) Cash and Cash Equivalents	f (v)	293.99	(7.34)	286.65	207.47	(6.32)	201.15
(iv) Bank balances other than (iii) above	f (v)	-	7.34	7.34	-	6.32	6.32
(v) Loans and deposits	f (ii) & i	132.57	(113.00)	19.57	100.68	(84.66)	16.02
(vi) Other financial assets	f (ii) & i	218.73	(2.72)	216.01	329.62	0.65	330.27
c) Other non-financial Assets	f (ii) & i	-	124.35	124.35	-	88.52	88.52
		<b>4,177.26</b>	<b>6.74</b>	<b>4,184.00</b>	<b>3,720.39</b>	<b>3.87</b>	<b>3,724.26</b>
<b>Total Assets</b>		<b>15,325.96</b>	<b>44.47</b>	<b>15,370.43</b>	<b>13,887.35</b>	<b>85.57</b>	<b>13,972.92</b>
<b>II) EQUITY AND LIABILITIES</b>							
<b>1) Equity</b>							
a) Equity Share Capital		85.00	-	85.00	85.00	-	85.00
b) Other Equity	Equity reco	4,245.39	59.43	4,304.82	3,756.04	151.68	3,907.72
		<b>4,330.39</b>	<b>59.43</b>	<b>4,389.82</b>	<b>3,841.04</b>	<b>151.68</b>	<b>3,992.72</b>
<b>2) Non-Controlling Interest</b>		14.61	-	14.61	12.78	-	12.78
<b>Total Equity</b>		<b>4,345.00</b>	<b>59.43</b>	<b>4,404.43</b>	<b>3,853.82</b>	<b>151.68</b>	<b>4,005.50</b>



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Effect of IND AS adoption on the Balance Sheet as on March 31, 2016 and April 1, 2015

(Rs. in Crores)

Particulars	As at March 31, 2016 (End of Last Period presented under previous GAAP)				As at April 1, 2015 (Date of Transition)		
	Footnote Reference Number	Previous GAAP	Effect of Transition to IND AS	Ind AS	Previous GAAP	Effect of Transition to IND AS	Ind AS
<b>3) Liabilities</b>							
<b>i) Non-Current Liabilities</b>							
a) Financial Liabilities							
(i) Borrowings	f(viii)	1.90	0.70	2.60	2.62	0.70	3.32
(ii) Trade Payables		3.62	-	3.62	3.76	-	3.76
(iii) Embedded derivative liability	j(ii)	-	0.64	0.64	-	0.61	0.61
(iv) Capital creditors		1.64	-	1.64	1.74	-	1.74
b) Provisions	f (vii) & k	41.50	4.71	46.21	34.84	4.43	39.27
c) Insurance Contract liabilities	j	8,272.91	(1,139.52)	7,133.39	7,524.81	(1,285.00)	6,239.81
d) Investment Contract liabilities	j		1,180.87	1,180.87		1,274.79	1,274.79
e) Deferred Tax Liabilities (Net)	d	130.51	1.96	132.47	131.47	7.97	139.44
f) Other non-financial liabilities							
(i) Fund for discontinued policies (Linked and Non-Linked)		108.58	-	108.58	90.08	-	90.08
(ii) Fund for future Appropriation (Linked and Non-Linked)		30.03	-	30.03	9.04	-	9.04
		<b>8,590.69</b>	<b>49.36</b>	<b>8,640.05</b>	<b>7,798.36</b>	<b>3.50</b>	<b>7,801.86</b>
<b>ii) Current Liabilities</b>							
a) Financial Liabilities							
(i) Borrowings		108.80	-	108.80	51.36	-	51.36
(ii) Trade Payables							
Total outstanding dues of Micro and small enterprises		8.13	-	8.13	9.27	-	9.27
Total outstanding dues of others		1,124.01	0.09	1,124.10	1,036.36	-	1,036.36
(iii) Other financial liabilities	c & f (ii)	501.94	(175.17)	326.77	361.20	(102.00)	259.20
b) Other non-financial Liabilities	c & f (ii)	-	190.22	190.22	-	103.24	103.24
c) Provisions	b	285.47	(80.85)	204.62	260.90	(72.06)	188.84
d) Insurance Contract liabilities	j	361.92	(0.77)	361.15	516.08	(0.21)	515.87
e) Investment Contract liabilities	j		0.78	0.78		0.21	0.21
f) Current Tax Liabilities (Net)		-	1.38	1.38	-	1.21	1.21
		<b>2,390.27</b>	<b>(64.32)</b>	<b>2,325.95</b>	<b>2,235.17</b>	<b>(69.61)</b>	<b>2,165.56</b>
<b>Total Equity and Liabilities</b>		<b>15,325.96</b>	<b>44.47</b>	<b>15,370.43</b>	<b>13,887.35</b>	<b>85.57</b>	<b>13,972.92</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Reconciliation of Total Equity as at March 31, 2016 and April 1, 2015

(Rs. in Crores)

Particulars	Footnote Reference	As at March 31, 2016 (End of Last Period presented under previous GAAP)	As at April 1, 2015 (Date of Transition)
<b>Total Equity (Shareholders' funds) under previous GAAP</b>		<b>4,345.00</b>	<b>3,853.82</b>
Investments at Fair Value	a, h & j	18.79	101.17
Reversal of proposed dividend including tax thereon	b	79.69	70.90
Deferral of Revenue (customer's incentive scheme)	c	(10.95)	(3.24)
Reversal of Goodwill Amortisation	e	2.23	-
Allowance for doubtful debts	f(iii)	(1.54)	(0.94)
Reversal of revaluation reserve	f(vi)	(15.72)	-
Provision for site restoration liabilities	f(vii)	(0.82)	(0.72)
Straight lining of Rent Expenses	k	(4.90)	(3.56)
Amortization of premium/discount on investments done on an effective interest rate basis	n(ii)	(2.39)	(3.14)
Others	f(viii) & i	0.15	(0.82)
Deferred Tax Impact of above adjustments	d	(5.11)	(7.97)
<b>Total Adjustment to Equity</b>		<b>59.43</b>	<b>151.68</b>
<b>Total Equity under IND AS</b>		<b>4,404.43</b>	<b>4,005.50</b>

## Effect of IND as adoption on the Statement of Profit and Loss for the year ended March 31, 2016

(Rs. in Crores)

Particulars	Footnote Reference	Previous GAAP	Effect of Transition to IND AS	Ind-AS
<b>I) INCOME:</b>				
Revenue from operations	c, f(iv), f(vi), j(i) & n	9,479.44	938.75	10,418.19
Other Income	a, i & l	135.09	(72.15)	62.94
<b>Total Income (I)</b>		<b>9,614.53</b>	<b>866.60</b>	<b>10,481.13</b>
<b>II) EXPENSES:</b>				
Cost of raw materials and components consumed	c & f(iv)	4,121.90	(125.09)	3,996.81
Purchase of traded goods		66.83	-	66.83
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods		240.11	-	240.11
Excise duty on sale of goods	f(ix)	-	882.59	882.59
Employee benefits expenses	f(i)	851.10	(12.97)	838.13
Change in valuation of liability of life insurance policies in force	l & m	594.26	176.53	770.79
Other expenses	f(iii), f(iv), k, l & m	2,550.13	(105.12)	2,445.01
<b>Total expenses (II)</b>		<b>8,424.33</b>	<b>815.94</b>	<b>9,240.27</b>
<b>III) Earnings before interest, tax, depreciation and amortisation expenses (I-II)</b>		<b>1,190.20</b>	<b>50.66</b>	<b>1,240.86</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Effect of IND as adoption on the Statement of Profit and Loss for the year ended March 31, 2016 (Contd.)

				(Rs. in Crores)
Particulars	Footnote Reference	Previous GAAP	Effect of Transition to IND AS	Ind-AS
Finance costs	f(vii) & l	1.65	71.70	73.35
Depreciation and amortisation expenses	e	179.96	(4.66)	175.30
<b>IV) Interest, depreciation and amortisation expenses</b>		<b>181.61</b>	<b>67.04</b>	<b>248.65</b>
<b>V) Profit before tax (III-IV)</b>		<b>1,008.59</b>	<b>(16.38)</b>	<b>992.21</b>
<b>VI) Tax expenses:</b>				
Current tax		293.27	5.55	298.82
Deferred tax	d	(1.10)	(5.63)	(6.73)
		<b>292.17</b>	<b>(0.08)</b>	<b>292.09</b>
<b>VII) Profit after tax (V-VI)</b>		<b>716.42</b>	<b>(16.30)</b>	<b>700.12</b>
<b>VIII) Other Comprehensive Income (OCI)</b>				
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods :				
a) Re-Measurement gains/(losses) on defined benefit plans	f(i)	-	(9.08)	(9.08)
Income tax effect		-	2.74	2.74
b) Net (Loss)/ gain on investment in equity shares / units accounted at Fair Value	a & j(iii)	-	(26.88)	(26.88)
Income tax effect		-	0.07	0.07
Other Comprehensive Income to be reclassified to profit or loss in subsequent periods :				
a) Net (Loss)/ gain on investment in debt securities accounted at Fair Value	h	-	(33.60)	(33.60)
b) Change in Foreign Currency Translation Reserve	o(v)	-	2.67	2.67
Other Comprehensive Income for the year		-	<b>(64.08)</b>	<b>(64.08)</b>
<b>IX) Total Comprehensive Income for the year (VII+VIII)</b>		<b>716.42</b>	<b>(80.38)</b>	<b>636.04</b>
Total comprehensive income attributable to:				
Non-controlling interests		2.72	-	2.72
Equity holders of the parent		713.70	(80.38)	633.32
Profit for the year attributable to:				
Non-controlling interests		2.72	-	2.72
Equity holders of the parent		713.70	(16.30)	697.40

## Footnotes to the reconciliation of Equity and Balance Sheet as at March 31, 2016 and April 1, 2015 and Profit or Loss for the year ended March 31, 2016.

### a. Investments in equity shares / units

Under Indian GAAP, all investments in equity shares / units were measured at cost. As explained in accounting policy in 1(d) below, under Ind-AS, investments in shares / units are accounted for at fair value. These estimates are based on conditions existing on the respective Balance Sheet dates.

### b. Dividend

Under Indian GAAP, proposed final dividends including Dividend Distribution Taxes (DDT) are recognised as a liability in the period to which they relate, irrespective of when they are approved. Under Ind AS, such dividend is recognised as a liability when approved by shareholders.

### c. Deferral of Revenue (Customers incentive scheme)

Under Indian GAAP, provision towards customer incentive was recognised at cost. As explained in

# Notes to Consolidated Financial Statements

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accounting policy 1(k) below, under Ind-AS, incentive payable is accounted for at fair value. These estimates are based on conditions existing on the respective Balance Sheet dates.

## **d. Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

The deferred tax liability on the revaluation reserve arising out of prior period revaluation of property, plant and equipment, which has been considered as deemed cost has been created and accordingly the retained earnings are adjusted.

## **e. Goodwill amortization**

Under Indian GAAP, the acquired goodwill was amortised over the period of 5 years. However, under IND AS, acquired goodwill is not amortised, but tested for impairment. Accordingly, amortisation of goodwill has been reversed.

## **f. Re-classifications and other miscellaneous items**

The Group has done the following reclassifications as per the requirements of Ind-AS:

- i) Re-Measurement gain/loss on defined benefit plans are re-classified from Statement of Profit and Loss to OCI.
- ii) Assets / liabilities which do not meet the definition of financial asset / liability have been reclassified to other non-financial Assets / liabilities.
- iii) Allowance for doubtful debts accounted for based on trend of historical default rates as per Ind-AS 109 - Financial Instruments.
- iv) Warranty cost, earlier being netted off with cost of

raw material consumed, has been re-classified to other expenses. Similarly, excise duty on warranty, earlier netted off with Sales, has now been re-classified to other expenses.

- v) The Group has re-classified Unpaid dividend balance and term deposits held as margin money for bank guarantees from cash and cash equivalents to other bank balances.
- vi) One of the subsidiaries in the Group had revalued its buildings during the year ended March 31, 2016. Since the Group has opted cost model for the purpose of subsequent measurement of its PPE, the impact of such revaluation has been reversed.
- vii) The Group has made Provision for site restoration liabilities and provided Interest thereon as per Ind-AS 37 - Provisions, Contingent Liabilities and Contingent Assets.
- viii) The increase of sales tax deferral loan balance arising out of demand identified by the Group of an earlier year has been adjusted in the opening transitional Balance Sheet.
- ix) Excise duty on sales of goods earlier netted off with sales has been disclosed as a separate item in expenses.

## **Ind-AS adjustments specific to life insurance business only**

### **g. Reinsurance asset**

Under Ind AS, the Group is required to recognize the insurance liabilities relating to life insurance business, gross of reinsurance and hence, resulting in separate recognition of reinsurance assets. Also, impairment testing on reinsurance assets on a periodic basis is required. Therefore, on the date of transition to Ind AS, reinsurance asset has been recognized which has led to a consequent increase in the amount of policyholders' funds.

### **h. Financial assets - Investments**

Under IGAAP, the Group accounted for debt securities at amortized cost with amortization of premium/discount on a straight line basis; equity securities and mutual funds being measured at fair value. Under Ind AS, the Group has classified investments under each segment differently which drives the business model. For valuation under each segment and type of security, refer note 51.1.

# Notes to Consolidated Financial Statements

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## i. Financial assets - Loans and advances

Under IGAAP, interest free security deposits were recorded at transaction value. Under Ind AS, all financial assets have been recorded at their fair value with difference being recorded as prepaid rent - to be amortised over the period of the lease.

## j. Policyholders' Funds and Investment Contract Liabilities relating to life insurance business

i) Under IGAAP, all contracts were classified as insurance contracts and consequently, entire premium was shown under 'revenue from operations' and liabilities were recorded as 'insurance contract liabilities'. On application of Ind AS 104 - 'Insurance contracts', contracts having death benefit of less than 105% have been classified as investment contracts due to the absence of significant insurance risk component. Therefore, policyholders' liabilities have been reclassified to investment contract liabilities.

ii) As per Ind AS 104 - 'Insurance contracts', the embedded derivative is required to be separated if the same is not closely related to the host contract and the contract is itself not an insurance contract. The Group has identified one such product as embedded derivative and reclassified the liability to that extent from 'policyholders' liabilities' to 'embedded derivative liability'.

iii) Under current accounting method, the fair value changes pertaining to equity and mutual fund (policyholders' investments) were accounted as 'fair value changes account' under 'policyholders' liabilities'. On application of Ind AS 109 - Financial Instruments, wherein equity securities and mutual funds have been designated either at FVTPL or FVTOCI, thus, all the unrealized changes in fair value has been reclassified from policyholders' liabilities on the basis of valuation decided for investments in each segment in other comprehensive income and in the Statement of Profit and Loss.

## k. Provisions

Under IGAAP, annual rent payments made were recorded at transaction value. Under Ind AS, all rent payments having inflation impact have been spread over on a straight line basis across the lease term. Thus,

the increase in annualized rent as against the rent paid has led to an increase in the rent equalization provision.

## l. Other expenses

Income earned by the Company on investments pertaining to investment contracts needs to be repaid to the policyholders as part of benefits paid. Therefore, it has been shown as interest expense with a corresponding impact in "Change in valuation of liability in respect of life insurance policies in force" account.

## m. Other expenses

Under Ind AS, benefits paid to the extent pertaining to investment contract liabilities are required to be excluded from benefits paid as they form a part of "investment contract liabilities" as required under the deposit accounting methodology as per Ind AS 104 - Insurance Contracts.

## n. Revenue from Operations

i) Under Ind AS, premium income relating to investment contracts of life insurance business has been reduced from "revenue from operations" and consequently also shown a reduction in benefits paid in the Statement of Profit and Loss. Under deposit accounting, premium income net of benefits paid forms a part of investment contract liabilities.

ii) Under IGAAP, the Group recognized amortization of premium/discount on investments on a straight line method. Under Ind AS 109, recognition of amortization of premium/discount on investments is required to be done on an effective interest rate basis.

iii) Under Ind AS, the Group has fair valued equity securities under Participating, Annuity and Pension segments through other comprehensive income. Therefore, previously recognized realized gain on derecognition of such securities has been entirely reclassified to other comprehensive income as a non recyclable item.

## o. Ind-AS 101 Exemptions applied

The Group has adopted following exemptions from retrospective application of certain requirements under Ind-AS, as allowed by Ind-AS 101 - First-time Adoption of Indian Accounting Standards.

# Notes to Consolidated Financial Statements

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- (i) The Group has opted not to apply Ind-AS 103-Business Combinations, to acquisitions occurred before April 1, 2015.
- (ii) The Group has elected to continue with carrying value as recognised in its Indian GAAP Financial Statements of following items as deemed cost at the transition date, viz., April 1, 2015 in accordance with Ind-AS 101- First-time Adoption of Indian Accounting Standards.
  - A. Property, Plant and Equipments
  - B. Intangible Assets
- (iii) The Group (other than insurance business) has designated investment in equity instruments (other than investment in mutual funds) held at April 1, 2015 as FVTOCI investments and investment in mutual funds as FVTPL instruments.
- (iv) In relation to the life insurance business, the Group has elected to apply the insurance contract exemption in Ind AS 101 whereby the Group has the option not to evaluate the implication of investment contracts existing before the date of transition to Ind AS. Once this exemption is applied, no adjustment on the date of transition for effects of retrospective application of insurance contracts is made.
- (v) Cumulative currency translation differences for all foreign operations are deemed to be zero as at April 1, 2015. Subsequent measurement is through OCI.
- (vi) The Group has elected to apply Ind AS 109 on gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, once this exemption is applied, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.
- (vii) The Group has elected to apply Ind AS 109 wherein designation of financial assets and financial liabilities as measured at fair value through profit and loss is done based on the facts and circumstances that exist at the date of transition to Ind AS.
- (viii) One of the subsidiaries in the Group has an interest free sales tax deferral loan outstanding as on the date of transition. Due to mandatory exception from retrospective application of Ind AS 20 – Government Grants contained in para B10 of Ind AS 101 – First Time Adoption of Indian Accounting Standards, the said loan has been carried at its Previous GAAP carrying value.

## CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of Exide Industries Limited (the company) and its subsidiaries (collectively, the Group) as at and for the year ended March 31, 2017. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. Its shares are listed on three recognised stock exchanges in India. The registered office of the company is located at Exide House, 59E Chowringhee Road, Kolkata 700020. The Company is primarily engaged in the manufacturing of Storage Batteries and allied products in India. One of the Company's subsidiaries namely, Exide Life Insurance Company Limited (ELI) (Formerly known as ING Vysya Life Insurance Company Limited), is engaged in the business of life insurance and annuity. ELI offers a range of life insurance products to the customers through various distribution channels including individual agents, corporate agents, banks, etc.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on May 4, 2017.

## BASIS OF PREPARATION

For all periods up to and including the year ended March 31, 2016, the Group prepared its Consolidated Financial Statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Group, wherein the Group has restated its Balance Sheet as at April 1, 2015 and financial statements for the year ended and as at March 31, 2016 also as per Ind-AS.

# Notes to Consolidated Financial Statements

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The consolidated financial statements have been prepared on historical cost basis except for certain investments measured at fair value (refer accounting policy on investments note 1 (d), life insurance contract liabilities note 1 (s) (ii), investments contract liabilities note 1 (s) (iii) and financial instruments note 1 s (xxii)).

Standalone financial statements of Exide Life Insurance Company Limited (ELI) are prepared and presented in accordance with the accounting principles generally accepted in India in compliance with Accounting Standards (AS) as prescribed in the Companies (Accounting Standard) Rules, 2016, to the extent applicable, and in accordance with the provisions of the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation, 2002, provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, various circulars issued by IRDAI and the practices prevailing within the Insurance Industry in India. However, such financial statements of ELI have been suitably modified to materially conform to the measurement and recognition principles of Indian Accounting Standards ("Ind-AS") as issued by the Ministry of Corporate Affairs ("MCA"), to the extent applicable, for the purpose of consolidation. Financial statements of foreign subsidiaries Chloride Batteries S.E. Asia Pte Ltd. (CBSEA), Espex Batteries Limited (ESPEX) and Associated Battery Manufacturers (Ceylon) Ltd. (ABML) have been prepared under 'Singapore Financial Reporting Standards', 'Financial Reporting Standards for smaller entities, UK', and Sri Lanka Accounting Standards for Small and Medium sized entities (SLFRS for SMEs) respectively but suitably modified to materially conform to the uniform accounting policies for the purpose of consolidation. For recognition of Income and expenses, Mercantile System of Accounting is followed.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a. Property, Plant and Equipment

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Expenditure directly attributable to expansion projects is capitalised. Administrative, general overheads and other indirect expenditure

(including borrowing costs) incurred during the project period which are not related to the project nor are incidental thereto, are expensed.

Depreciation / Amortization is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particular	Useful economic life
Land under finance lease	Lease period
Buildings	28.5 - 60 years
Plant and machinery (including electrical installation)	3 - 15 years
Moulds	8.5 - 10 years
Furniture and fittings	3 - 10 years
Office equipment	3 - 5 years
Vehicles	3 - 8 years
Computers	3 - 6 years

Based on technical assessment done by experts and management's estimate,

- the useful life of factory buildings, other buildings, moulds and vehicles are different than those indicated in Schedule II to the Companies Act, 2013,
- in EIL, residual value of plant & machinery, moulds and computers has been considered to be 2% of the cost as against 5% specified in Schedule II of the Companies Act, 2013. For buildings, office equipment, furniture & fittings and vehicles, residual value has been estimated at 5% of the cost.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Gain or loss arising on disposal of an asset is treated as income or expense.

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external or internal factors. An impairment loss is recognised



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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 using pre-tax discount rates and risks specific to the asset.

Refer Notes 2 and 43 to the Consolidated Financial Statements.

## b. Intangible assets

Acquired intangible assets are initially measured at cost and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over their respective useful economic lives and assessed for impairment whenever there is an impairment indicator, except goodwill which is tested for impairment annually whether or not impairment conditions exist. The amortisation expense and the gain or loss on disposal, is recognised in the Statement of Profit and Loss. Intangible assets with infinite useful lives are tested for impairment annually.

The amortisation policies applied to the Group's intangible assets are as follows:

Intangible assets	Useful lives	Amortisation method used
Goodwill	Infinite	No amortisation
Computer Software / Trademark	Finite (5 years)	Amortised on a straight-line basis over the life

Research costs are expensed as incurred.

Refer Notes 3, 4 and 43 to the Consolidated Financial Statements.

## c. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing

costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Refer Notes 2, 22, 29 and 42 to the Consolidated Financial Statements.

## d. Investments

Investments in other equity shares / units are measured at fair value. The fair value changes, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of an investment. Investments in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in the Statement of Profit and Loss.

Refer Notes 6 and 12 to the Consolidated Financial Statements.

## e. Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Group recognizes impairment loss allowance on trade receivables based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of Profit and Loss.

Refer Notes 7 and 13 to the Consolidated Financial Statements.

## f. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Raw materials, Components, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they



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will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- (ii) Finished goods and work-in-progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.
- (iii) Traded goods: These are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to sell them.

Refer Note 10 to the Consolidated Financial Statements.

## **g. Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Refer Note 14 to the Consolidated Financial Statements.

## **h. Provisions**

Provisions are recognised when the Group has a present obligation as a result of a 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.

Provision for product related warranty/ guarantee costs is based on the claims received upto the year end, as well as 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.

Refer Notes 25 and 33 to the Consolidated Financial Statements.

## **i. Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

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.

The Group operates

- (a) Defined benefit gratuity plan, which requires contributions to be made to a separately administered fund and
- (b) Post-retirement medical benefit plan which is unfunded.

Gratuity and Post-Retirement Medical Benefit liability are provided for on the basis of actuarial valuation, using the projected unit credit method, made at the end of each financial year.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability),

# Notes to Consolidated Financial Statements

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are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income  
Long term compensated absences are provided for based on an actuarial valuation done at the end of each financial year.

Pension liability is split into a defined benefit portion and a defined contribution portion. The part of the liability towards pension plan upto March 31, 2003 for employees as on that date is in the nature of defined benefit plan. From April 1, 2003, the pension remains as a defined contribution liability. The Defined benefit portion is provided for on the basis of an actuarial valuation done at the end of each financial year. The contributions towards defined contribution are charged to Statement of Profit and Loss of the year when the employee renders the service.

The current and non-current bifurcation is done as per Actuarial report.

Refer Notes 25, 33, 40 and 47 to the Consolidated Financial Statements.

## j. Foreign Currency

Transactions in foreign currencies are initially recorded in reporting currency by the Group at spot rates at the date of transaction. The Group's functional currency and reporting currency is the same i.e. Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

The translation of the financial statements of a foreign operation results in the recognition of exchange differences arising from

- (a) Translating income and expense items at the average exchange rates for practical reasons, as the average approximates the actual rate at the date of the transaction.
- (b) Translating assets and liabilities at the closing rate
- (c) Translating the opening net investment in the foreign operation at an exchange rate different from that at which it was previously valued.

All resulting exchange differences are recognised in other comprehensive income and accumulated in a foreign currency translation reserve until the disposal of the net investment.

## k. Revenue Recognition

### Sale of goods

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment for them is made. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, in accordance with the Sale of Goods Act, 1930. Revenue is measured at the fair value of the consideration received or receivable excluding taxes or duties collected on behalf of the government.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT) are collected on behalf of

# Notes to Consolidated Financial Statements

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the government and accordingly, it is excluded from revenue.

The Company operates customer incentive programmes, which allows dealers to accumulate points when they purchase products from the Company and which can be redeemed for free products or gifts.

Consideration received by the Company on sale of goods is allocated between the products sold and the points issued based on their fair values. Fair value of the points is determined by applying past trend and management's estimate of the value of the products / gifts proposed to be issued against such points. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed by the dealers.

Refer Note 36 to the Consolidated Financial Statements.

## Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## I. Taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no

longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences, except, in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

Refer Notes 9 and 28 to the Consolidated Financial Statements.

## m. Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. All other leases are operating lease. Operating lease payments, as per terms of the agreement, are recognised as an expense in the Statement of Profit and Loss on a straight line basis.

Refer Notes 2 and 44 to the Consolidated Financial Statements.

## n. Earning per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year 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 before OCI 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.

Refer Note 45 to the Consolidated Financial Statements.

# Notes to Consolidated Financial Statements

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**o. Segment reporting**

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

Refer Note 52 to the Consolidated Financial Statements.

**p. Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Refer Note 48 to the Consolidated Financial Statements.

**q. Measurement of EBITDA**

The Group has elected to present earnings before interest, tax expenses, depreciation and amortization expenses (EBITDA) as a separate line item on the face of the Statement of Profit and Loss.

**r. Standards Issued but not yet Effective**

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable from April 1, 2017.

**Amendment to Ind AS 7:**

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and their effect on the financial statements.

**s. Accounting policies related to life insurance business**

**(i) Product classification**

Insurance and investment contracts are classified as being either with or without DPF. DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that meet the following conditions:

- Likely to be a significant portion of the total contractual benefits

- The amount or timing of which is contractually at the discretion of the issuer

- That are contractually based on:

a) The performance of a specified pool of contracts or a specified type of contract

b) Realized and/or unrealized investment returns on a specified pool of assets held by the issuer

c) The profit or loss of the Company, fund or other entity that issues the contract

**(ii) Life insurance contract liabilities**

Life insurance liabilities are recognized when contracts are entered into and premiums

# Notes to Consolidated Financial Statements

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are charged. These liabilities are measured using the net premium method. The liability is determined as the sum of the discounted value of the expected future benefits, claims handling and policy administration expenses, policyholder options and guarantees and investment income from assets backing such liabilities, which are directly related to the contract, less the discounted value of the expected premiums that would be required to meet the future cash outflows based on the valuation assumptions used.

Refer Notes 26 and 34 to the Consolidated Financial Statements.

### (iii) Investment contract liabilities

Investment contracts are classified between contracts with and without DPF. The accounting policies for investment contract liabilities with DPF are the same as those for life insurance contract liabilities. Investment contract liabilities without DPF are recognized when contracts are entered into and premiums are charged. These liabilities are initially recognized at fair value, this being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, the investment contract liabilities are measured at fair value through profit or loss.

Deposits and withdrawals are recorded directly as an adjustment to the liability in the statement of financial position and are not recognized as gross premium in the statement of profit or loss.

Fair values are determined at each reporting date and fair value adjustments are recognized in the statement of profit or loss in "Gross change in contract liabilities".

Non-unitized contracts are subsequently also carried at fair value. The liability is derecognized when the contract expires, discharged or cancelled. For a contract that

can be cancelled by the policyholder, the fair value of the contract cannot be less than the surrender value.

When contracts contain both a financial risk component and a significant insurance risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premiums relating to the insurance risk component are accounted for on the same basis as insurance contracts and the remaining element is accounted for as a deposit through the statement of financial position as described above.

Refer Note 27 and 35 to the Consolidated Financial Statements.

### (iv) Reinsurance assets

Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting period.

### (v) Liability adequacy test

The Company performs adequacy testing on its insurance liabilities to ensure that the carrying amounts (net of related deferred acquisition costs) and, where relevant, present value of acquired in-force business is sufficient to cover current estimates of future cash flows. Any deficiency is immediately charged to the income statement.

### (vi) Revenue recognition

#### (a) Premium Income

Premium is recognized as income when due. Premium on lapsed policies is recognized as

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

income when such policies are reinstated.

For linked business, Premium income is recognized as income when the associated units are created. Income from unit linked funds which include policy administration charges, mortality charges, etc. are recovered from unit linked fund in accordance with terms and conditions of policy and is recognized when due. Fund management charges are adjusted in the unit price computed on each business date.

Premium income pertaining to investment contracts are accounted as investment liabilities.

**(b) Income from investments**

Interest/dividend income on investments is recognized on accrual basis. Amortization of discount/ premium relating to debt securities is recognized over the remaining maturity period on effective interest basis.

**(c) Reinsurance Premium**

Cost of reinsurance ceded is accounted at the time of recognition of premium income in accordance with the treaty or in principle arrangement/agreement with the reinsurers.

**(d) Income from linked policies**

For linked business, premium income is recognized as income when the associated units are created. Income from unit linked funds which include policy administration charges, mortality charges, etc. are recovered in accordance with terms and conditions of policy and is recognized when due. Fund management charges are adjusted in the unit price computed on each business date.

**(e) Interest income**

Interest on loans against policies is recognized on effective interest basis.

**(f) Amortization of premium /discount on securities Income/Cost**

Premium or discount on acquisition, as the case may be, in respect of debt securities / fixed income securities, pertaining to non-linked investments is amortized on effective interest rate basis over the expected life of the financial instrument.

**(g) Realized Gain/ (Loss) on Debt Securities for Linked Business**

Realized gain/(loss) on debt securities for linked business is the difference between the sale consideration net of expenses and the book cost, which is computed on weighted average basis, as on the date of sale.

**(h) Realized Gain/ (Loss) on Debt Securities for Non-Linked Business**

Realized gain/(loss) on debt securities for other than linked business is the difference between the sale consideration net of expenses and the amortized cost, which is computed on a weighted average basis, as on the date of sale.

**(i) Realized Gain/ (Loss) on sale of Equity Shares/ Mutual Fund**

Realized gain/ (Loss) on sale of equity shares/ mutual fund units is the difference between the sale consideration net of expenses & the book cost computed on weighted average basis as on the date of sale (mutual fund sale considerations would be based on the latest available NAV).

**(j) Unrealized Gain/ (Loss) for Linked Business**

Unrealized gains and losses for Linked Business are recognized in the respective fund's revenue account

Refer Note 36 to the Consolidated Financial Statements.

**(vii) Benefits paid (including claims)**

Benefits paid comprise policy benefit amount and bonus declared to policyholders. Death & surrender claims are accounted for on

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

receipt of intimation based on the terms of policy. Maturity benefits, survival benefits and declared bonuses are accounted for on the respective due dates. Withdrawals and benefits under linked policies are accounted in the respective schemes when the associated units are cancelled.

Repudiated claims disputed before judicial authorities are provided for based on management prudence and considering the fact and evidences available in respect of such claims. Reinsurance recoveries on claims are accounted for, in the same period as the related claims.

Amounts paid under investment contracts other than those with a discretionary participating feature are recorded as reductions of the investment contract liabilities. Amounts received under investment contracts, are not recorded through profit or loss, except for fee income and investment income attributable to those contracts, but are accounted for directly through the statement of financial position as an adjustment to investment contract liabilities.

Refer Note 44 to the Consolidated Financial Statements.

## **(viii) Actuarial liability valuation**

The estimation of liability for life policies is determined by the Appointed Actuary in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDAI regulations and the actuarial practice standards issued by The Institute of Actuaries of India.

Refer Note 51 to the Consolidated Financial Statements.

## **(ix) Acquisition & maintenance costs**

Acquisition costs such as commission, medical fees and stamp duty are costs that

vary with and are primarily related to the acquisition of new and renewal insurance contracts. Such costs are expensed in the year in which they are incurred.

Refer Note 44 to the Consolidated Financial Statements.

## **(x) Undistributed Participating Policyholders Surplus (UPPS)**

The balance in the Undistributed Participating Policyholders Surplus (UPPS) account represents funds, the allocation of which, either to policyholders or to shareholders has not been determined at the Reporting date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each accounting period arising in the Company's policyholders' funds. In respect of participating policies, any allocation to the policyholders would also give rise to transfer to the shareholders in the required proportion.

## **(xi) Liability for Life Policies**

The valuation exercise is done to protect the interests of the existing policyholders. For policies with profit, the reasonable expectations of policyholders (PRE) are also considered. The reserves should be adequate to provide for all the policyholders benefits in various future scenarios. Adequate use of Margin for Adverse Deviation (MAD) is made to ensure that policyholders' benefits are protected even in some plausible adverse scenarios.

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined using the gross premium method and in case of group business (except for Credit Life Business and Reverse Mortgage Loan Enabled Annuity where gross premium method is used), the actuarial liabilities have been calculated on the basis of

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

Unearned Premium Reserve method. Linked liabilities comprise unit liability representing the fund value of policies and non-unit liability for meeting insurance claims, expenses etc. The main governing guidelines considered for valuation are Insurance Act, 1938, IRDA Act, 1999, IRDAI (Actuarial Report & Abstract) Regulations, 2016, IRDAI (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016, Actuarial Practice Standards and Guidance notes issued by Institute of Actuaries of India, Circulars issued by IRDAI from time to time.

## **(xii) Provision for free look period**

An additional reserve is held for policies that are expected to be cancelled during the Free Look period. The method used to estimate this reserve is given below:

- i. A proportion of New Business Premium income during the period January 2017 to March 2017 is held as reserve.
- ii. The proportion is arrived on the basis of actual reserving strain due to free look cancellations at previous year.

The proportion is determined as: (Reserving strain from free look cancelled NB policies that are sold during January 2015 - March 2015) / (NB Premium Income for the period January 2016 - March 2016)

Expected number of free look cancellations is calculated on the basis of the past experience and it is assumed that the business sold three months prior to the valuation date has a potential for cancellation.

Based on latest study, the proportion is in the range of 2.5%.

## **(xiii) Discontinued Fund (Unit Linked)**

As per the regulations, the fund value of lapsed policies is transferred to a separate fund namely, Discontinued Fund (UL), the

returns for this funds are guaranteed as per Regulation 11 of IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010.

## **(xiv) Discontinued Fund (VIP Pension)**

As per the regulations, the fund value of lapsed policies is transferred to a separate fund namely, Discontinued Fund (Pension), the returns for this funds are guaranteed as per Regulation 11 of IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010.

## **(xv) Loans against policies**

Loans are stated at historical costs subject to provision for impairment. Interest on loans, if any, is recognized on an accrual basis.

## **(xvi) Actuarial liability valuation**

The estimation of liability for life policies is determined by the Appointed Actuary in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, IRDAI regulations and the actuarial practice standards issued by The Institute of Actuaries of India.

## **(xvii) Transfer of investments between Shareholders and Policyholders**

In order to meet the deficit in the Policyholders' account the Company transfers cash or investments from Shareholders' fund to Policyholders' fund in compliance with IRDAI circulars.

## **(xviii) Deferred acquisition costs (DAC)**

Those direct and indirect costs incurred during the financial period arising from the acquiring or renewing of insurance contracts and/or investment contracts with DPF, are deferred to the extent that these costs are recoverable out of future premiums from insurance contract and over duration of investment contracts with DPF. All other acquisition costs are recognized as an expense when incurred.



# Notes to Consolidated Financial Statements

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Subsequent to initial recognition, this DAC asset for life insurance and investment contracts with DPF is amortized over the expected life of the contracts as a constant percentage of expected premiums. DAC for general insurance and health products are amortized over the period in which the related revenues are earned. The deferred acquisition costs for reinsurers are amortized in the same manner as the underlying asset amortization and is recorded in the Statement of Profit or Loss.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the Statement of Profit or Loss. DACs are also considered in the liability adequacy test for each reporting period.

DACs are derecognized when the related contracts are either settled or disposed of.

## **(xix) Deferred revenue**

Initial and other front-end fees received for rendering future investment management services relating to investment contracts without DPF, are deferred and recognized as revenue when the related services are rendered.

## **(xx) Funds for future appropriation**

### **Linked business**

Amounts estimated by Appointed Actuary as Funds for Future Appropriation – Linked are required to be set aside in the Balance Sheet and are not available for distribution to shareholders

until the expiry of the revival period. The Company appropriates Funds for Future Appropriation from the Revenue Account.

### **Participating business**

At each Balance Sheet date, the management with the approval of the board decides to distribute the surplus among policyholders, shareholders and funds for appropriation at a future date. Surplus arising in the participating business after allowing for current year cost of bonus to policyholder is held as funds for future appropriation, which includes the surplus not appropriated during the year either to the policyholders or to the shareholders.

## **(xxi) Discretionary Participation Features (DPF)**

A DPF gives holders of these contracts the right to receive, as a supplement to guaranteed benefits, significant additional benefits which are based on the performance of the assets held within the DPF portfolio. The amount or timing of the additional benefits is contractually at the discretion of the Company. Under the terms of the contracts, surpluses in the DPF funds can be distributed to policyholders and shareholders on a 90/10 basis. The Company has the discretion over the amount and timing of the distribution of these surpluses to policyholders. All DPF liabilities including unallocated surpluses at the end of the reporting period are held within insurance or investment contract liabilities, as appropriate.

## **(xxii) Financial instruments**

### **Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

#### **Subsequent measurement**

Based on business model assessment, for purposes of subsequent measurement, financial assets are classified in four categories:

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

**(a) Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Basis above evaluation, Investments in debt securities which are specifically procured and held for Par, Pension and Annuity segments are measured at amortized cost.

**(b) Debt instruments at fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On

derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the effective interest rate basis.

Basis above evaluation, Investments in debt securities which are specifically procured and held for Non-par funds and shareholder funds are measured at FVTOCI.

**(c) Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Dividend income for quoted shares is recognized on ex-dividend date, and for non-quoted shares the dividend is recognized when the right to receive the dividend is established.

Basis above evaluation, the Company has classified Investments in equity securities specifically procured and held for Par and Pension funds are measured at FVTOCI.

**(d) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt

# Notes to Consolidated Financial Statements

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instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

## **Derecognition**

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when the rights to receive cash flows from the asset have expired.

## **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and non-equity financial assets carried at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition.

ECL are a probability weighted estimate of credit losses measured by, determining the probability of default ('PD') and loss given default ('LGD'). For Investments, PD has been computed by using a ratings based transition matrix.

Refer Note 5 and 11 to the Consolidated Financial Statements.

## **Financial liabilities**

- (a) Initial recognition and measurement  
All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.
- (b) Subsequent measurement  
The measurement of financial liabilities depends on their classification, as described below:

### **Financial liabilities measured at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss.

Basis above evaluation, the Company has designated their financial liabilities as at fair value through profit or loss in the following instances:

- Financial liabilities for the account and risk of the Company's customers where the insurance benefits are linked to unit values of investment funds.
- Financial liabilities related to assets measured at fair value in order to reduce or eliminate an accounting mismatch.

**(c) Derecognition of financial liabilities**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**(d) Offsetting of financial instruments**

Financial assets and financial liabilities are

offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Accordingly the reinsurance assets and liabilities have been grossed up in the financial statements.

**Investments:**

Investment in debt and equity securities are accounted as per the business model assessment described above.

**Embedded derivative:**

Certain derivatives embedded in insurance contracts are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss account.

**s. Principles of consolidation**

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 by combining like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealised profit/ loss included therein. Deferred tax has been created on temporary differences that arise from the elimination of

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

profits and losses resulting from intragroup transactions as per Ind AS12: Income Taxes.

- ii. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity

with the group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31.

- iii. The excess / shortfall of cost to the company of its investments in the subsidiary companies is recognized in the financial statements as goodwill / capital reserve, as the case may be.
- iv. Foreign Exchange fluctuations on conversion of the accounts of foreign subsidiaries have been taken to "Foreign Currency Translation Reserve" (Arising on Consolidation).

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

Name	Country of Incorporation	% of ownership interest as on March 31, 2017	% of ownership interest as on March 31, 2016	% of ownership interest as on April 1, 2015
Chloride International Limited (CIL)	India	100	100	100
Chloride Power Systems & Solutions Ltd. (CPSSL)	India	100	100	100
Chloride Batteries S.E. Asia Pte Ltd. (CBSEA) & its wholly owned subsidiary (Exide Batteries Pvt. Ltd.)	Singapore	100	100	100
Espex Batteries Limited (ESPEX)	UK	100	100	100
Associated Battery Manufacturers (Ceylon) Ltd. (ABML)	Sri Lanka	61.50	61.50	61.50
Chloride Metals Ltd. (CML)	India	100	100	100
Chloride Alloys India Ltd. (CAIL)	India	*	*	100
Exide Life Insurance Company Limited (ELI)	India	100	100	100

\*Merged with CML during 2015-16

## t. Non-controlling interest

Non-controlling interest has been computed in respect of Associated Battery Manufacturers (Ceylon) Limited, a non-fully owned subsidiary. Profit and each component of other comprehensive income (OCI) of Associated Battery Manufacturers (Ceylon) Limited are attributed to the Company and to the non-controlling interests in terms of Ind AS 110: Consolidated Financial Statements.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 2 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Land under Finance lease	Buildings	Plant & machinery (including electrical installation)	Moulds	Office Equipment	Furniture & fittings	Vehicles	Computers	Total
(Rs. in Crores)										
<b>Cost</b>										
As at April 1, 2015 (Refer Note (c) below)	43.32	30.05	246.53	754.04	76.45	6.75	3.60	2.90	12.53	1,176.17
Forex Adjustment	(0.08)	-	0.53	(0.08)	-	-	0.03	0.04	-	0.44
Additions	-	4.03	67.54	226.51	51.30	5.01	5.11	1.67	5.62	366.79
Disposals / deductions	-	-	2.92	11.86	0.11	-	0.01	-	0.07	14.97
As at March 31, 2016	43.24	34.08	311.68	968.61	127.64	11.76	8.73	4.61	18.08	1,528.43
Forex Adjustment	(0.16)	-	(0.55)	(1.03)	-	-	(0.07)	(0.17)	-	(1.98)
Additions	3.23	-	76.48	344.63	53.36	5.07	2.32	0.93	12.74	498.76
Disposals / deductions	-	-	0.34	1.65	0.49	0.03	0.01	0.02	0.15	2.69
<b>As at March 31, 2017</b>	<b>46.31</b>	<b>34.08</b>	<b>387.27</b>	<b>1,310.56</b>	<b>180.51</b>	<b>16.80</b>	<b>10.97</b>	<b>5.35</b>	<b>30.67</b>	<b>2,022.52</b>
<b>Depreciation</b>										
As at April 1, 2015 (Refer Note (c) below)	-	-	-	-	-	-	-	-	-	-
Forex Adjustment	-	-	0.01	(0.06)	-	-	-	(0.01)	-	(0.06)
Charge for the year	-	0.59	13.14	126.16	16.52	2.56	2.58	1.10	4.65	167.30
Disposals / deductions	-	-	0.06	2.61	0.09	-	-	-	0.04	2.80
As at March 31, 2016	-	0.59	13.09	123.49	16.43	2.56	2.58	1.09	4.61	164.44
Forex Adjustment	-	-	(0.14)	(0.25)	(0.01)	-	(0.04)	(0.09)	-	(0.53)
Charge for the year	-	0.89	16.49	162.50	21.88	2.93	1.36	1.16	5.39	212.60
Disposals / deductions	-	-	0.15	1.02	0.38	-	-	-	0.08	1.63
<b>As at March 31, 2017</b>	<b>-</b>	<b>1.48</b>	<b>29.29</b>	<b>284.72</b>	<b>37.92</b>	<b>5.49</b>	<b>3.90</b>	<b>2.16</b>	<b>9.92</b>	<b>374.88</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 2 PROPERTY, PLANT AND EQUIPMENT (CONTD.)

	Freehold land	Land under Finance lease	Buildings	Plant & machinery (including electrical installation)	Moulds	Office Equipment	Furniture & fittings	Vehicles	Computers	Total
(Rs. in Crores)										
<b>Net Block</b>										
As at April 1, 2015	43.32	30.05	246.53	754.04	76.45	6.75	3.60	2.90	12.53	1,176.17
As at March 31, 2016	43.24	33.49	298.59	845.12	111.21	9.20	6.15	3.52	13.47	1,363.99
<b>As at March 31, 2017</b>	<b>46.31</b>	<b>32.60</b>	<b>357.98</b>	<b>1,025.84</b>	<b>142.59</b>	<b>11.31</b>	<b>7.07</b>	<b>3.19</b>	<b>20.75</b>	<b>1,647.64</b>
a. Conveyance / Lease deeds for certain immovable properties valued at Rs. 7.21 crs (March 31, 2016: Rs. 7.21 crs; April 1, 2015: Rs. 3.77 crs) are pending execution.										
b. Buildings Includes Rs. 0.10 crs (March 31, 2016: Rs. 0.10 crs; April 1, 2015: Rs. 0.10 crs) being the cost of shares in respective Co-operative Housing Societies.										
c. For Property, plant and equipment existing as on April 1, 2015, i.e. date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net WDV as per Indian GAAP as on April 1, 2015 has been considered as Gross Block under Ind-AS. The accumulated depreciation so netted off as on April 1, 2015, is as below -										
Gross Block	43.32	34.47	398.30	1,693.63	176.33	26.78	24.01	13.76	46.38	2,456.98
Accumulated depreciation	-	4.42	151.77	939.59	99.88	20.03	20.41	10.86	33.85	1,280.81
<b>Net Block</b>	<b>43.32</b>	<b>30.05</b>	<b>246.53</b>	<b>754.04</b>	<b>76.45</b>	<b>6.75</b>	<b>3.60</b>	<b>2.90</b>	<b>12.53</b>	<b>1,176.17</b>
d. Vehicles includes Vehicles held under hire purchase contracts Rs. 0.81 crs (March 31, 2016 Rs. 0.73 crs; April 1, 2015 Rs. 0.84 crs)										
e. Buildings includes leasehold improvements Rs. 8.09 crs (March 31, 2016 Rs. 8.77 crs; April 1, 2015 Rs. 1.87 crs)										
f. Property, plant and equipment are pledged against the borrowings obtained by the group as referred in Note 22 and 29.										
g. Details of Overhead expenditure on New / Expansion Projects (Pending allocation and lying in Capital work-in-progress)										

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(Rs. in Crores)			
Balance brought forward from previous year	2.16	0.60	-
Salaries, Wages & Bonus	-	0.75	0.44
Borrowing Cost	1.02	1.47	-
Travelling expenses	-	0.21	0.44
	3.18	3.03	0.88
Less : Allocated to Property, Plant and Equipment upon capitalisation during the year	3.18	0.87	0.28
	-	2.16	0.60

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 3 GOODWILL AND OTHER INTANGIBLE ASSETS

(Rs. in Crores)

	Other intangible assets			
	Goodwill	Trade Mark	Computer Software	Total
<b>Cost</b>				
As at April 1, 2015 (Refer note 3.2 below)	3.89	3.10	16.37	19.47
Additions	-	-	13.93	13.93
As at March 31, 2016	3.89	3.10	30.30	33.40
Additions	-	-	13.30	13.30
<b>As at March 31, 2017</b>	<b>3.89</b>	<b>3.10</b>	<b>43.60</b>	<b>46.70</b>
<b>Amortisation</b>				
As at April 1, 2015 (Refer note 3.2 below)	-	-	-	-
Charge for the year	-	0.84	7.16	8.00
As at March 31, 2016	-	0.84	7.16	8.00
Charge for the year (including impairment)	3.89	0.84	8.60	9.44
<b>As at March 31, 2017</b>	<b>3.89</b>	<b>1.68</b>	<b>15.76</b>	<b>17.44</b>
<b>Net Block</b>				
As at April 1, 2015	3.89	3.10	16.37	19.47
As at March 31, 2016	3.89	2.26	23.14	25.40
<b>As at March 31, 2017</b>	<b>-</b>	<b>1.42</b>	<b>27.84</b>	<b>29.26</b>

### 3.1 Allocation of Goodwill to cash-generating units

The carrying value of goodwill pertained to Home UPS business which was acquired by the Company in 2011-12. The management impaired the goodwill amounting to Rs. 3.89 crs since the Home UPS business is very volatile and highly competitive. No other write down of the assets of Home UPS business is considered necessary.

**3.2** For Intangible assets existing as on April 1, 2015, i.e. date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net WDV as per Indian GAAP as on April 1, 2015 has been considered as Gross Block under Ind-AS. The accumulated amortization so netted off as on April 1, 2015, is as below -

Gross Block	12.12	4.20	49.26	53.46
Accumulated amortization	8.23	1.10	32.89	33.99
Net Block	3.89	3.10	16.37	19.47

## 4 GOODWILL ON CONSOLIDATION

(Rs. in Crores)

	March 31, 2017	March 31, 2016	April 1, 2015
Balance as per Last Account	581.90	581.90	581.90
	581.90	581.90	581.90



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 5 INVESTMENTS OF LIFE INSURANCE BUSINESS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a. Investments held at Amortised Cost</b>			
<b>Policyholders' Investments</b>			
<b>Quoted Investments</b>			
Government securities and government guaranteed bonds including treasury bills	3,784.64	2,969.36	2,428.96
Debentures/ bonds	380.01	395.10	429.14
Investments in infrastructure and social sector bonds	1,292.49	1,181.08	1,088.55
<b>Unquoted Investments</b>			
Other securities (Policy Loan)	211.06	152.40	67.20
	5,668.20	4,697.94	4,013.85
<b>b. Investments held at FVTOCI (Quoted)</b>			
<b>Policyholders' Investments</b>			
Government securities and government guaranteed bonds including treasury bills	1,115.85	934.76	589.58
Debentures/ bonds	161.34	146.25	165.32
Investments in infrastructure and social sector bonds	284.77	268.12	361.97
Equity	406.68	322.89	277.00
<b>Shareholders' investments</b>			
Government securities and government guaranteed bonds including treasury bills	486.35	437.41	353.22
Debentures/ bonds	17.46	43.52	47.59
Investments in infrastructure and social sector bonds	138.54	126.82	84.80
	2,610.99	2,279.77	1,879.48
<b>c. Investments held at FVTPL (Quoted)</b>			
<b>Policyholders' Investments</b>			
Equity	45.07	-	-
<b>Assets held to cover linked liabilities:</b>			
Government securities and government guaranteed bonds including treasury bills	379.66	442.40	334.76
Equity	1,289.04	1,203.54	1,531.03
Debentures/ bonds	78.87	79.56	114.41
Investments in infrastructure and social sector bonds	166.94	117.33	221.39
	1,959.58	1,842.83	2,201.59
	<b>10,238.77</b>	<b>8,820.54</b>	<b>8,094.92</b>
(i) Aggregate book value of quoted investments	10,027.71	8,668.14	8,027.72
(ii) Aggregate market value of quoted investments	10,589.35	9,011.23	8,237.63
(iii) Aggregate value of unquoted investments	211.06	152.40	67.20
Refer note 53 for determination of fair values.			

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 6 OTHER INVESTMENTS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Investments at cost (Unquoted)</b>			
<b>Government Securities</b>			
Government Securities (lodged as security deposits with various authorities)	0.01	0.01	0.01
<b>Investments at FVTOCI</b>			
<b>Investment In Debentures / Bonds<sup>^</sup></b>	-	-	-
<b>Units (Unquoted)</b>			
Faering Capital India Evolving Fund of Rs. 1000 each (2,45,741 units (March 31, 2016: 2,37,753 units, April 1, 2015: 1,80,716 units))	34.19	35.22	28.85
<b>Equity shares (Unquoted)</b>			
Haldia Integrated Development Agency Ltd of Rs. 10 each (5,00,000 shares (March 31, 2016: 5,00,000 shares, April 1, 2015: 5,00,000 shares))	3.35	3.35	3.70
Suryadev Alloys of Rs. 10 each (2,500 shares (March 31, 2016: 2,500 shares, April 1, 2015: 2,500 shares))	0.03	0.03	0.03
<b>Equity shares (Quoted)</b>			
Hathway Cable and Datacom Limited of Rs. 2 each (54,62,830 shares (March 31, 2016: 54,62,830 shares, April 1, 2015: 54,62,830 shares))	20.68	21.16	26.76
	<b>58.26</b>	<b>59.77</b>	<b>59.35</b>
(i) Aggregate book value of unquoted investments -	37.58	38.61	32.59
(ii) Aggregate book value and market value of quoted investments	20.68	21.16	26.76
(iii) Investments at FVTOCI reflect investment in quoted equity securities and unquoted units of a venture fund. Refer note 53 for determination of fair values.			

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

## 7 TRADE RECEIVABLES (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unsecured, Considered good</b>			
Trade Receivables	1.81	0.73	1.29
	<b>1.81</b>	<b>0.73</b>	<b>1.29</b>

Trade receivables are pledged against the borrowings obtained by the group as referred in Note 22 and 29.

## 8 LOANS AND DEPOSIT (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Loans to employees	0.22	0.39	0.58
b) Loans and advances to others	0.02	0.03	0.06
c) Loans against Insurance Policies (secured)	-	-	15.43
d) Deposits	25.86	22.97	21.03
<b>(ii) Unsecured, considered doubtful</b>			
a) Deposits	1.03	1.97	1.28
b) Loans to employees	0.03	-	-
	<b>27.16</b>	<b>25.36</b>	<b>38.38</b>
Less :- Allowances for doubtful loans and deposits	1.06	1.97	1.28
	<b>26.10</b>	<b>23.39</b>	<b>37.10</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 9 OTHER NON-FINANCIAL ASSETS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Capital advances	50.75	19.33	61.78
b) Advance Payment of Income Tax (net of Provisions)	75.14	41.65	56.08
c) Prepaid expenses	9.80	8.62	11.09
d) Balances with Customs, Sales Tax & Excise Authorities	41.62	33.05	26.75
e) Other Receivables	0.14	-	0.17
<b>(ii) Unsecured, considered doubtful</b>			
a) Advances recoverable in cash or kind	1.89	1.95	1.93
b) Balances with Customs, Sales Tax & Excise Authorities	5.04	3.08	2.13
	184.38	107.68	159.93
Less :- Provision for doubtful deposits and advances	6.93	5.03	4.06
	<b>177.45</b>	<b>102.65</b>	<b>155.87</b>

## 10 INVENTORIES

	(Rs. in Crores)		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>(At Lower of cost and net realisable value)</b>			
a) Stores, spare parts, loose tools etc	31.50	27.07	29.80
b) Raw materials and components [Including in transit/ lying in bonded warehouse Rs. 81.78 crs (March 31, 2016: Rs. 58.01 crs, April 1, 2015: Rs. 66.62 crs)]	434.44	306.43	464.07
c) Work-in-progress	504.77	409.77	491.49
d) Finished goods	590.86	409.35	540.12
Add: Excise Duty	109.86	80.70	98.80
e) Trading Goods [Including in transit Nil (March 31, 2016: Nil, April 1, 2015: Rs. 0.17 cr)]	30.58	12.56	22.08
	<b>1,702.01</b>	<b>1,245.88</b>	<b>1,646.36</b>

Inventories are pledged against the borrowings obtained by the group as referred in Note 22 and 29.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 11 INVESTMENTS OF LIFE INSURANCE BUSINESS

(Rs. in Crores)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>a. Investments held at Amortised Cost</b>			
<b>Policyholders' Investments (Quoted)</b>			
Government securities and government guaranteed bonds including treasury bills	47.24	38.10	13.86
Debentures/ bonds	27.57	20.54	3.93
Investments in infrastructure and social sector bonds	21.17	15.46	53.56
Others (CBLO)	18.94	4.98	0.70
	114.92	79.08	72.05
<b>b. Investments held at FVTOCI (Quoted)</b>			
<b>Policyholders' Investments</b>			
Government securities and government guaranteed bonds including treasury bills	-	8.11	0.54
Debentures/ bonds	0.20	0.17	-
Investments in infrastructure and social sector bonds	6.31	4.49	10.07
<b>Shareholders' investments</b>			
Government securities and government guaranteed bonds including treasury bills	-	107.97	80.71
Debentures/ bonds	11.54	0.44	-
Investments in infrastructure and social sector bonds	1.01	-	30.35
	19.06	121.18	121.67
<b>c. Investments held at FVTPL</b>			
<b>Shareholders' investments (Quoted)</b>			
Mutual funds	46.64	52.29	84.05
<b>Policyholders' Investments (Quoted)</b>			
Mutual funds	177.93	69.26	52.30
<b>Assets held to cover linked liabilities (Quoted):</b>			
Government securities and government guaranteed bonds including treasury bills	170.15	167.77	129.62
Debentures/ bonds	11.77	-	5.07
Investments in infrastructure and social sector bonds	29.31	9.15	3.39
Mutual funds	80.64	95.05	79.64
Others (CBLO)	4.35	28.00	21.68
<b>Net current assets</b>			
Bank balances	0.45	0.55	1.98
Interest and dividend accrued on Investment	17.69	20.14	24.24
Outstanding contract (net)	16.97	(14.71)	(0.85)
Other current assets	10.02	-	-
Other current liabilities	(21.60)	3.30	2.44
	544.32	430.80	403.56
	<b>678.30</b>	<b>631.06</b>	<b>597.28</b>
(i) Aggregate book value of quoted investments	654.77	621.78	569.47
(ii) Aggregate market value of quoted investments	655.93	622.17	571.99
(iii) Aggregate book value of unquoted investments	23.53	9.28	27.81

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 12 OTHER INVESTMENTS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Investments at FVTPL</b>			
Units of mutual funds (Unquoted)	898.77	934.41	149.63
Units of mutual funds (Quoted)	10.03	-	-
	<b>908.80</b>	<b>934.41</b>	<b>149.63</b>
Aggregate amount of quoted investment and market value thereof	10.03	-	-
Aggregate amount of unquoted investment	898.77	934.41	149.63

## 13 TRADE RECEIVABLES (UNSECURED) (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Considered good	738.57	718.73	688.71
Considered doubtful	9.34	12.95	12.02
	747.91	731.68	700.73
Less :- Allowance for doubtful debts	9.34	12.95	12.02
<b>Total</b>	<b>738.57</b>	<b>718.73</b>	<b>688.71</b>

(Refer Note no 50 for Related Party disclosure)

Trade receivables are pledged against the borrowings obtained by the group as referred in Note 22 and 29.

## 14 CASH AND BANK BALANCES

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Cash and Cash Equivalents</b>			
a) Balances with banks on			
Current / Cash Credit Account	200.93	238.55	162.41
Deposits	43.00	0.01	0.03
b) Cheques, drafts in hand	20.83	14.39	8.88
c) Cash in hand	50.22	33.70	29.83
	<b>314.98</b>	<b>286.65</b>	<b>201.15</b>

## 15 OTHER BANK BALANCES

	(Rs. in Crores)		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
a) Unpaid Dividend Account	8.38	7.20	6.20
b) Deposits*	0.17	0.14	0.12
	<b>8.55</b>	<b>7.34</b>	<b>6.32</b>

\* Include Rs. 0.09 crore (March 31, 2016: Rs. 0.09 crore, April 1, 2015: Rs. 0.09 crore) with commercial tax department (Govt. of J&K) as security under GST and Rs. 0.08 crore (March 31, 2016: Rs. 0.05 crore, April 1, 2015: Rs. 0.02 crore) as margin money for Bank Guarantee.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 16 LOANS AND DEPOSITS (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unsecured, considered good</b>			
a) Loans to employees	0.31	0.31	0.49
b) Deposits - Others	18.35	19.26	15.53
	<b>18.66</b>	<b>19.57</b>	<b>16.02</b>

## 17 OTHER FINANCIAL ASSETS (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Other receivables	26.89	30.53	27.24
b) Income Accrued on Investments	208.25	175.88	151.40
c) Investments held to meet policyholders' dues	104.54	-	151.63
d) Claims Receivable	7.39	9.60	-
	<b>347.07</b>	<b>216.01</b>	<b>330.27</b>

## 18 OTHER NON-FINANCIAL ASSETS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>(i) Unsecured, considered good</b>			
a) Advances recoverable in cash or kind	59.95	62.35	43.22
b) Balances with Customs, Sales Tax & Excise Authorities	49.50	46.44	30.26
c) Prepaid expenses	8.90	15.56	15.04
<b>(ii) Unsecured, considered doubtful</b>			
a) Advances recoverable in cash or kind	3.80	3.74	2.62
Less :- Provision	3.80	3.74	2.62
	<b>118.35</b>	<b>124.35</b>	<b>88.52</b>

## 19 SHARE CAPITAL

	(Rs. in Crores)		
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Authorised</b>			
1,00,00,00,000 (PY: 1,00,00,00,000) Equity Shares of Re. 1 each	100.00	100.00	100.00
	100.00	100.00	100.00
<b>b) Issued, subscribed &amp; fully paid-up</b>			
85,00,00,000 (PY: 85,00,00,000) Equity Shares of Re. 1 each	85.00	85.00	85.00
	85.00	85.00	85.00
There is no change in the number of shares in current year and last year .			

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 19 SHARE CAPITAL (Contd.)

(Rs. in Crores)			
Particulars	March 31, 2017	March 31, 2016	April 1, 2015
<b>c) Terms / rights attached to equity shares</b>			
The company has only one class of Equity Shares having a Par Value of Re. 1 per share. Each Holder of Equity Shares is entitled to one vote per share. The company declares and pays dividends in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year, the Company has proposed a final dividend of Re. 0.80 per share (March 31, 2016: Re. 0.80 per share, April 1, 2015: Re. 0.70 per share).			
In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.			
<b>d) Shares held by holding company</b>			
<b>Name of Shareholder</b>			
Chloride Eastern Limited, UK (considered to be Holding company by virtue of de-facto control) 45.99% (March 31, 2016: 45.99%, April 1, 2015: 45.99%) equity shares	39,09,54,666	39,09,54,666	39,09,54,666
<b>e) Details of shareholders holding more than 5% shares in Company</b>			
<b>Name of Shareholder</b>	<b>Number of Shares</b>		
Chloride Eastern Limited, UK holding 45.99 % (March 31, 2016: 45.99 %, April 1, 2015: 45.99 %)	39,09,54,666	39,09,54,666	39,09,54,666
Life Insurance Corporation of India holding 3.83 % (March 31, 2016: 5.82%, April 1, 2015: 4.85 %)	3,25,66,143	4,94,25,211	4,11,84,383
As per records of the company, including its register of shareholders / members and other declaration received from shareholders, the above shareholding represents legal ownership of shares.			

## 20 OTHER EQUITY

(Rs. in Crores)			
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Securities Premium Account</b>	737.88	737.88	737.88
Premium received on equity shares issued are recognised in the securities premium account			
<b>b) Contingency Reserve</b>	25.00	25.00	25.00
The Contingency reserve is created to set aside funds for meeting contingencies and claims .			
<b>c) Retained earnings</b>	4,047.62	3,496.65	3,041.81
Retained earnings includes General Reserves, Surplus in Statement of Profit and Loss, Impact of Ind-AS adjustments on the date of transition, re-measurement gains/ losses on defined benefit plans and Revaluation Reserve.			

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 20 OTHER EQUITY (Contd.)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>d) Foreign currency Translation Reserve (FCTR)</b>	(2.92)	2.67	-
Exchange differences on translating the financial statements of foreign operations			
<b>e) Capital Redemption Reserve</b>	0.80	0.80	0.80
EspeX has created the reserve on account of buy back of its shares from minority shareholders			
<b>f) Capital Reserve</b>	2.89	2.89	2.89
Capital Reserve created on consolidation			
<b>g) OCI Reserve</b>	135.86	38.93	99.34
OCI reserve includes net gain / Loss on fair value of Investments			
	<b>4,947.13</b>	<b>4,304.82</b>	<b>3,907.72</b>

## 21 NON-CONTROLLING INTEREST

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Balance of equity as on acquisition date	3.75	3.75	3.75
Add: Movement in equity from acquisition date to Balance sheet date	12.01	10.86	9.03
	<b>15.76</b>	<b>14.61</b>	<b>12.78</b>

## 22 BORROWINGS (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non-Current Portion</b>			
Term loan from HSBC Bank Ltd (secured) #	-	1.23	1.29
Deferred Payment Liabilities from Sales Tax Deferral Scheme (unsecured)**	0.78	1.37	2.03
	<b>0.78</b>	<b>2.60</b>	<b>3.32</b>
<b>Current Maturities</b>			
Buyers Credit from HDFC Bank Ltd (secured)	-	-	2.30
Term loan from HSBC Bank Ltd (secured) #	1.16	2.81	0.70
Deferred Payment Liabilities from Sales Tax Deferral Scheme (unsecured)**	0.60	0.66	0.68
	<b>1.76</b>	<b>3.47</b>	<b>3.68</b>
Less : Amount disclosed under the head "Other Current Financial liabilities" (note 31)	<b>1.76</b>	<b>3.47</b>	<b>3.68</b>
	-	-	-

\*\* Liability under Sales Tax Deferral Scheme is payable in 5 equal yearly installments after 10 years of accrual and carries no interest .

# Secured by hypothecation of the Plant & Machinery, Land & Building, Inventories and Trade debtors of ABML. Repayable in 36 months from the date of loan at the interest rate of 7.13%.



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 23 NON-CURRENT TRADE PAYABLES (AT AMORTISED COST)

Particulars	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Trade payables	3.73	3.35	2.55
b) Payables for expenses	0.43	0.27	1.21
	<b>4.16</b>	<b>3.62</b>	<b>3.76</b>

## 24 CAPITAL CREDITORS (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Payables for Capital Goods	2.07	1.64	1.74
	<b>2.07</b>	<b>1.64</b>	<b>1.74</b>

## 25 NON CURRENT PROVISIONS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Provision for employee benefits (refer note 47)</b>			
Post retirement medical benefits	4.87	4.29	4.11
Gratuity	11.02	8.62	5.95
Pension	3.17	2.40	2.03
Leave benefits	28.93	26.19	22.75
<b>Others</b>			
Rent equalization	3.46	3.68	3.50
Provision for site restoration liabilities	1.13	1.03	0.93
	<b>52.58</b>	<b>46.21</b>	<b>39.27</b>
<b>Provisions for site restoration</b>			
A provision is recognised for site restoration liabilities on leasehold lands taken by the Company:			
<b>Opening Balance</b>	1.03	0.93	
Add: Interest accrued on the provision during the year	0.10	0.10	
<b>Closing Balance</b>	<b>1.13</b>	<b>1.03</b>	<b>0.93</b>
<b>Provisions for rent equalization</b>			
The Group has recognised rent equalisation liabilities for the properties taken on rent. The movement of non-current provisions (in note above) and current provisions (in note 33) is as follows:			
<b>Opening Balance</b>	3.90	3.55	
Add: Provision created during the year	-	0.35	
Less: Utilised during the year	0.15	-	
<b>Closing Balance</b>	<b>3.75</b>	<b>3.90</b>	<b>3.55</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 26 INSURANCE CONTRACT LIABILITIES

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Policy liabilities			
Insurance contracts liabilities*			
Par	4,355.43	3,509.47	2,659.70
Non par	1,564.44	1,303.35	1,110.82
Annuity	40.05	32.35	32.42
VIP Non Par Pension	710.03	421.29	317.01
Provision for linked liabilities	1,709.55	1,771.02	1,791.44
Fair value change (linked)	208.38	86.20	319.07
Non-unit liabilities	10.94	9.71	9.35
	<b>8,598.82</b>	<b>7,133.39</b>	<b>6,239.81</b>

\*For Movement of Policyholders' Funds, Funds for Discontinued Policies, Funds for Future Appropriation and Embedded Derivative liability - refer Note 57

## 27 INVESTMENT CONTRACT LIABILITIES\*\*

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Pension	877.46	954.00	1,024.01
VIP Non Par Pension	27.70	24.46	-
Linked	223.09	202.41	250.78
	<b>1,128.25</b>	<b>1,180.87</b>	<b>1,274.79</b>

\*\*For Movement of Investment Contracts Liabilities - refer Note 58

## 28 DEFERRED TAX LIABILITY (NET)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Deferred tax liability:</b>			
Arising out of temporary difference in depreciable assets	152.69	132.61	126.03
Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year	49.84	38.00	41.40
Unrealised gain on investment in equity shares carried at FVTOCI	0.57	0.57	0.64
<b>b) Deferred tax assets:</b>			
On expenses allowable against taxable income in future years	24.78	23.50	18.10
On unabsorbed depreciation and business loss	9.45	4.69	2.16
Expenses disallowed in earlier assessments which are being contested	12.80	10.52	8.37
	<b>156.07</b>	<b>132.47</b>	<b>139.44</b>
<b>Reconciliation of statutory rate of tax and effective rate of tax:</b>			
Tax rate as a % of PBT	26.72	29.44	
<b>Adjustments:</b>			
Non-deductible expenses for tax purposes	(1.37)	(0.64)	
Income exempt for tax purposes	2.35	1.02	
Various allowances claimed under Income Tax Act, 1961	2.72	2.23	
Utilisation of previously unrecognised tax losses	0.85	-	
Impact of lower tax rates of Indian/Foreign jurisdiction	1.95	1.37	
Non recognition of deferred tax assets	-	0.86	
Tax impact of earlier years	1.39	0.33	
At India's statutory income tax rate of 34.61% (PY: 34.61%)	34.61	34.61	

ELI has recognised deferred tax asset of Rs. 6.45 crs (March 31, 2016 - Nil, April 1, 2015 - Nil) on accumulated losses and unabsorbed depreciation based on future projections of availability of sufficient taxable profits.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 29 BORROWINGS (AT AMORTISED COST)

Particulars	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>From Banks (Secured)</b>			
Buyer's Credit	84.77	31.79	30.67
Bank Overdraft	5.59	1.13	-
Import loan from DFCC Bank PLC	5.54	-	-
Trade Bills Financing	2.74	5.17	12.35
<b>From Banks (Unsecured)</b>			
Buyer's Credit (repayable in 6 months)	85.46	70.71	8.34
	<b>184.10</b>	<b>108.80</b>	<b>51.36</b>

### Buyer's credit

- Includes Rs. 84.77 crs (March 31, 2016: Rs. 31.79 crs, April 1, 2015: Rs. 9.21 Crs) secured by hypothecation of stocks and book debts, both present and future of EIL and repayable in 6 months, carries interest in the range of 1.5% to 2.1%.
- Includes Rs. 85.46 crs (March 31, 2016: Rs. 70.71 crs, April 1, 2015: Rs. 8.34 Crs) of EIL repayable in 6 months, carries interest in the range of 1.5% to 2.1%.

### Trade bills financing

Rs. 2.74 Crs (March 31, 2016: Rs. 5.17 crs, April 1, 2015: Rs. 12.35 Crs) of CBSEA bearing interest at 2.00% per annum over the bank's prevailing commercial bill rate which ranges from 3.0% to 3.5 % per annum. The above amount is secured by the following:

- An all monies mortgage over the property
- An all monies debenture over all present and future assets incorporating fixed and floating charge over the present and future assets of the company.

### Bank overdraft

- Includes Rs. 1.16 crs (March 31, 2016: Rs. 0.99 crs, April 1, 2015: Nil) of CPSSL secured by hypothecation of raw materials, finished stock, work-in-progress, book debts and other receivables.
- Includes Rs. 4.43 crs (March 31, 2016: Rs. 0.14 crs, April 1, 2015: Nil) of ABML secured by hypothecation of plant and machinery.

### Import Loan

Secured by hypothecation of the Plant & Machinery, Land & Building, Inventories and Trade debtors of ABML. Repayable in 12 months from the date of loan at the interest rate of 11.5%.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 30 CURRENT TRADE PAYABLES (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Trade payable for goods & services			
Total outstanding dues of Micro and Small Enterprises (refer note no. 49)	20.20	8.13	9.27
Total outstanding dues of creditors other than Micro and Small Enterprises	1,088.33	1,025.56	975.26
b) Acceptances	107.33	98.54	61.10
	<b>1,215.86</b>	<b>1,132.23</b>	<b>1,045.63</b>

Trade payables and acceptances are non-interest bearing and are normally settled on 30 day terms.  
For terms and conditions with related parties, refer to Note 50

## 31 OTHER CURRENT FINANCIAL LIABILITIES (AT AMORTISED COST)

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Current maturities of long term debt	1.76	3.47	3.68
b) Interest accrued but not due on borrowings :	0.55	0.26	0.05
c) Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	8.38	7.20	6.20
d) Derivatives liability	0.70	-	-
e) Other payables -			
For Selling Expenses	122.00	110.68	68.59
For Capital Goods	98.67	38.93	43.73
For Other Expenses (includes policy deposits and last day units (net))	170.58	166.23	136.95
	<b>402.64</b>	<b>326.77</b>	<b>259.20</b>

## 32 OTHER NON FINANCIAL LIABILITIES

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
a) Taxes and duties payable	68.88	59.99	40.37
b) Advances from customers	24.32	34.51	22.71
c) Other payables - For Selling Expenses	54.97	95.72	40.16
	<b>148.17</b>	<b>190.22</b>	<b>103.24</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 33 CURRENT PROVISIONS

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>a) Provision for employee benefits (refer note 47)</b>			
Post retirement medical benefits	0.45	0.36	0.26
Leave benefits	5.33	4.64	3.15
Gratuity	0.34	1.37	0.36
<b>b) Others</b>			
Provision for rent equalization	0.29	0.22	0.05
Provision for Warranty Claims	180.98	166.05	158.80
Provision for litigations and tax disputes	39.89	31.98	26.22
	<b>227.28</b>	<b>204.62</b>	<b>188.84</b>
<b>Provisions for warranties</b>			
A provision is recognised for expected warranty claims on products sold, based on past experience of the level of repairs and returns. The table below gives information about movement in warranty provision :			
<b>Opening Balance</b>	166.05	158.80	
Add: Provision created during the year	202.24	169.39	
Less: Utilised against warranty claims during the year	187.18	162.24	
Effect of foreign exchange movements	(0.13)	0.10	
<b>Closing Balance</b>	180.98	166.05	158.80
<b>Provisions for litigations and tax disputes</b>			
The Group has estimated the provisions for pending litigation, claims and demands relating to indirect taxes based on its assessment of probability for these demands crystallising against the Group in due course :			
<b>Opening Balance</b>	31.98	26.22	
Add: Provision created during the year	7.91	5.76	
<b>Closing Balance</b>	39.89	31.98	26.22

## 34 INSURANCE CONTRACT LIABILITIES

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Policy liabilities			
Insurance contracts liabilities*			
Par	321.83	273.99	458.69
Non par	94.25	73.90	29.96
Provision for linked liabilities	9.83	13.26	27.22
	<b>425.91</b>	<b>361.15</b>	<b>515.87</b>

\*For Movement of Policyholders' Funds, Funds for Discontinued Policies, Funds for Future Appropriation and Embedded Derivative liability - refer Note 57

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 35 INVESTMENT CONTRACT LIABILITIES\*\*

	(Rs. in Crores)		
	March 31, 2017	March 31, 2016	April 1, 2015
Pension	-	0.78	0.21
VIP Non Par Pension	0.48	-	-
Linked	1.17	-	-
	<b>1.65</b>	<b>0.78</b>	<b>0.21</b>

\*\*For Movement of Investment Contracts Liabilities - refer Note 58

## 36 REVENUE FROM OPERATIONS

	(Rs. in Crores)	
	2016-17	2015-16
Sale of products (including excise duty)	8,834.16	7,962.77
Sale of services (related to life insurance business)-		
Life Insurance premium (net)	2,273.82	1,897.80
Investment income	663.00	594.54
Net realised gains and losses	283.99	181.83
Gain / (loss) on fair value of financial assets	122.76	(232.88)
Other operating income		
Scrap sales	12.76	10.93
Income from Service / Installation	4.65	3.20
	<b>12,195.14</b>	<b>10,418.19</b>

- (i) Sales are net of price adjustments settled during the year by the group and discounts, trade incentives, VAT, Sales Tax, etc.  
(ii) Sale of goods includes excise duty collected from customers of Rs. 971.59 crs (PY: Rs. 882.59 crs).

## 37 OTHER INCOME

	(Rs. in Crores)	
	2016-17	2015-16
<b>Interest Income on:</b>		
Income Tax refunds	10.44	1.46
Others	0.64	0.92
Dividend Income on current investments	57.98	29.29
Other non-operating income		
Gain on fair value of investments in mutual fund units	0.75	0.50
Net foreign exchange gain	9.88	5.22
Others	23.02	25.55
	<b>102.71</b>	<b>62.94</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 38 COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	(Rs. in Crores)	
	2016-17	2015-16
Opening Stock	306.43	464.07
Add: Purchases (including Processing charges, Procurement expenses, etc, and after adjusting Cenvat Credits)	5,117.60	3,839.17
	<b>5,424.03</b>	<b>4,303.24</b>
Less: Closing Stock	434.44	306.43
	<b>4,989.59</b>	<b>3,996.81</b>

## 39 (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	(Rs. in Crores)	
	2016-17	2015-16
<b>Opening Stock</b>		
Work-in-progress	409.77	491.49
Finished goods	409.35	540.12
Traded Goods	12.56	22.08
	<b>831.68</b>	<b>1,053.69</b>
<b>Closing Stock</b>		
Work-in-progress	504.77	409.77
Finished goods	590.86	409.35
Traded Goods	30.58	12.56
	<b>1,126.21</b>	<b>831.68</b>
(Increase) / Decrease in Excise Duty on Finished Goods	(29.16)	18.10
	<b>(323.69)</b>	<b>240.11</b>

## 40 EMPLOYEE BENEFIT EXPENSES

	(Rs. in Crores)	
	2016-17	2015-16
Salaries and wages	769.37	729.38
Contribution to provident and other funds (Refer Note 47)	35.38	43.83
Staff welfare expenses	62.95	64.92
	<b>867.70</b>	<b>838.13</b>

## 41 CHANGE IN VALUATION OF LIABILITY IN RESPECT OF LIFE INSURANCE POLICIES IN FORCE

	(Rs. in Crores)	
	2016-17	2015-16
Surplus/(deficit) in par and unit linked funds adjusted from existing surplus	34.46	40.54
Release from funds for future appropriation	(22.92)	(19.56)
Change in valuation of liability in respect of life insurance policies in force	1,538.17	749.81
	<b>1,549.71</b>	<b>770.79</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 42 FINANCE COSTS

	(Rs. in Crores)	
	2016-17	2015-16
Interest expenses	145.97	72.08
Exchange difference to the extent considered as an adjustment to borrowing cost	0.32	1.27
	<b>146.29</b>	<b>73.35</b>

## 43 DEPRECIATION AND AMORTISATION

	(Rs. in Crores)	
	2016-17	2015-16
Depreciation of tangible assets	212.60	167.30
Amortisation of intangible assets*	13.33	8.00
	<b>225.93</b>	<b>175.30</b>

\* Includes Impairment of Goodwill amounting to Rs. 3.89 crs (PY: Nil) as explained in Note no. 3

## 44 OTHER EXPENSES

	(Rs. in Crores)	
	2016-17	2015-16
Stores and spare parts consumed	77.18	64.22
Power and fuel	293.57	251.66
Battery Charging / Battery assembly expenses	123.77	106.43
Repairs and maintenance		
Buildings	11.35	9.55
Plant & machinery	52.41	32.04
Others	22.13	21.21
Rent & Hire Charges (Refer Note 60)	67.14	67.63
Rates and taxes	19.07	17.84
Insurance	8.56	6.44
Commission	167.76	142.54
Royalty and Technical Aid Fees	37.29	34.58
Benefit paid to Life insurance policyholders	765.40	757.06
Warranty expenses	205.65	171.43
Publicity and Sales Promotion	250.41	239.98
Freight & Forwarding (net)	221.50	207.70
Cash Discounts	52.23	59.08
After Sales Services	57.43	44.36
C & F Expenses	27.31	25.55
Travelling & Conveyance	54.69	46.86
Bank Charges	6.54	5.47
Communication Costs	13.67	16.71
Donations	0.02	0.03
Directors' Sitting Fees	0.31	0.36
Loss on Fixed assets sold/discarded (net)	0.49	3.88
Auditors' Remuneration	2.15	1.78
Provision for doubtful loans and advances	0.09	1.12
Miscellaneous expenses (refer Note 44.1)	150.79	109.50
	<b>2,688.91</b>	<b>2,445.01</b>



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 44.1 Miscellaneous Expenses

	(Rs. in Crores)	
	2016-17	2015-16
Motor Vehicle Running Expenses	6.56	6.65
Consultancy & Services outsourced	78.02	55.02
Security Service Charges	11.09	10.53
General Expenses	9.25	6.79
Legal Expenses	5.85	4.14
Printing & Stationery	9.24	10.07
Total Quality Management Expenses	0.41	0.85
Corporate Social Responsibility expenses	14.56	5.19
Pollution Control Expenses	6.14	6.23
Testing Charges	1.82	1.10
Liquidated Damages	5.43	1.71
Battery Erection / Installation Costs	2.42	1.22
	<b>150.79</b>	<b>109.50</b>

## 45 EARNINGS PER SHARE (EPS)

	2016-17	2015-16
<b>Details for calculation of basic and diluted earning per share:</b>		
Profit after tax as per Statement of Profit and Loss (Rs. in Crores)	804.02	700.12
Weighted average number of equity share (Numbers)	85.00	85.00
Basic and diluted earning per share (Rs.)	9.46	8.24

## 46 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

### (a) Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer to Note 47.

### (b) Fair value measurement of investments

The fair value of unquoted investments are determined using valuation methods which involves making various assumptions that may differ from actual developments in the future. For further details refer Note 53.

### (c) Deferral of Revenue (customer's incentive scheme)

The Company estimates the fair value of points awarded to its sales agents under incentive schemes, based on past trends of similar incentive schemes and by applying a budgeted incentive payout rate. Inputs include assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As at March 31, 2017, the estimated liability towards unredeemed points amounted to approximately Rs. 54.97 crs (March 31, 2016: Rs. 95.73 crs, April 1, 2015: Rs. 40.16 crs)

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## (d) Warranty

The Company estimates the provision for warranty based on past trend of actual issues of batteries under warranty. As at March 31, 2017, the estimated liability towards warranty amounted to approximately Rs. 180.98 crs (March 31, 2016: Rs. 166.05 crs, April 1, 2015: Rs. 158.80 crs)

The provision towards warranty is not discounted as the management, based on past trend, expects to use the provision within twelve months after the Balance Sheet date.

## (e) Liability for policies related to life insurance business

Liability for policies in force and for policies in respect of which premium has been discontinued but liability exists, are determined using actuarial valuation which involves making various assumptions like interest rates, mortality, morbidity etc. that may differ from actual developments in the future. For further details refer note 51.

service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance Group.

The Group provides certain post-retirement medical benefits (PRMB) to the employees qualifying for such benefits under the scheme upto March 31, 2006, and accordingly the number of beneficiaries is frozen on that date. This benefit is unfunded.

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

The Group 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.

## 47 GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the Balance Sheet for the Post - retirement benefit plans .

(Rs. in Crores)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Gratuity	Pension	PRMB	Gratuity	Pension	PRMB
	Plan (Benefit)			Plan (Benefit)		
<b>I Expenses recognised in the statement of Profit &amp; Loss</b>						
1 Current / Past Service Cost	7.52	-	0.07	6.76	-	0.10
2 Interest Cost	6.44	0.38	0.34	5.92	0.43	0.34
3 Expected Return on plan assets	6.16	0.16	-	6.74	0.27	-
4 Total	7.80	0.22	0.41	5.94	0.16	0.44
<b>Expenses recognised in OCI</b>						
5 Actuarial (Gains) / Losses	4.09	(0.49)	0.49	9.20	(0.21)	0.10
6 Total Expense	11.89	(0.27)	0.90	15.14	(0.05)	0.54
<b>II Net Asset / (Liability) recognised in the Balance Sheet</b>						
1 Present Value of Defined Benefit Obligation	98.36	4.41	5.33	90.92	5.42	4.65
2 Fair Value of Plan Assets	88.40	1.23	-	83.14	3.02	-
3 Net Asset / (Liability)	(9.96)	(3.18)	(5.33)	(7.78)	(2.40)	(4.65)

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

(Rs. in Crores)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Gratuity	Pension	PRMB	Gratuity	Pension	PRMB
	Plan (Benefit)			Plan (Benefit)		
<b>III Change in Obligation during the year</b>						
1 Present Value of Defined Benefit Obligation at the beginning of the year	90.92	5.42	4.65	78.05	5.77	4.37
2 Current Service Cost / Plan amendments	7.52	-	0.07	6.76	-	0.10
3 Interest Cost	6.48	0.38	0.34	5.92	0.43	0.34
4 Benefits Paid	9.84	0.86	0.22	7.83	0.68	0.26
5 Actuarial (Gains) / Losses						
Arising from changes in experience	0.07	(0.58)	0.28	5.17	(0.17)	(0.08)
Arising from changes in demographic assumptions	0.05	-	-	-	-	-
Arising from changes in financial assumptions	3.16	0.05	0.21	2.85	0.07	0.18
Total	3.28	(0.53)	0.49	8.02	(0.10)	0.10
6 Present Value of Defined Benefit Obligation at the end of the year	98.37	4.41	5.33	90.92	5.42	4.65
<b>IV Change in the Fair Value of Plan Assets during the year</b>						
1 Plan assets at the beginning of the year	83.14	3.02	-	74.44	3.74	-
2 Expected return on plan assets	6.16	0.16	-	6.74	0.27	-
3 Contribution by employer	9.72	(1.04)	-	10.95	(0.42)	-
4 Actual Benefits Paid	9.80	0.86	-	7.81	0.68	-
5 Actuarial Gains / (Losses)	(0.82)	(0.05)	-	(1.18)	0.11	-
6 Plan assets at the end of the year	88.40	1.23	-	83.14	3.02	-
7 Actual return on Plan Assets	5.34	0.11	-	5.56	0.38	-
<b>V</b> In 2017-18 the Group expects to contribute Rs. 10.74 crs (2016-17: Rs. 5.00 crs, 2015-16- Rs. 6.00 crs) to gratuity and Rs. 4 crs (2016-17 - Rs. 3.75 crs, 2015-16 - Rs. 3.50 crs) to Pension.						
<b>VI The major categories of plan assets as a percentage of the fair value of total plan assets</b>						
Investments with insurer	100%	100%	-	100%	100%	-
<b>VII Actuarial Assumptions</b>						
1 Discount Rate	7 - 7.5 % p.a (March 31, 2016: 7.50 - 7.80 % p.a., April 1, 2015: 7.80 - 8.00 %)					
2 Expected rate of return on plan assets	7 - 7.25 % p.a (March 31, 2016: 7.25 - 9% p.a., April 1, 2015: 7.25 - 9 %)					
3 Mortality pre retirement	Indian Assured Lives Mortality (2006-08) (modified) Ult.					
4 Mortality post retirement	LIC (1996-98) Ultimate					
5 Employee Turnover Rate	2 - 8 %					
<b>VIII</b> Healthcare cost trend rates have no effect on the amounts recognised in the Statement of Profit and Loss, since the benefit is in the form of a fixed amount as per the various grades, which is not subject to change.						
<b>IX</b> 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.						

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

(Rs. in Crores)

	For the year ended March 31, 2017			For the year ended March 31, 2016		
	Gratuity	Pension	PRMB	Gratuity	Pension	PRMB
	Plan (Benefit)			Plan (Benefit)		
<b>X</b> Contribution to Provident and Other Funds includes Rs. 23.87 crs (2015-16 - Rs. 20.96 crs, 2014-15 - Rs. 18.82 crs) paid towards Defined Contribution Plans						
<b>XI Maturity profile of the defined benefit obligation</b>						
Weighted average duration of the defined benefit obligation	3 - 14 years	3 years	3 years	3 - 14 years	3 years	3 years
Expected benefit payments for the year ending						
Not later than 1 year	11.65	2.23	0.45	10.49	2.22	0.38
Later than 1 year and not later than 5 years	38.44	1.37	1.93	39.07	2.14	1.66
More than 5 years	63.62	1.29	2.39	62.38	1.66	2.33

(Rs. in Crores)

	Year ended March 17	Year ended March 16	Year ended March 15
<b>XII Amounts for the current and previous two periods are as follows:</b>			
1 Gratuity			
Defined Benefit Obligation	98.36	90.92	78.05
Plan Assets	88.40	83.14	74.44
Surplus / (deficit)	(9.96)	(7.78)	(3.61)
Experience (Gain) / loss adjustments on plan liabilities	0.07	(5.17)	(2.10)
Experience Gain / (loss) adjustments on plan assets	(0.82)	(1.18)	(1.05)
2 Pension			
Defined Benefit Obligation	4.41	5.42	5.77
Plan Assets	1.23	3.02	3.74
Surplus / (deficit)	(3.18)	(2.40)	(2.03)
Experience (Gain) / loss adjustments on plan liabilities	(0.58)	0.17	0.26
Experience Gain / (loss) adjustments on plan assets	(0.05)	0.11	(0.09)
3 Post Retirement Medical Benefit			
Defined Benefit Obligation	5.33	4.65	4.37
Experience (Gain) / loss adjustments on plan liabilities	0.28	0.08	(0.20)

**XIII The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:**

(Rs. in Crores)

Assumptions	March 31, 2017		March 31, 2016	
	Discount rate (a)		Discount rate (a)	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on Gratuity liability	(6.97)	7.96	(6.12)	6.95
Assumptions	Future salary increases (b)		Future salary increases (b)	
	1% increase	1% decrease	1% increase	1% decrease
Impact on Gratuity liability	6.84	(6.35)	6.14	(5.64)
(a) Based on interest rates of government bonds				
(b) Based on management estimate				

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 48 COMMITMENTS AND CONTINGENCIES

	(Rs. in Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>(i) Capital and other commitments</b>			
Commitment for acquisition of fixed assets	393.34	271.37	395.63
Commitment for investment	31.27	35.27	1.27
Commitment for contractual obligation	-	-	2.69
Purchase orders backed by LC opened by bankers	105.07	51.15	60.71
Commitment for royalty fees	-	5.73	10.97
	<b>529.68</b>	<b>363.52</b>	<b>471.27</b>
<b>(ii) Contingent Liabilities</b>			
Guarantees excluding financial guarantees			
Outstanding Bank Guarantees / Indemnity Bonds	32.52	26.73	29.68
Claims against the Group not acknowledged as debt			
Sales Tax demands (Refer Note (i))	34.59	31.21	34.18
Excise Duty demands (Refer Note (ii))	36.82	36.49	34.87
Statutory demands / liabilities in disputes relating to insurance business, not provided for - (Refer Note (iii))	282.15	243.58	246.81
Income Tax demands	17.85	18.27	16.60
Other claims being disputed by the Group	0.44	0.44	0.44
Contractual Obligation related to insurance business			
Policy claims under dispute	18.74	14.05	9.83
Claim under Arbitration (Refer Note (iv))	37.57	-	-
Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not Ascertainable	Not Ascertainable	Not Ascertainable
	<b>460.68</b>	<b>370.77</b>	<b>372.41</b>

- (i) CML has received, during the year, an order from the Karnataka Appellate Tribunal at Bangalore relating to Karnataka State Value Added Tax dismissing the plea of the Company relating to Chloride Alloys India Limited (CAIL), which has been merged with the Company w.e.f. April 1, 2015. In terms of the share purchase agreement between the Holding Company and the erstwhile promoters of CAIL, all liabilities relating to this matter will be borne by the erstwhile promoters. The demand arising from the aforesaid matters is Rs. 43.81 crs (PY Rs. 42.00 crs). The Company does not expect any liability to accrue in this matter as the amount is fully recoverable from the erstwhile promoters, as per the Share Purchase agreement, in case of any adverse decision at the higher forum. As an abundant precaution, the Share Purchase amount is still held in Escrow Account with the Bank between the Holding Company

and erstwhile Promoters of CAIL. The Company/ erstwhile Promoters propose to appeal against the order to the High Court.

- (ii) Includes a Demand of Rs. 32.60 crs plus penalties, as applicable, for the period June 2006-May 2009 on the grounds that Excise Duty was payable on the MRP of batteries. The Company has contested applicability of The Standards of Weights & Measures Act, 1976 and Rules thereunder, the applicability of which is still to be adjudicated by the Hon'ble Supreme Court. Meanwhile, Company has been granted a stay on this Excise Duty demand by CESTAT, Kolkata .
- (iii) a) ELI has received three demand orders on December 28, 2012 from the Office of the Commissioner of Service tax with respect to excess

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

utilisation of CENVAT credit for payments of service tax liability for the financial years 2008-09, 2009-10 & 2010-11 amounting to Rs. 231.23 crs. The authority has also demanded applicable interest for delay in payment of the service tax and an amount equivalent to the service tax demand as penalty. ELI has made a deposit of Rs. 17.00 Crores on May 26, 2014 in respect of the above demands based on the stay order passed by CESTAT on April 1, 2014. The main matter is pending for hearing.

b) ELI has received a demand order of Rs. 12.35 Crores along with interest & penalty on December 24, 2014 from DGCEI with respect to sales promotion and agent training expenses from the PY 2008 to 2013. The company has made a pre-deposit of Rs. 0.93 Crores (7.5%) along with the appeal filed before the Appellate Tribunal (CESTAT) against the order on March 20, 2015.

c) ELI has received a demand order of Rs. 6.01 crs from DCIT for the AY 2012-13, the Company has already filed an appeal with CIT.

d) ELI has received demand order of Rs. 23.25 crs for AY 2014-15 from ACIT, the Company is in the process of filing appeal with CIT.

e) ELI had received the final assessment order from the DCIT on February 28 2017, assessing taxable income of Rs. 19.50 crs and corresponding tax liability of Rs. 9.30 crs. The Company has filed an appeal before the CIT (A) against the said order, on March 30, 2017.

(iv) Kotak Mahindra Bank (erstwhile ING Bank Ltd) has invoked Arbitration proceedings against ELI as per the Corporate Agency Agreement for payment of renewal commission post termination of agency agreement by them. Kotak Mahindra Bank (Erstwhile ING Bank Ltd) has filed a claim of Rs. 37.57 crs as renewal commission due to them for the period December 1, 2014 to March 31, 2017 along with the interest @ 18% p.a. The Company has maintained that as per law, no renewal commission is payable to ING Bank post termination of Corporate Agency and transfer of License to Kotak Mahindra Old Mutual Life Insurance Ltd. The Company's stance is supported by opinions from reputed firm of Advocates and Solicitors. Their auditors expect the matter to be closed accordingly.

(v) ABML - a case has been filed against ABML with respect of the Public Nuisance and the case is based on the Public Nuisance caused by the impact to the environment as a result of dumping of wastes of ABML at a remote area in Kalatura. The management of ABML is of the view that the outcome of the litigation may not course any adverse financial impact on ABML.

(vi) CPSSL - CPSSL has preferred an appeal u/s 34 of the Arbitration Act, 1996, praying an order to set aside the award dated September 20, 2008 passed by Andhra Pradesh Micro & Small Enterprise facilitation council amounting to Rs. 0.54 Crores in favour of M/s Infinity EV Motors Pvt Ltd, Hyderabad. CPSSL expects a favourable decision in its favour and no liability is expected to arise in this case.

## 49 DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

	(Rs. in Crores)	
	2016-17	2015-16
Principal amount due	20.20	8.13
Interest due on above	0.01	0.02
Amount of interest paid in terms of Sec. 16 of the Micro, Small and Medium Enterprise Development Act, 2006	0.01	0.09
Amount of interest due and payable for the period of delay	0.01	0.02
Amount of interest accrued and remaining unpaid as at year end	0.13	0.13
Amount of further interest remaining due and payable in the succeeding year	-	-

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 50 RELATED PARTY DISCLOSURE:

### i) Particulars of related parties :

<b>A. Where control exists</b>		
1. Enterprise / Individuals having a direct or indirect control over the Group	Chloride Eastern Limited, UK. (CEL)	} Control over EIL
	Chloride Eastern Industries Pte Limited, Singapore (CEIL)	} Control over EIL
	LIEC Holdings SA, Switzerland	} Control over EIL
	Mr. S. B. Raheja	} Control over EIL
<b>B. Others</b>		
1. Key Management Personnel (As on March 31, 2017)	Mr. P K Katakya, Whole Time Director (till April 30, 2016)	EIL
	Mr. G Chatterjee, Whole Time Director	EIL, Espex, CBSEA, CIL, CML
	Mr. A K Mukherjee, Whole Time Director	EIL, Espex, ABML, CBSEA, CPSSL, CML, ELI
2. Name of the Companies / firms / in which Directors / Key Management Personnel have significant influence with whom transactions have happened during the year.	Mr. Nadeem Kazim, Whole Time Director (till November 28, 2016)	EIL
	Mr. Subir Chakraborty, Whole Time Director	EIL, ABML, CIL, CPSSL, CML
	Mr. Arun Mittal, Whole Time Director (w.e.f. May 1, 2016)	EIL, Espex, CBSEA, CPSSL, CML
	Mr. Bharat D. Shah, Director	EIL
	Mr. R.B.Raheja, Director	EIL
	Mr. Nawshir H. Mirza, Director	EIL
	Mr. Rajesh G. Kapadia, Director (till July 15, 2016)	EIL
	Mr. Vijay Aggarwal, Director	EIL
	Mr. Sudhir Chand, Director	EIL, CML
	Ms. Mona N. Desai, Director	EIL, CML, ELI
	Mr. Jitendra Kumar, Company Secretary	EIL
	Mr. U.B. Agarwal, Whole Time Director (w.e.f. April 28, 2016)	CML
	Mr. Sourav Ghosh, CEO (till March 31, 2016)	CML
	Mr. Kshitij Jain, Managing Director & Chief Executive Officer	ELI
	Mr. Anil Kumar C, Chief Financial Officer	ELI
	Mr. Rangarajan B N, Appointed Actuary & CRO	ELI
	Mr. R. Mahesh Kumar, Company Secretary	ELI
	Mr. A. Ghoshal (w.e.f. February 1, 2017)	Espex
	Mrs. L. Farmer (w.e.f. February 1, 2017)	Espex
	Mr. Jahar Sengupta	CPSSL
	Mr. M Ramchandran	ABML
	Mr. Arnab Saha	ABML
	Mr. Ishara C Nanayakkara	ABML
	Mr. Winston Wong	ABML, CBSEA
	Mr. Freddy Tan (w.e.f. December 28, 2016)	CBSEA
	Mr. Sudipta Chakraborty (w.e.f. November 29, 2016)	CIL
	Mr. N N Joshi	ELI
	Mr. Vinayak Premchand Aggarwal	ELI
	Shalini Construction Company Private Limited	EIL
	Peninsula Estates Private Limited	EIL
	Raheja QBE General Insurance Company Limited	EIL & ELI
	Klevenberg (Pvt) limited	ABML
	Browns Thermal Engineering (Pvt) Limited	ABML
	Exide Life Insurance Employee Group Gratuity cum Life Assurance Scheme (Trust)	ELI
	Development Credit Bank Limited	ELI
	Asianet Satellite Communication Private Limited	ELI
	Hathway Cable & Datacom Limited	ELI
	Prism Cement	ELI
	Juhu Beach Resort Limited	ELI
	Sonata Software Limited	ELI
	Outlook Publishing (India) Private Limited	ELI
	Brown & Company PLC	Significant investor of ABML
	Standard Finance Ltd.	Significant investor of ABML

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

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

				(Rs. in Crores)
	Enterprise/ Individuals having direct or indirect control	Key Management Personnel (KMP)	Companies / firms / in which Directors / KMP have significant influence	Total
<b>Purchases of goods -</b>				
- Brown & company PLC			1.01	1.01
			(0.63)	(0.63)
- Klevenberg (Pvt) Limited			0.71	0.71
			(0.75)	(0.75)
- Browns Thermal Engineering (Pvt) Limited			4.46	4.46
			(5.26)	(5.26)
<b>Sale of goods -</b>				
- Brown & company PLC			103.98	103.98
			(105.63)	(105.63)
- Klevenberg (Pvt) Limited			22.04	22.04
			(18.00)	(18.00)
- Browns Thermal Engineering (Pvt) Limited			0.46	0.46
			-	-
<b>Technical Assistance Expenses - CEIL</b>	0.12			0.12
	(0.12)			(0.12)
<b>Trade Mark Expenses - CEIL</b>	0.07			0.07
	(0.03)			(0.03)
<b>Life insurance premium</b>				
- Exide Life Insurance Employee Group Gratuity cum Life Assurance Scheme (Trust)			3.80	3.80
			(10.73)	(10.73)
- Raheja QBE General Insurance Company Limited			0.02	0.02
			(0.02)	(0.02)
- Development Credit Bank Limited			0.35	0.35
			(0.33)	(0.33)
- Asianet Satellite Communication Private Limited			0.21	0.21
			(0.16)	(0.16)
- Hathway Cable & Datacom Limited			0.25	0.25
			(2.82)	(2.82)
- Juhu Beach Resort Limited			0.01	0.01
			(0.01)	(0.01)
- Sonata Software Limited			0.23	0.23
			(0.21)	(0.21)
- Outlook Publishing (India) Private Limited			0.01	0.01
			(0.01)	(0.01)
- Prism Cement Limited			1.66	1.66
			(0.46)	(0.46)
- Key Management Personnel		1.30		1.30
		(0.09)		(0.09)



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## ii) Details of transactions entered into with the related parties : (Contd.)

				(Rs. in Crores)
	Enterprise/ Individuals having direct or indirect control	Key Management Personnel (KMP)	Companies / firms / in which Directors / KMP have significant influence	Total
<b>Benefits paid</b>				
- Exide Life Insurance Employee Group Gratuity cum Life Assurance Scheme (Trust)			2.35	2.35
			(9.54)	(9.54)
- Hathway Cable & Datacom Limited			0.45	0.45
			(2.78)	(2.78)
- Development Credit Bank Limited			0.07	0.07
			0.06	0.06
- Asianet Satellite Communication Private Limited			0.15	0.15
			(0.12)	(0.12)
- Juhu Beach Resort Limited			-	-
			(0.01)	(0.01)
- Sonata Software Limited			-	-
			(0.10)	(0.10)
- Prism Cement Limited			0.94	0.94
			-	-
- Outlook Publishing (India) Pvt Ltd			0.02	0.02
			-	-
<b>Salary paid and reimbursements made on behalf of the Company</b>				
- Exide Life Insurance Employee Group Gratuity cum Life Assurance Scheme (Trust)			0.01	0.01
			(0.01)	(0.01)
<b>Contribution made to Gratuity Trust</b>				
- Exide Life Insurance Employee Group Gratuity cum Life Assurance Scheme (Trust)			3.80	3.80
			(10.73)	(10.73)
<b>Services provided by the Company - Premium Paid</b>				
- Raheja QBE General Insurance Company Limited			0.04	0.04
			(0.07)	(0.07)
<b>Dividend paid - Standard Finance Ltd.</b>				
			1.82	-
			(0.89)	-
<b>Rent and Maintenance Costs -</b>				
- Shalini Construction			0.52	0.52
			(0.41)	(0.41)
- Peninsula Estates			0.13	0.13
			(0.10)	(0.10)
<b>Insurance Expenses - Raheja QBE General Insurance Company Limited</b>				
			0.01	0.01
			(0.02)	(0.02)
<b>Rental Income - CEIL</b>				
	-			-
	(0.05)			(0.05)
<b>Remuneration</b>				
to Directors (Short term employee benefits)		21.35		21.35
		(22.67)		(22.67)
to Others (Short term employee benefits)		0.97		0.97
		(0.84)		(0.84)

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## iii) Details of amounts due to or due from related parties as at March 31, 2017, March 31, 2016 and April 1, 2015 are as follows:

	(Rs. in Crores)		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Trade Payables -</b>			
- Brown & company PLC	0.04	0.08	-
- Klevenberg (Pvt) Limited	0.01	0.02	-
- Browns Thermal Engineering (Pvt) Limited	0.74	1.08	0.47
<b>Trade Receivables -</b>			
- Brown & company PLC	17.76	14.25	-
- Klevenberg (Pvt) Limited	3.55	3.22	2.33
- Browns Thermal Engineering (Pvt) Limited	0.11	0.28	14.13
Remuneration payable to Directors (Short term employee benefits)	5.94	7.26	5.15

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2017, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: Nil, April 1, 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 51 ACTUARIAL METHOD AND ASSUMPTIONS

Liability for policies in force ('the Liability') is determined by the Appointed Actuary in accordance with generally accepted actuarial practice as well as the requirements of the Insurance Act, 1938 and the regulations notified by IRDAI and relevant actuarial practice standards issued by Institute of Actuaries of India.

### (a) Traditional individual business

The Liability on a policy is calculated using the 'Gross Premium Method', representing the present value of expected future outgo including benefits (including future bonuses for participating policies) and future expenses less present value of expected future premium. Further, a reserve for death claims that may have been Incurred But Not yet Reported to the Company (IBNR) is also maintained. The reserves for the Best Years Retirement Plan, Exide Life New Best Year Retirement Plan, Exide Life Golden Years and Exide Life Assured Return have been set up as the sum of the policy fund balances as at March 31, 2017 plus additional reserves for excess of expenses over policy charges.

The assumptions used for calculating the liability are provided below:

### i. Mortality & morbidity:

Mortality is considered according to the Indian Assured Lives Mortality Table (2006-08) - Modified Ultimate/ Annuitant tables a9698 and varies between 70% and 180% of the table (last year 70% and 180% of Indian Assured Lives Mortality Table (2006-08)). Morbidity assumption is based on the CIBT 93 Table. For term products, mortality assumption varies between 33% - 100% of the Indian Assured Lives Mortality Table (2006-08) - Modified Ultimate (Last Year mortality assumptions for term products were 40% - 145% of the Indian Assured Lives Mortality Table (2006-08)).

### ii. Expenses:

Appropriate allowance for maintenance expenses increasing with inflation has been made. Provision for initial and renewal

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

commission has been made at actual rates payable.

### iii. Valuation discount rate:

Between 6.0% to 6.75% p.a. for all products (Last Year between 6.0% to 6.75% p.a. for all products)

Assumptions on future bonus rates for participating business have been set to be consistent with valuation interest rate assumptions.

### iv. Lapses:

Future policy lapses have been assumed based on the type of policy and the duration for which the policy has been in force. The lapse rates are based on current experience of the Company.

### v. Longevity:

Mortality for annuity products are considered as per Indian annuitant table 96-98 : 80% up to age 80 & 70% thereafter of LIC a9698 with 1.3% p.a improvement.

#### Margins for adverse deviation

The assumptions allow for suitable Margins for Adverse Deviation in the mortality, morbidity, expenses, lapses and valuation discount rate assumptions as required under regulations and actuarial practice standards issued by The Institute of Actuaries of India.

### (b) Linked individual business

The reserves held under the unit-linked products are the fund balances (unit reserve) as at March 31, 2017 plus non-unit reserves. Additional adjustments have also been made to allow for the following:

- Unearned Premium Reserve in respect of mortality charge/rider charge deducted from the policyholder's account every month.
- IBNR reserve for death claims incurred but not reported to Company as on the valuation date.

- Reserve to meet the guarantees for unit linked products.

- Non Unit reserves are calculated by discounting future non unit cash flow, determined based on assumptions given below:

- Mortality & Morbidity:  
Mortality is considered according to the Indian Assured Lives Mortality Table (2006-08) - Modified Ultimate and is 100% of the table, (last year 100% of the table of Indian Assured Lives Mortality Table (2006-08)).

- Expenses:  
Appropriate allowance for maintenance expenses increasing with inflation has been made. Provision for initial and renewal commission has also been made at actual rates payable.

- Valuation discount rate (for setting up of Non unit reserve):  
4.5% p.a. (last year 4.5% p.a.)

- Unit growth rate :  
3.5% to 9.6% (last year 4% to 10% depending on the type of fund.

- Longevity:  
Mortality for annuity products are considered as per Indian annuitant table 96-98 : 80% up to age 80 & 70% thereafter of LIC a9698 with 1.3% p.a improvement.

#### Margins for adverse deviation

The assumptions allow for suitable Margins for Adverse Deviation in the mortality, morbidity, expenses, lapses and valuation discount rate assumptions as required under regulations.

### (c) Group business:

Unearned Premium method for reserving is adopted for the Group yearly renewable term product. The Group Single Premium Mortgage/Credit products

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

have been valued using the Gross Premium Method with allowance for future expected expenses. Provision for IBNR reserve has also been made as appropriate.

**(d) Linked group business:**

The reserves held under the unit-linked products are the fund balances and non-unit balance as at March 31, 2017.

**(e) Reinsurance credit**

The reinsurance credit is calculated on unearned premium basis, based on the expected reinsurance premium outgo.

**(f) Provision for freelook period**

An additional reserve is held for policies that are expected to be cancelled during the Free Look period. The method used to estimate this reserve is given below:

- a) A proportion of New Business Premium income during the period January 2017 to March 2017 is held as reserve.
- b) The proportion is arrived on the basis of actual reserving strain due to free look cancellations at previous year.

**The proportion is determined as:** (Reserving strain from free look cancelled NB policies that are sold during January 2016 - March 2016) / (NB Premium Income for the period January 2016 - March 2016)

Expected number of free look cancellations is calculated on the basis of the past experience and it is assumed that the business sold three months prior to the valuation date has a potential for cancellation.

The proportion varies by line of business. Based on latest study, the proportion is in the range of 1.52%

**Discontinued Fund (Unit Linked):** As per the regulations, the fund value of lapsed policies is transferred to a separate fund namely, Discontinued Fund (UL), the returns for this funds are guaranteed as per Regulation 11 of IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010

**Discontinued Fund (VIP Pension):** As per the regulations, the fund value of lapsed policies is transferred to a separate fund namely, Discontinued Fund (Pension), the returns for this funds are guaranteed as per Regulation 11 of IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010

## 51.1 Investments

- a) The Company is maintaining separate funds for Shareholders and Policyholders as per section 11 (1B) of the Insurance Act, 1938. Investments and related incomes are segregated between Participating, Non Participating, Unit Linked, Annuity and Pension funds. In respect of policyholder funds, the allocation of cash / securities to policyholder is done on a regular basis.

As on March 31, 2017, none of the investments of the Company have been classified as non-performing as per the income recognition norms issued by the IRDAI.

As on March 31, 2017, none of the investments of the Company have been classified / categorised in the definition of Loans & Advances as per circular no 32/2/F&A/ Circular/169/Jan/2006-07. In view of this, the Company has not made any provisions.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

- b) The Company manages its business based on segments viz. Participating, Annuity, VIP Non Par Pension, Pension Individual, Non Participating, Unit Linked and Shareholders' Funds driving the business model test for investments. Accordingly, investments in each of these business have been analyzed as a portfolio and classified/measured accordingly. The classification has been tabulated as under :-

Segment Name	Type of Security	IGAAP classification	Revised classification under Ind AS
Par, VIP Non Par Pension, Pension Individual and Annuity	Debt securities	Amortized cost	Amortized cost
	Equity securities	Fair value through reserves	Fair value through OCI
	Mutual Funds	Fair value through reserves	Fair value through profit and loss
Non Participating and Shareholders' funds	Debt securities	Amortized cost	Fair value through OCI
	Equity securities	Fair value through reserves	Fair value through profit and loss
	Mutual Funds	Fair value through reserves	Fair value through profit and loss
Unit linked	All securities	Fair value through profit and loss	Fair value through profit and loss

## 52 SEGMENT REPORTING

The Group's business has three operating segments based on different products and services: 'Storage Batteries & allied products', 'Solar Lantern & Homelights' and 'Life Insurance business'. Storage batteries & allied products and life insurance business are the only reportable segments. Non reportable segment is shown as others. The products/services included in each of the reported business segments are as follows:

- a) Storage Batteries & allied products - The holding company and some of its subsidiaries manufactures lead acid storage batteries and allied products. The Company has identified two operating segments viz, Automotive and Industrial. As per Ind AS - 108: Operating Segments, due to similar nature of products, production process, customer types, etc., the two operating segments have been aggregated as single operating segment of 'Storage Batteries and allied products' during the year.
- b) Life Insurance business - This segment relates to the nation wide life insurance business carried by one of the subsidiaries.

### Operating Segments

(Rs. in Crores)

Year ended March 31, 2017				
Particulars	Storage Batteries & allied products	Life Insurance business	Others	Total
Revenue from operations (Gross)	8,820.51	3,343.57	31.06	12,195.14
Segment Results	916.43	76.87	1.13	994.43
Other income				102.71
Profit before tax				1,097.14
Taxes				293.12
Profit after tax				804.02
Depreciation and amortization	218.10	7.68	0.15	225.93
Segment assets	4,399.32	11,037.43	2.87	15,439.62
Unallocated assets				2,325.64
Total assets				17,765.26

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Operating Segments (Contd.)

(Rs. in Crores)

Year ended March 31, 2017				
Particulars	Storage Batteries & allied products	Life Insurance business	Others	Total
<b>Segment liabilities</b>	<b>1,651.76</b>	<b>10,714.68</b>	<b>8.06</b>	<b>12,374.50</b>
Unallocated liabilities				342.87
<b>Total Liabilities</b>				<b>12,717.37</b>
Additions to non-current assets (other than financial instruments)	308.67	14.36	-	323.03

(Rs. In Crores)

Year ended March 31, 2016				
Particulars	Storage batteries & allied products	Life Insurance business	Others	Total
<b>Revenue from operations (Gross)</b>	<b>7,956.55</b>	<b>2,441.29</b>	<b>20.35</b>	<b>10,418.19</b>
<b>Segment Results</b>	<b>881.81</b>	<b>46.67</b>	<b>0.79</b>	<b>929.27</b>
Other income				62.94
<b>Profit before tax</b>				<b>992.21</b>
Taxes				292.09
<b>Profit after tax</b>				<b>700.12</b>
Depreciation and amortization	168.35	6.83	0.12	175.30
<b>Segment assets</b>	<b>3,639.71</b>	<b>9,342.72</b>	<b>1.82</b>	<b>12,984.25</b>
Unallocated assets				2,386.18
<b>Total assets</b>				<b>15,370.43</b>
<b>Segment liabilities</b>	<b>1,503.19</b>	<b>9,212.53</b>	<b>5.03</b>	<b>10,720.75</b>
Unallocated liabilities				245.25
<b>Total Liabilities</b>				<b>10,966.00</b>
Additions to non-current assets (other than financial instruments)	206.43	19.57	-	226.00

(Rs. In Crores)

Year ended April 1, 2015				
Particulars	Storage batteries & allied products	Life Insurance business	Others	Total
<b>Segment assets</b>	<b>3,774.43</b>	<b>8,668.50</b>	<b>2.31</b>	<b>12,445.24</b>
Unallocated assets				1,527.68
<b>Total assets</b>				<b>13,972.92</b>
<b>Segment liabilities</b>	<b>1,236.65</b>	<b>8,529.15</b>	<b>6.29</b>	<b>9,772.09</b>
Unallocated liabilities				195.33
<b>Total Liabilities</b>				<b>9,967.42</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Geographical Segments

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

(Rs. in Crores)			
Year ended March 31, 2017			
Particulars	India	Overseas	Total
Revenue from operations (Gross)	11,584.67	610.47	12,195.14
Non-current assets other than financial assets	2,557.13	47.90	2,605.03
Year ended March 31, 2016			
Particulars	India	Overseas	Total
Revenue from operations (Gross)	9,846.75	571.44	10,418.19
Non-current assets other than financial assets	2,232.50	49.50	2,282.00
Year ended April 1, 2015			
Particulars	India	Overseas	Total
Non-current assets other than financial assets	2,029.91	26.09	2,056.00

## 53 FAIR VALUES

### A Related to Business other than insurance

#### (i) Class wise fair value of the Group's financial assets:

(Rs. in Crores)			
	March 31, 2017	March 31, 2016	April 1, 2015
Investments (quoted) in equity shares / mutual funds	929.48	955.57	176.39
Investments (unquoted) in equity shares / units	37.57	38.60	32.58
	<b>967.05</b>	<b>994.17</b>	<b>208.97</b>

#### (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets

	Date of valuation	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets:				
Assets measured at fair value:				
Investments	March 31, 2017	929.48	34.19	3.38
	March 31, 2016	955.57	35.22	3.38
	April 01, 2015	176.39	28.85	3.73

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

**(iv) Reconciliation of fair value measurement of unquoted equity shares (categorised as Level 3 above) classified as FVTOCI assets:**

	Investment in unquoted equity shares
<b>Opening Balance as on April 1, 2015</b>	<b>3.73</b>
Re-measurement recognised in OCI	(0.35)
<b>Closing Balance as on March 31, 2016</b>	<b>3.38</b>
Re-measurement recognised in OCI	-
<b>Closing Balance as on March 31, 2017</b>	<b>3.38</b>

**B Related to insurance business**

(Rs. in Crores)

	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(Rs.)	(Rs.)	(Rs.)
<b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:</b>			
<b>(i) FVTOCI Investments</b>			
<b>Shareholders' Investments (Note 5)</b>			
Government securities and government guaranteed bonds including treasury bills	486.35	-	-
Debentures/ bonds	29.00	-	-
Investments in infrastructure and social sector bonds	139.55	-	-
<b>Policyholders' Investments (Note 5)</b>			
Government securities and government guaranteed bonds including treasury bills	1,115.88	-	-
Debentures/ bonds	161.54	-	-
Investments in infrastructure and social sector bonds	291.07	-	-
Equity	406.68	-	-
<b>(ii) FVTPL Investments</b>			
<b>Shareholders' Investments (Note 5)</b>			
Mutual Funds	46.64	-	-
<b>Policyholders' Investments (Note 5)</b>			
Mutual Funds	177.93	-	-
Equity	45.07	-	-
<b>(iii) Assets held to cover linked liabilities (Note 5)</b>			
Government securities and government guaranteed bonds including treasury bills	549.80	-	-
Equity	1,289.04	-	-
Debentures/ bonds	90.64	-	-
Investments in infrastructure and social sector bonds	196.25	-	-
Mutual funds	80.64	-	-
Others (CBLO)	4.35	-	-



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## B Related to insurance business (Contd.)

	(Rs. in Crores)		
	Fair value measurement using		
	Quoted prices in active markets (Level 1) (Rs.)	Significant observable inputs (Level 2) (Rs.)	Significant unobservable inputs (Level 3) (Rs.)
<b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2016:</b>			
(i) FVTOCI Investments			
Shareholders' Investments (Note 5)			
Government securities and government guaranteed bonds including treasury bills	545.38	-	-
Debentures/ bonds	43.96	-	-
Investments in infrastructure and social sector bonds	126.82	-	-
Policyholders' Investments (Note 5)			
Government securities and government guaranteed bonds including treasury bills	942.88	-	-
Debentures/ bonds	146.42	-	-
Investments in infrastructure and social sector bonds	272.62	-	-
Equity	322.89	-	-
(ii) FVTPL Investments			
Shareholders' Investments (Note 5)			
Mutual Funds	52.29	-	-
Policyholders' Investments (Note 5)			
Mutual Funds	69.26	-	-
(iii) Assets held to cover linked liabilities (Note 5)			
Government securities and government guaranteed bonds including treasury bills	610.17	-	-
Equity	1,203.53	-	-
Debentures/ bonds	79.56	-	-
Investments in infrastructure and social sector bonds	126.48	-	-
Mutual funds	95.05	-	-
Others (CBLO)	28.00	-	-
<b>Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2015:</b>			
(i) FVTOCI Investments			
Shareholders' Investments (Note 5)			
Government securities and government guaranteed bonds including treasury bills	433.93	-	-
Debentures/ bonds	47.59	-	-
Investments in infrastructure and social sector bonds	115.15	-	-
Policyholders' Investments (Note 5)			
Government securities and government guaranteed bonds including treasury bills	590.13	-	-
Debentures/ bonds	165.32	-	-
Investments in infrastructure and social sector bonds	372.04	-	-
Equity	277.00	-	-

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## B Related to insurance business (Contd.)

(Rs. in Crores)			
	Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	(Rs.)	(Rs.)	(Rs.)
(ii) <b>FVTPL Investments</b>			
<b>Shareholders' Investments (Note 5)</b>			
Mutual Funds	84.05	-	-
<b>Policyholders' Investments (Note 5)</b>			
Mutual Funds	52.30	-	-
(iii) <b>Assets held to cover linked liabilities (Note 5)</b>			
Government securities and government guaranteed bonds including treasury bills	464.38	-	-
Equity	1,531.03	-	-
Debentures/ bonds	119.47	-	-
Investments in infrastructure and social sector bonds	224.78	-	-
Mutual funds	79.64	-	-
Others (CBLO)	21.68	-	-

**All financial assets other than financial instruments measured at FVTOCI and FVTPL approximate their carrying amounts to fair value.**

## 54 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### A Related to Business other than insurance

The Group's financial liabilities comprise short-term borrowings, capital creditors and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents and deposits. The Group also holds investments.

The Group has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Group. The Board of Directors also review these risks and related risk management policy.

The market risks and credit risks are further explained below:

#### 1) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument

will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include FVTOCI investments, trade payables, trade receivables, etc.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. Such foreign currency exposures are not hedged by the Group. The Group has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Group.

# Notes to Consolidated Financial Statements

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## Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Changes in USD rate	Foreign currency Payable (net)	Effect on profit before tax
	%	(Rs. in crores)	(Rs. in crores)
<b>March 31, 2017</b>	5%	215.44	10.77
	-5%		(10.77)
<b>March 31, 2016</b>	5%	148.27	7.41
	-5%		(7.41)

## (ii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activity is manufacturing of batteries and therefore requires supply of lead. Due to significant volatility in the lead price, the Group enters into purchase contract with vendors wherein the prices are linked to the quoted London Metal Exchange rates. Similarly, the Group's selling price of batteries to OEM customers is linked to such rates. As the Group's significant revenue is linked to cost of lead, the impact of change in lead prices on Group's profit is not expected to be significant.

## (iii) Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments / mutual funds. Reports on the investment portfolio are submitted to the Group's management on a regular basis. The Group's Board of Directors reviews and approves all investment decisions.

## Equity price sensitivity

The following table shows the effect of price changes in listed equity

	Changes in price / NAV	Investment	Effect on profit before tax
	%	(Rs. in crores)	(Rs. in crores)
<b>March 31, 2017</b>	5%	28.00	1.40
	-5%		(1.40)
<b>March 31, 2016</b>	5%	27.73	1.39
	-5%		(1.39)

## II) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

## Trade receivables

A significant part of the Group's sales are under the 'cash and carry' model which entails no credit risk. For others, an impairment analysis is performed at each reporting date on an individual basis for all the customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 7 and 13 as the Group does not hold collateral as security. The Group has evaluated the concentration of risk with respect to trade receivables as low, as its customers are from several industries.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## B Related to insurance business

The Company is exposed to financial risk, such as market risk (fluctuations in exchange rates, interest rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets, and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

## I) Credit risk

"Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalents held with banks and current and non-current debt investments."

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

- Company's credit risk policy which sets out the assessment and determination of what constitutes credit risk for it. Compliance with the policy is monitored and exposures and

breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

- Net exposure limits are set for each counterparty or group of counterparties, geographical and industry segment (i.e., limits are set for investments and cash deposits, foreign exchange trade exposures and minimum credit ratings for investments that may be held).
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the board of directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The Company sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long-term credit ratings.

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Euroland Credit Agency's credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade.

(Rs. in Crores)

March 31, 2017					
Particulars	AAA	AA	Not rated	Unit linked	Total
<b>a) Financial Instruments :-</b>					
<b>Amortized cost financial assets</b>					
- Debt securities	5,489.17	82.89	211.06	-	5,783.12
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
<b>Financial assets at FVTOCI</b>					
- Debt securities	2,179.61	38.58	5.17	-	2,223.36
- Equity securities	-	-	406.68	-	406.68
- Mutual Funds	-	-	-	-	-

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

(Rs. in Crores)

<b>March 31, 2017</b>					
<b>Particulars</b>	<b>AAA</b>	<b>AA</b>	<b>Not rated</b>	<b>Unit linked</b>	<b>Total</b>
<b>Financial assets at FVTPL</b>					
- Debt securities	-	-	-	841.04	841.04
- Equity securities	-	-	45.07	1,289.04	1,334.12
- Mutual Funds	224.56	-	-	80.64	305.20
<b>Total</b>					<b>10,893.52</b>
<b>b) Reinsurance assets</b>	-	-	20.05	-	20.05
<b>c) Insurance receivables</b>	-	-	74.13	-	74.13
<b>d) Cash and short term deposits</b>	285.71	-	-	-	285.71
<b>Total credit risk exposure</b>	<b>8,179.06</b>	<b>121.47</b>	<b>762.16</b>	<b>2,210.72</b>	<b>11,273.41</b>

(Rs. in Crores)

<b>March 31, 2016</b>					
<b>Particulars</b>	<b>AAA</b>	<b>AA</b>	<b>Not rated</b>	<b>Unit linked</b>	<b>Total</b>
<b>a) Investments</b>					
<b>Amortized cost financial assets</b>					
- Debt securities	4,473.24	151.37	152.40	-	4,777.00
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
<b>Financial assets at FVTOCI</b>					
- Debt securities	2,039.79	38.28	-	-	2,078.06
- Equity securities	-	-	322.89	-	322.89
- Mutual Funds	-	-	-	-	-
<b>Financial assets at FVTPL</b>					
- Debt securities	-	-	-	844.20	844.20
- Equity securities	-	-	-	1,203.53	1,203.53
- Mutual Funds	121.55	-	-	95.05	216.60
<b>Total</b>					<b>9,442.30</b>
<b>b) Reinsurance assets</b>	-	-	11.71	-	11.71
<b>c) Insurance receivables</b>	-	-	68.76	-	68.76
<b>d) Cash and short term deposits</b>	202.93	-	-	-	202.93
<b>Total credit risk exposure</b>	<b>6,837.51</b>	<b>189.65</b>	<b>555.76</b>	<b>2,142.79</b>	<b>9,725.72</b>

(Rs. in Crores)

<b>April 1, 2015</b>					
<b>Particulars</b>	<b>AAA</b>	<b>AA</b>	<b>Not rated</b>	<b>Unit linked</b>	<b>Total</b>
<b>a) Investments</b>					
<b>Amortized cost financial assets</b>					
- Debt securities	3,883.49	135.20	67.20	-	4,085.89
- Equity securities	-	-	-	-	-
- Mutual Funds	-	-	-	-	-
<b>Financial assets at FVTOCI</b>					
- Debt securities	1,713.66	10.48	-	-	1,724.14
- Equity securities	-	-	277.00	-	277.00
- Mutual Funds	-	-	-	-	-
<b>Financial assets at FVTPL</b>	-	-	-	-	-

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

(Rs. in Crores)

<b>April 1, 2015</b>					
<b>Particulars</b>	<b>AAA</b>	<b>AA</b>	<b>Not rated</b>	<b>Unit linked</b>	<b>Total</b>
- Debt securities	-	-	-	830.32	830.32
- Equity securities	-	-	-	1,531.03	1,531.03
- Mutual Funds	136.35	-	-	79.64	215.99
<b>Total</b>					<b>8,664.38</b>
<b>b) Reinsurance assets</b>	-	-	4.13	-	4.13
<b>c) Insurance receivables</b>	-	-	70.42	-	70.42
<b>d) Cash and short term deposits</b>	169.58	-	-	-	169.58
<b>Total credit risk exposure</b>	<b>5,903.08</b>	<b>145.69</b>	<b>418.74</b>	<b>2,440.99</b>	<b>8,908.50</b>

The ageing analysis of the past due, but not impaired amounts have been presented in the following table:

(Rs. in Crores)

<b>Particulars</b>	<b>March 31, 2017</b>		
	<b>Trade Receivables</b>	<b>Loans and advances</b>	<b>Other Financial Assets</b>
Past due 1–30 days	74.13	7.88	318.92
Past due by more than 120 days	-	11.74	0.00
<b>Total of past due but not impaired Financial Assets</b>	<b>74.13</b>	<b>19.62</b>	<b>318.92</b>

(Rs. in Crores)

<b>Particulars</b>	<b>March 31, 2016</b>		
	<b>Trade Receivables</b>	<b>Loans and advances</b>	<b>Other Financial Assets</b>
Past due 1–30 days	68.76	9.04	182.82
Past due by more than 120 days	-	9.46	0.02
<b>Total of past due but not impaired Financial Assets</b>	<b>68.76</b>	<b>18.50</b>	<b>182.84</b>

(Rs. in Crores)

<b>Particulars</b>	<b>April 1, 2015</b>		
	<b>Trade Receivables</b>	<b>Loans and advances</b>	<b>Other Financial Assets</b>
Past due 1–30 days	70.42	6.87	308.77
Past due by more than 120 days	-	25.65	0.05
<b>Total of past due but not impaired Financial Assets</b>	<b>70.42</b>	<b>32.52</b>	<b>308.82</b>

## II) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries.

Liquidity risk is held at low levels through effective cash flow management and availability of adequate cash. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and comply with other covenants.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk:

- Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.

The table below details the Company's remaining contractual maturity for its financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(Rs. in Crores)				
March 31, 2017	Contractual cash flows 1 year or less	1 year to 5 years	5 years or more	Total carrying value
Particulars				
<b>Assets</b>				
Amortized cost financial assets	114.91	330.35	5,337.85	5,783.11
Financial assets at FVTOCI	19.06	262.87	2,348.11	2,630.04
Financial assets at FVTPL	524.90	127.55	1,827.90	2,480.35
Loans and receivables	7.88	-	11.74	19.62
Reinsurance assets	-	-	-	-
Insurance receivables	74.13	-	-	74.13
Other financial assets	318.92	-	-	318.92
Cash and cash equivalents	0.03	-	-	0.03
<b>Total</b>	<b>1,059.83</b>	<b>720.77</b>	<b>9,525.60</b>	<b>11,306.20</b>
<b>Liabilities</b>				
Insurance contract liabilities :				
with DPF	(782.81)	(1,215.66)	27,109.12	25,110.65
without DPF	(403.71)	(1,071.03)	7,621.33	6,146.59
Investment contract liabilities :				
with DPF	-	-	-	-
without DPF	38.03	459.15	800.25	1,297.43
Trade and other payables	311.09	-	-	311.09
Other financial liabilities	72.68	-	0.66	73.34
Insurance payables	-	-	-	-
Other liabilities	7.53	-	-	7.53
<b>Total</b>	<b>(757.19)</b>	<b>(1,827.54)</b>	<b>35,531.36</b>	<b>32,946.63</b>
<b>Total liquidity gap</b>	<b>(1,817.02)</b>	<b>(2,548.31)</b>	<b>26,005.76</b>	<b>21,640.43</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

(Rs. in Crores)

March 31, 2016	Contractual cash flows			Total carrying value
Particulars	1 year or less	1 year to 5 years	5 years or more	
<b>Assets</b>				
Amortized cost financial assets	118.97	646.14	4,011.90	4,777.01
Financial assets at FVTOCI	161.90	411.26	1,827.79	2,400.95
Financial assets at FVTPL	490.51	136.17	1,637.65	2,264.33
Loans and receivables	9.04	-	9.46	18.50
Reinsurance assets	-	-	-	-
Insurance receivables	68.76	-	-	68.76
Other financial assets	182.82	0.02	-	182.84
Cash and cash equivalents	202.93	-	-	202.93
<b>Total</b>	<b>1,234.93</b>	<b>1,193.59</b>	<b>7,486.80</b>	<b>9,915.32</b>
<b>Liabilities</b>				
Insurance contract liabilities :				
with DPF	(678.58)	(1,421.36)	24,479.75	22,379.81
without DPF	(230.80)	(1,069.72)	6,602.60	5,302.08
Investment contract liabilities :				
with DPF	-	-	-	-
without DPF	143.58	265.54	1,117.31	1,526.43
Trade and other payables	311.88	-	-	311.88
Other financial liabilities	68.29	-	0.64	68.93
Insurance payables	-	-	-	-
Other liabilities	7.58	-	-	7.58
<b>Total</b>	<b>(378.05)</b>	<b>(2,225.54)</b>	<b>32,200.30</b>	<b>29,596.72</b>
<b>Total liquidity gap</b>	<b>(1,612.98)</b>	<b>(3,419.13)</b>	<b>24,713.51</b>	<b>19,681.40</b>

(Rs. in Crores)

April 1, 2015	Contractual cash flows			Total carrying value
Particulars	1 year or less	1 year to 5 years	5 years or more	
<b>Assets</b>				
Amortized cost financial assets	121.62	780.56	3,183.71	4,085.89
Financial assets at FVTOCI	153.59	467.50	1,380.06	2,001.15
Financial assets at FVTPL	415.58	278.05	1,883.71	2,577.34
Loans and receivables	6.87	-	25.65	32.52
Reinsurance assets	-	-	-	-
Insurance receivables	70.42	-	-	70.42
Other financial assets	308.77	0.05	-	308.82
Cash and cash equivalents	169.58	-	-	169.58
<b>Total</b>	<b>1,246.43</b>	<b>1,526.16</b>	<b>6,473.13</b>	<b>9,245.72</b>
<b>Liabilities</b>				
Insurance contract liabilities :				
with DPF	(622.31)	(1,642.59)	22,487.36	20,222.46
without DPF	(334.94)	(864.95)	5,208.39	4,008.50



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

				(Rs. in Crores)
April 1, 2015	Contractual cash flows			Total
Particulars	1 year or less	1 year to 5 years	5 years or more	carrying value
Investment contract liabilities :				
with DPF	-	-	-	-
without DPF	117.96	186.35	1,317.94	1,622.25
Trade and other payables	320.57	-	-	320.57
Other financial liabilities	64.20	-	0.61	64.81
Insurance payables	-	-	-	-
Other liabilities	5.72	-	-	5.72
<b>Total</b>	<b>(448.80)</b>	<b>(2,321.19)</b>	<b>29,014.30</b>	<b>26,244.32</b>
<b>Total liquidity gap</b>	<b>(1,695.23)</b>	<b>(3,847.35)</b>	<b>22,541.18</b>	<b>16,998.59</b>

### III) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity/commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is primarily exposed to risk arising due to changes in interest rates and equity prices impacting the Company's value of holdings of financial instruments.

The following policies and procedures are in place to mitigate the Company's exposure to market risk:

- Company's Investment policy and liquidity risk policy which sets out the assessment and determination of what constitutes market risk for the Company. Compliance with these policies is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations and management of interest

sensitivity of products sold. Market risk is also managed by setting risk limits such as Earnings at Risk and Regulatory capital at risk and risk is managed to be within these limits.

- The Company stipulates diversification benchmarks by type of instrument, as it is exposed to guaranteed benefits when interest rates fall.

### IV) Currency risk

"Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates". The Company has no significant concentration of currency risk.

### V) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates. The Company's ALM policy requires it to manage interest rate risk by maintaining an appropriate mix of instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities. The Company monitors the Duration Gap and cash flow matching on regular basis to manage this risk.

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## Exposure to interest rate risk

The Company's interest rate risk primarily arises on account of investments in interest bearing securities. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	Carrying amount in Rs. crores		
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Fixed-rate instruments</b>			
Financial assets :			
a) Government securities and government guaranteed bonds including treasury bills	5,983.87	5,105.88	3,931.25
b) Debentures/ bonds	688.77	685.58	765.45
c) Investments in infrastructure and social sector bonds	1,940.53	1,722.44	1,854.08
d) Others (CBLO & Policy Loan)	234.36	185.38	89.58
	-	-	-
Financial liabilities	(10,538.39)	(9,056.34)	(8,416.07)
	<b>(1,690.86)</b>	<b>(1,357.06)</b>	<b>(1,775.71)</b>

## VI) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities not held for the account of unit-linked business. The Company's Investment Mandates require it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, limits on investments in each sector, security and market and exploration of use of any derivative financial instruments.

## VII) Operational risks

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risks, but by initiating a

rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

## 55 CAPITAL MANAGEMENT

### A Related to Business other than insurance

The Group's objective when managing capital (defined as net debt and equity) is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Group.

### B Related to insurance business

The primary source of capital used by the Company is Equity. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

future development of the business. The capital requirements are routinely forecast on a periodic basis and assessed against both the forecast available capital and the expected internal rate of return, including risk and sensitivity analyses. The process is ultimately subject to approval by the Board.

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
	Life Insurance	Life Insurance	Life Insurance
Total Equity	1,024.30	831.72	820.07
Borrowings	-	-	-
Total Shareholders' Funds as per FS	1,024.30	831.72	820.07
Adjustments onto a regulatory basis	-	-	-
Available capital resources	<b>1,024.30</b>	<b>831.72</b>	<b>820.07</b>

(Rs. in Crores)

## 56 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD NOVEMBER 8, 2016 TO DECEMBER 30, 2016 AS PROVIDED IN THE TABLE BELOW

Particulars	SBNs	Other denomination notes	(Rs. in Crores)
			Total
Closing cash in hand as on November 8, 2016	0.52	0.18	0.70
(+) Permitted receipts	-	1.29	1.29
(-) Permitted payments	-	1.20	1.20
(-) Amount deposited in Banks	0.52	-	0.52
Closing cash in hand as on December 30, 2016	-	0.26	0.27

(Rs. in Crores)

## 57 MOVEMENT OF POLICYHOLDERS' FUNDS, FUNDS FOR DISCONTINUED POLICIES, FUNDS FOR FUTURE APPROPRIATION AND EMBEDDED DERIVATIVE LIABILITY

Particulars	Movement during the year ended March 31, 2017				Movement during the year ended March 31, 2016			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Gross Liability at the beginning of the year	3,813.49	1,959.48	1,860.82	<b>7,633.79</b>	3,127.34	2,227.47	1,500.62	<b>6,855.43</b>
Add/(Less)	-	-	-		-	-	-	
Expected Premium	1,113.46	121.89	620.54	<b>1,855.89</b>	1,018.85	144.35	357.81	<b>1,521.01</b>
Unwinding of the discount/ interest credited	162.78	263.76	62.39	<b>488.93</b>	151.85	(37.04)	70.60	<b>185.41</b>
Changes in valuation for expected future benefits	54.51	-	-	<b>54.51</b>	54.30	(0.28)	33.42	<b>87.44</b>
Insurance liabilities released	(516.92)	(358.90)	(412.18)	<b>(1,288.00)</b>	(601.74)	(414.99)	(233.50)	<b>(1,250.23)</b>
Undistributed participating policyholders surplus	6.91	-	-	<b>6.91</b>	21.08	-	-	<b>21.08</b>
Others - Non-unit liabilities	79.98	34.69	320.52	<b>435.19</b>	41.81	39.98	131.88	<b>213.67</b>
Gross Liability at the end of the year	<b>4,714.21</b>	<b>2,020.92</b>	<b>2,452.09</b>	<b>9,187.22</b>	<b>3,813.49</b>	<b>1,959.49</b>	<b>1,860.83</b>	<b>7,633.81</b>
Recoverable from Reinsurance	0.22	0.11	19.72	20.05	0.21	0.12	11.38	11.71
Net Liability	<b>4,713.99</b>	<b>2,020.81</b>	<b>2,432.37</b>	<b>9,167.17</b>	<b>3,813.28</b>	<b>1,959.38</b>	<b>1,849.45</b>	<b>7,622.10</b>
Closing UPPS included in gross liability at the end of the year	36.93	-	-	36.93	30.03			30.03

(Rs. in Crores)

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 58 MOVEMENT OF INVESTMENT CONTRACTS LIABILITIES

(Rs. in Crores)

Particulars	Movement during the year ended March 31, 2017			Movement during the year ended March 31, 2016		
	Linked Business	Others	Total	Linked Business	Others	Total
At the beginning of the year	2,024.03	9,792.09	<b>11,816.12</b>	2,507.83	10,242.19	<b>12,750.02</b>
Additions						
Premium	330.13	537.88	<b>868.01</b>	393.76	847.63	<b>1,241.39</b>
Interest & Bonus credited to policyholders	592.99	807.84	<b>1,400.83</b>	(21.11)	724.37	<b>703.26</b>
Deductions						
Withdrawals/ Claims	698.03	2,066.11	<b>2,764.14</b>	809.17	2,007.06	<b>2,816.23</b>
Fee Income & Other Expenses	6.53	15.32	<b>21.85</b>	47.27	15.06	<b>62.33</b>
At the end of the year	<b>2,242.59</b>	<b>9,056.38</b>	<b>11,298.97</b>	<b>2,024.04</b>	<b>9,792.07</b>	<b>11,816.11</b>

## 59 ADDITIONAL INFORMATION IN RESPECT OF NET ASSETS AND PROFIT / LOSS OF EACH ENTITY WITHIN THE GROUP AND THEIR PROPORTIONATE SHARE OF THE TOTALS

Particulars	As at March 31, 2017		2016-17		As at March 31, 2016		2015-16		As at April 1, 2015	
	Net Assets, i.e. Total assets minus total liabilities		Share in Profit or Loss		Net Assets, i.e. Total assets minus total liabilities		Share in Profit or Loss		Net Assets, i.e. Total assets minus total liabilities	
	As % of Consolidated net assets	Amount (Rs. in Crores)	As % of Consolidated net assets	Amount (Rs. in Crores)	As % of Consolidated net assets	Amount (Rs. in Crores)	As % of Consolidated net assets	Amount (Rs. in Crores)	As % of Consolidated net assets	Amount (Rs. in Crores)
<b>Parent</b>										
Exide Industries Limited (EIL)	76.46%	3,859.86	75.43%	673.12	77.62%	3,418.58	94.86%	603.33	75.06%	3,006.52
<b>Indian Subsidiaries</b>										
Chloride International Limited (CIL)	0.12%	6.25	0.06%	0.50	0.14%	6.19	0.07%	0.43	0.15%	6.12
Chloride Power Systems & Solutions Ltd. (CPSSL)	0.34%	17.01	0.24%	2.10	0.43%	19.02	0.26%	1.66	0.56%	22.58
Chloride Metals Ltd. (CML)	0.53%	26.72	2.24%	19.97	0.50%	22.20	3.04%	19.35	0.60%	23.98
Chloride Alloys India Ltd. (CAIL) (merged with CML during 2015-16)									0.38%	15.27
Exide Life Insurance Company Limited (ELI)	20.29%	1,024.30	21.58%	192.58	18.88%	831.71	1.83%	11.65	20.47%	820.07
<b>Foreign Subsidiaries</b>										
Chloride Batteries S. E. Asia Pte Ltd. (CBSEA) & its wholly owned subsidiary (Exide Batteries Pvt. Ltd.)	1.06%	53.42	(0.61%)	(5.40)	1.29%	56.77	(1.35%)	(8.60)	1.66%	66.45
Expex Batteries Limited (ESPEX)	0.49%	24.88	0.36%	3.17	0.37%	16.18	0.18%	1.16	0.36%	14.30
Associated Battery Manufacturers (Ceylon) Ltd. (ABML)	0.70%	35.45	0.71%	6.38	0.77%	33.78	1.11%	7.06	0.75%	30.21
<b>Total</b>	<b>100.00%</b>	<b>5,047.89</b>	<b>100.00%</b>	<b>892.42</b>	<b>100.00%</b>	<b>4,404.43</b>	<b>100.00%</b>	<b>636.04</b>	<b>100.00%</b>	<b>4,005.50</b>

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2017

## 60 OPERATING LEASE COMMITMENTS

Rent and Hire charges include Rs. 65.47 Crores (PY Rs. 60.80 Crores) towards lease of residential apartments, Office premises and Godowns. These are cancellable leases, renewable by mutual agreement. The lease term is for various number of years and renewable for further periods as per the lease agreements at the option of the company. In lease agreements, escalation clauses are present; however there are no restrictions imposed by the lease agreements. There are no sub-leases.

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

	(Rs. in Crores)	
	2016-17	2015-16
Not later than one financial year	34.36	35.33
Later than one financial year but not later than five financial years	107.40	131.88
Later than five financial years	49.90	47.34

As per our report of even date.

### S.R.Batliboi & Co. LLP

Registration Number: 301003E/ E300005  
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

per **Kamal Agarwal**

Partner

Membership No. 058652

Mumbai, May 04, 2017

Sd/-

**J. Kumar**

Company Secretary & Sr. VP- Legal

**ACS: 11159**

Sd/-

**A. K. Mukherjee**

Director- Finance & CFO

**DIN: 00131626**

Sd/-

**Gautam Chatterjee**

Managing Director & CEO

**DIN: 00012306**

as at and for the year ended March 31, 2017

**FORM AOC-1**

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

## Part "A": Subsidiaries

230 Exide Industries Limited

# PROXY FORM

Form No. MGT-11

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN: L31402WB1947PLC014919

Name of the Company: EXIDE INDUSTRIES LIMITED

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

E-mail: exideindustrieslimited@exide.co.in

Website: www.exideindustries.com

## 70th Annual General Meeting – 27th July, 2017

Name of the Member(s)	:	.....
Registered Address	:	.....
E-mail ID	:	.....
Folio No. /Client ID	:	.....
DP-ID	:	.....

I/We, being the member(s), holding.....shares of the above named company, hereby appoint:

(1)	Name .....	Address .....
	Email Id .....	Signature..... or failing him/her;
(2)	Name .....	Address .....
	Email Id .....	Signature..... or failing him/her;
(3)	Name .....	Address .....
	Email Id .....	Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70th Annual General Meeting of the Company, to be held on Thursday, 27th July, 2017 at 11.30 am at Kala Mandir, 48 Shakespeare Sarani, Kolkata – 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	*	
Ordinary Business		For	Against
1.	Adoption of audited financial statements (including audited consolidated financial statements) for the financial year ended 31st March, 2017 and the Reports of the Directors and the Auditors thereon.		
2.	Confirmation of Interim dividend and declaration of final dividend for the financial year ended 31st March, 2017.		
3.	Re-appointment of Mr. Subir Chakraborty (DIN: 00130864) who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Re-appointment of Mr. R.B. Raheja (DIN: 00037480) who retires by rotation and, being eligible, offers himself for re-appointment.		
5.	Appointment of Auditors.		
Special Business			
6.	Ratification of remuneration payable to Cost Auditors for financial year 2017-18.		

Signed this.....day of....., 2017

Signature of Member(s).....

Signature of Proxy holder(s).....

Affix  
Revenue  
Stamp

### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting (on or before 25th July, 2017 at 11.30 a.m. IST).
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 70th Annual General Meeting.
- \*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.





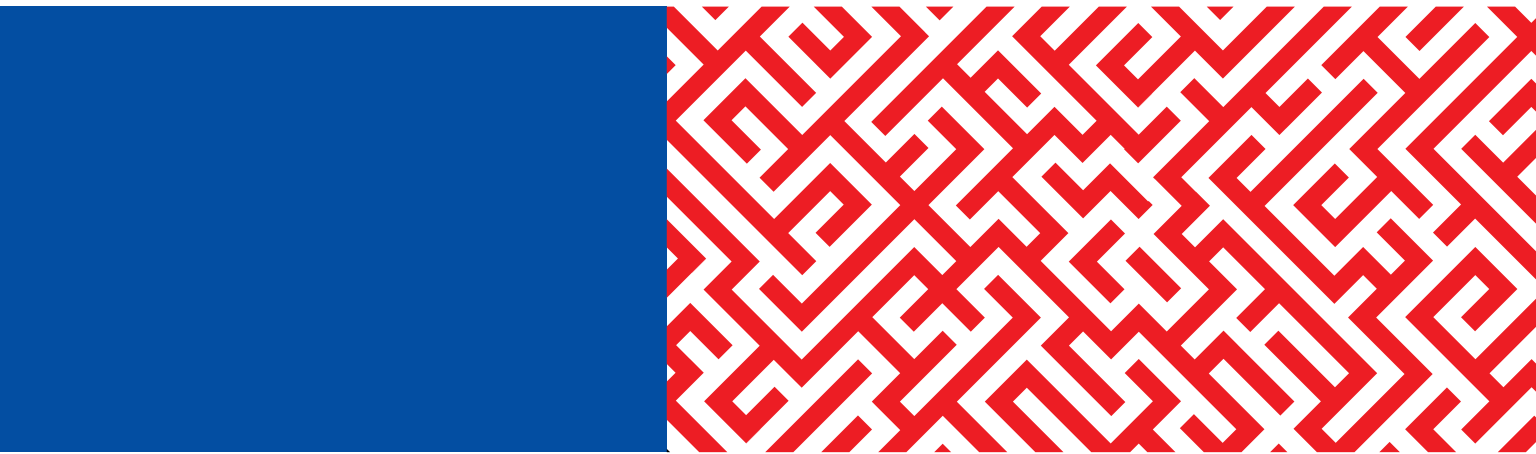


## ROUTE MAP TO THE VENUE OF THE 70TH AGM OF EXIDE INDUSTRIES LIMITED



**Kala Mandir**

48, Shakespeare Sarani, Kolkata 700 017



**REGISTERED OFFICE**

Exide Industries Limited  
Exide House, 59E Chowringhee Road,  
Kolkata 700 020  
[www.exideindustries.com](http://www.exideindustries.com)