Notes to Financial Statements

for the year ended March 31, 2018

CORPORATE INFORMATION

Exide Industries Limited (the company), having CIN No.: L31402WB1947PLC014919, is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 2013. Its shares are listed on two 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.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 7, 2018.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crore, unless otherwise indicated.

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities, which are measured at fair value
- Net defined employee benefit asset/ (liability), which are measured at Fair Value of plan assets less present value of defined benefit obligations

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Gain or loss arising on disposal of an asset is treated as income or expense.

Refer Note 2 to the Financial Statements.

b. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the Statement of Profit and Loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term.

Depreciation 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

for the year ended March 31, 2018

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.

Refer Note 33 to the Financial Statements.

c. Intangible assets and Amortisation

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
Computer Software / Trademark	Finite (5 years)	Amortised on a straight-line basis over the life

Research costs are expensed as incurred.

Refer Note 3 and 33 to the Financial Statements.

d. 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.

e. 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 weighted average cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the respective finished products will exceed their net realisable value.

(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.

(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.

f. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash at banks and in 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.

g. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money

Notes to Financial Statements
for the year ended March 31, 2018

is material, provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Refer Notes 20 and 26 to the Financial Statements.

h. Retirement and other employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-retirement 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

(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.

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual Independent actuarial valuation using the projected unit credit method. Pre-measurements gains or losses are recognised in profit or loss in the period in which they arise.

Refer Notes 20, 26, 31 and 37 to the Financial Statements.

Notes to Financial Statements

for the year ended March 31, 2018

i. Foreign Currency

Transactions in foreign currencies are initially recorded in reporting currency by the Company at spot rates at the date of transaction.

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.

j. Revenue Recognition

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

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.

Deferred revenue

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. Consideration received from these customers have been allocated between the goods sold and the credit points granted. The consideration allocated to the credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

k. Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 assets and liabilities are offset if there is a legally enforceable right to offset current tax Liabilities and assets, and they relate to income taxes levied by the same tax authority on the same, taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a Net basis or their tax assets and liabilities will be realised simultaneously.

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.

Notes to Financial Statements

for the year ended March 31, 2018

l. 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.

m. Earnings 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.

n. 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.

o. 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.

p. Financial instruments

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at amortised cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the conditions and is not designated as at FVTPL: (i) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The subsequent measurement of gains and losses of various categories of financial instruments are as follows:

(i) Financial assets at amortised cost: these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to Financial Statements
for the year ended March 31, 2018

(ii) Equity investments at FVOCI: these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

(iii) Financial assets at FVTPL: these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and Losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets: The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities: The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

q. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are combined together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of

Notes to Financial Statements
for the year ended March 31, 2018

a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

r. Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

s. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

1.1 Standards Issued but not yet Effective

Amendments to Ind AS 21 - On March 28, 2018, Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standard) Amendment Rules, 2018.

The rules notified Appendix B of Ind AS 21 – which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115 – Revenue from Contracts with customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The Company has done a preliminary assessment and do not expect a significant impact due to the adoption of the standard.

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

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for the year ended March 31, 2018

2. PROPERTY, PLANT AND EQUIPMENT

(Rs. in Crores)

	Freehold land	Land under Finance lease	Buildings (including roads)	Plant and equipment (including electrical installation)	Moulds	Office Equipment	Furniture & fixtures	Vehicles	Computers	Total
Cost										
As at April 1, 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
As at March 31, 2017	**29.73**	**32.04**	**339.76**	**1,252.20**	**179.65**	**10.80**	**2.70**	**2.41**	**18.62**	**1,867.91**
Additions	3.85	41.43	73.52	466.35	55.00	2.91	2.32	-	5.54	650.92
Disposals / deductions	0.02	-	1.70	4.45	1.17	0.12	0.01	0.02	0.77	8.26
As at March 31, 2018	**33.56**	**73.47**	**411.58**	**1,714.10**	**233.48**	**13.59**	**5.01**	**2.39**	**23.39**	**2,510.57**
Accumulated Depreciation										
As at April 1, 2016	-	0.57	9.61	117.64	16.43	1.75	0.12	0.38	3.03	149.53
Depreciation 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
As at March 31, 2017	-	**1.43**	**21.05**	**272.09**	**37.77**	**3.53**	**0.34**	**0.79**	**6.41**	**343.41**
Depreciation for the year		0.60	14.78	188.55	25.54	2.38	0.37	0.42	4.81	237.45
Disposals / deductions		-	0.30	3.27	0.87	0.10	-	0.01	0.71	5.26
As at March 31, 2018	-	**2.03**	**35.53**	**457.37**	**62.44**	**5.81**	**0.71**	**1.20**	**10.51**	**575.60**
Net Block										
As at March 31, 2017	**29.73**	**30.61**	**318.71**	**980.11**	**141.88**	**7.27**	**2.36**	**1.62**	**12.21**	**1,524.50**
As at March 31, 2018	**33.56**	**71.44**	**376.05**	**1,256.73**	**171.04**	**7.78**	**4.30**	**1.19**	**12.88**	**1,934.97**

a. Conveyance / Lease deeds for certain immovable properties valued at Rs. 46.49 crs (PY: Rs. 7.21 crs) are pending execution.

b. Buildings includes Rs. 0.10 crs (PY: Rs. 0.10 crs) being the cost of shares in respective Co-operative Housing Societies.

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for the year ended March 31, 2018

3. GOODWILL AND OTHER INTANGIBLE ASSETS

(Rs. in Crores)

Particulars	Goodwill	Trade Mark	Computer Software	Total
Cost				
As at April 1, 2016	3.89	3.12	21.57	28.58
Additions	-	-	9.34	9.34
As at March 31, 2017	**3.89**	**3.12**	**30.91**	**37.92**
Additions			10.35	10.35
Disposals / deductions	-	-	-	-
As at March 31, 2018	**3.89**	**3.12**	**41.26**	**48.27**
Accumulated Amortisation & Impairment loss				
As at April 1, 2016	-	0.84	4.77	5.61
Amortisation/Impairment for the year	3.89	0.84	6.08	10.81
As at March 31, 2017	**3.89**	**1.68**	**10.85**	**16.42**
Amortisation for the year	-	0.69	7.80	8.49
As at March 31, 2018	**3.89**	**2.37**	**18.65**	**24.91**
Net Block				
As at March 31, 2017	-	1.44	20.06	21.50
As at March 31, 2018	**-**	**0.75**	**22.61**	**23.36**

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. During the previous year the company impaired the goodwill aggregating to Rs. 3.89 crs pertaining to the Home UPS business.

4. INVESTMENTS

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Investments at cost (Unquoted)		
Equity Shares, Fully Paid Up		
In Subsidiary Companies		
Chloride International Limited of Rs. 10 each [4,50,000 shares (PY: 4,50,000 Shares)]	0.20	0.20
Chloride Power Systems and Solutions Limited of Rs. 10 each [19,80,000 shares (PY:19,80,000 Shares)]	2.93	2.93
Chloride Metals Limited of Rs. 10 each (4,23,80,952 shares [PY: 4,23,80,952 shares)]	109.03	109.03
Chloride Batteries S.E.Asia Pte Limited of Singapore $ 1 each [70,00,000 shares (PY: 70,00,000 shares)]	10.35	10.35
Espex Batteries Limited of GBP 1 each [1,02,000 shares (PY: 1,02,000 shares)]	0.78	0.78
Associated Battery Manufacturers (Ceylon) Ltd of Sri Lankan Rupees 10 each [38,96,640 shares (PY: 38,96,640 shares)]	7.31	7.31
Exide Life Insurance Company Limited of Rs. 10 each [1,75,00,00,000 shares (PY: 1,75,00,00,000 shares)]	1,579.60	1,579.60

Notes to Financial Statements

for the year ended March 31, 2018

4. INVESTMENTS (CONTD.)

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Investments at Amortised Cost		
Government Securities (lodged as security deposits with various authorities)	0.01	0.01
Investments at fair value through OCI		
Debentures (Fully Paid Up)		
Woodlands Multispecialty Hospital Limited		
1/2% Debentures of Rs. 100 each [20 debentures (PY: 20 debentures)]	- ^	-
5% Non-redeemable Registered Debentures of Rs. 6,000 each (1 debenture (PY: 1 debenture)	- ^	-
Units (Unquoted)		
Faering Capital India Evolving Fund of Rs. 1,000 each [2,27,458 units (PY: 2,45,741 units)]	33.43	34.19
Equity shares (Unquoted)		
Haldia Integrated Development Agency Ltd of Rs. 10 each (5,00,000 shares [PY: 5,00,000 shares)]	2.95	3.35
Suryadev Alloys of Rs. 10 each [2,500 shares (PY: 2,500 shares)]	0.03	0.03
Equity shares (Quoted)		
Hathway Cable and Datacom Limited of Rs. 2 each [54,62,830 shares (PY: 54,62,830 shares)]	18.49	20.68
	1,765.11	**1,768.46**
(i) Aggregate book value of unquoted investments	1,746.62	1,747.78
(ii) Aggregate book value and market value of quoted investments	18.49	20.68
(iii) Refer Note 42 for information about fair value measurement and Note 43 for credit risk and market risk of investment.		
(iv) ^ Figures being less than Rs. 50,000 in each case, has not been disclosed.		

5. NON-CURRENT TRADE RECEIVABLES (AT AMORTISED COST)

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Unsecured, Considered good		
Trade Receivables	1.18	1.81
	1.18	**1.81**

6. NON-CURRENT LOANS AND DEPOSITS (AT AMORTISED COST)

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Unsecured , considered good		
a) Loans to employees	0.01	0.03
b) Loans and advances to others	0.01	0.01
c) Security Deposits	12.60	12.99
	12.62	**13.03**

Notes to Financial Statements

for the year ended March 31, 2018

7. OTHER NON-CURRENT ASSETS

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
(i)	**Unsecured, considered good**		
a)	Capital advances	52.86	50.75
b)	Prepaid expenses	27.63	3.44
c)	Balances and deposit with Government Authorities	22.02	26.04
(ii)	**Unsecured, considered doubtful**		
a)	Advances recoverable in cash or kind	1.99	1.89
b)	Balances and deposit with Government Authorities	14.66	5.04
		119.16	**87.16**
	Less: Provision for doubtful deposits and advances	16.65	6.93
		102.51	**80.23**

8. INVENTORIES

(Rs. in Crores)

	Particulars	March 31, 2018		March 31, 2017	
	(At Lower of cost and net realisable value)				
a)	Stores, spare parts, loose tools etc		33.22		28.28
b)	Raw materials and components [Including in transit/ lying in bonded warehouse Rs. 88.17 crs (PY: Rs. 73.48 crs)]		454.82		371.51
c)	Work-in-progress		466.60		455.01
d)	Finished goods	792.96		555.20	
	Add: Excise Duty	-	792.96	109.87	665.07
e)	Stock-in-trade		12.55		7.50
			1,760.15		**1,527.37**

I. The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss and Note 34.

II. The cost of inventories recognised as an expense includes Rs. 3.27 Crore (PY: Rs. 1.45 Crore) in respect of write downs of inventory.

9. INVESTMENTS

(Rs. in Crores)

Particulars	No. of units	March 31, 2018	No. of units	March 31, 2017
Investments at fair value through Profit & Loss				
Units of Mutual Fund (Unquoted)				
Kotak Treasury Advantage Fund - Regular Plan Daily Dividend Reinvestment of Rs. 10 each	99,24,710	10.00	5,96,51,415	60.13
Franklin India Ultra Short Bond Fund Super Institutional Plan -Daily Dividend Reinvestment of Rs. 10 each	99,22,801	10.00	4,97,46,872	50.15
DSP Black Rock Ultra Short Term Fund -Regular Plan -Daily Dividend Reinvestment of Rs. 10 each	6,48,59,757	65.40	20,90,12,422	210.76
IDFC Ultra Short Term Fund -Daily Dividend Reinvestment - Regular Plan of Rs. 10 each	1,00,17,248	10.09	6,97,63,720	70.26

Notes to Financial Statements

for the year ended March 31, 2018

9. INVESTMENTS (CONTD.)

(Rs. in Crores)

Particulars	No. of units	March 31, 2018	No. of units	March 31, 2017
Birla Sunlife Savings Fund -Daily Dividend Reinvestment of Rs. 100 each	9,97,888	10.01	59,96,875	60.23
HDFC Floating Rate Income Fund -Short Term Plan Wholesale Option -Daily Dividend Reinvestment of Rs. 10 each	4,99,50,727	50.35	7,96,79,041	80.32
SBI SHF Ultra Short Term Fund -Regular Plan -Daily Dividend Reinvestment of Rs. 1,000 each	-	-	2,49,446	25.10
TATA Floater Fund Regular Plan Daily Dividend Reinvestment of Rs. 1,000 each	-	-	4,49,877	45.15
India Bulls Ultra Short Term Fund - Existing Plan Daily Dividend Reinvestment of Rs. 1,000 each	-	-	3,00,204	30.13
Baroda Pioneer Treasury Advantage Fund Plan A - Daily Dividend Reinvestment of Rs. 1,000 each	-	-	48,881	5.03
Sundaram Ultra Short Term Fund -Regular Plan- Daily Dividend Reinvestment of Rs. 10 each	-	-	99,89,190	10.03
L&T Ultra Short Term Fund - Daily Dividend Reinvestment Plan units of Rs. 10 each	-	-	3,91,45,895	40.15
ICICI Prudential Flexible Income Fund - Daily Dividend Reinvestment of Rs. 100 each	4,77,491	5.05	75,93,937	80.29
UTI Treasury Advantage Fund -Institutional Plan- Daily Dividend Reinvestment of Rs. 1,000 each	50,149	5.03	3,99,857	40.13
Reliance Medium Term Fund - Daily Dividend Reinvestment units of Rs. 10 each	29,43,543	5.04	1,46,76,218	25.09
JM Money Manager Fund -Super Plus Plan - Daily Dividend Reinvestment of Rs. 10 each	-	-	1,49,04,550	15.06
Escorts Liquid Plan - Daily Dividend Reinvestment of Rs. 10 each	36,72,346	5.02	36,69,104	5.02
LIC Nomura MF Savings Plus Fund -Short Term Plan - Daily Dividend Reinvestment of Rs. 10 each	49,48,352	5.03	-	-
LIC MF Income Plus Fund - Daily Dividend Reinvestment of Rs. 10 each	-	-	49,68,162	5.02
Axis Treasury Advantage Fund - Daily Dividend Reinvestment of Rs. 1,000 each	-	-	2,98,947	30.08
Mahindra Low Duration Bachat Yojana - Regular - Daily Dividend Reinvestment of Rs. 1,000 each	50,015	5.02	-	-
DSP Black Rock India Enhanced Equity Fund-Class B-3, of Rs. 100 each	5,00,000	7.82	5,00,000	7.32
		193.86		**895.45**
Units of Mutual Fund (Quoted)				
HDFC Cancer Cure Fund-Debt Plan of Rs. 10 each	1,00,00,000	10.03	1,00,00,000	10.03
		10.03		**10.03**
		203.89		**905.48**
Aggregate amount of quoted investment and market value thereof		10.03		10.03
Aggregate amount of unquoted investment		193.86		895.45

(i) Refer Note 42 for information about fair value measurement and Note 43 for credit risk and market risk of investment.

Notes to Financial Statements
for the year ended March 31, 2018

10. TRADE RECEIVABLES (UNSECURED) (AT AMORTISED COST)

(Rs. in Crores)

	March 31, 2018	March 31, 2017
Considered good	943.39	621.65
Considered doubtful	9.70	8.00
	953.09	**629.65**
Less: Allowances for doubtful receivables	9.70	8.00
	943.39	**621.65**

Refer Note no 40 for Related Party disclosure for trade receivables from related parties.

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in Note 43.

11. CASH AND CASH EQUIVALENTS

(Rs. in Crores)

		March 31, 2018	March 31, 2017
a)	Balances with banks on		
	Current Account	78.19	10.82
b)	Cash in hand	0.32	0.37
		78.51	**11.19**

12. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in Crores)

	March 31, 2018	March 31, 2017
Unclaimed Dividend Account	8.68	8.38
	8.68	**8.38**

13. LOANS AND DEPOSITS (AT AMORTISED COST)

(Rs. in Crores)

		March 31, 2018	March 31, 2017
Unsecured, considered good			
a)	Loans to employees	0.04	0.07
b)	Security Deposits - Others	14.54	10.39
		14.58	**10.46**

14. OTHER FINANCIAL ASSETS (AT AMORTISED COST)

(Rs. in Crores)

		March 31, 2018	March 31, 2017
Unsecured, considered good			
a)	Other Receivables (rebates and discounts, etc.)	23.36	17.15
b)	Claims Receivable	1.44	7.39
		24.80	**24.54**

Notes to Financial Statements
for the year ended March 31, 2018

15. OTHER CURRENT ASSETS

(Rs. in Crores)

		March 31, 2018	March 31, 2017
a)	Other recoverables and advances*	13.63	14.03
b)	Balances and deposit with Government Authorities	186.54	22.73
c)	Prepaid expenses	17.80	4.55
		217.97	**41.31**

* includes export incentive receivables

16. SHARE CAPITAL

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
a)	**Authorised**		
	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
b)	**Issued, subscribed & fully paid-up**		
	85,00,00,000 (PY: 85,00,00,000) Equity Shares of Re. 1 each	85.00	85.00
		85.00	85.00
c)	**Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year**	Number of Shares	
	Opening balance at the beginning and at the end of the year	85,00,00,000	85,00,00,000
d)	**Terms / rights attached to equity shares**		
	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.		
	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.		
e)	**Shares held by holding company**		
	Name of Shareholder	Number of Shares	
	Chloride Eastern Limited, UK (considered to be Holding company by virtue of de-facto control) 45.99% (PY: 45.99%)	39,09,54,666	39,09,54,666
f)	**Details of shareholders holding more than 5% shares in Company**		
	Name of Shareholder	Number of Shares	
	Chloride Eastern Limited, UK holding 45.99 % (PY: 45.99 %)	39,09,54,666	39,09,54,666
	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
for the year ended March 31, 2018

17. OTHER EQUITY

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
a)	**Securities Premium Account**	737.88	737.88
	Premium received on equity shares issued are recognised in the securities premium account		
b)	**Contingency Reserve**	25.00	25.00
	The Contingency reserve is created to set aside funds for meeting contingencies and claims		
c)	**Retained earnings**	4,533.01	4,110.19
	Retained earnings includes General Reserve, Surplus in Statement of Profit and Loss, Impact of Ind-AS adjustments on date of transition and Revaluation reserve.		
d)	**Items of Other Comprehensive Income**		
	- Remeasurements of defined benefit plans	(6.06)	(7.09)
	Remeasurement gains/losses recorded in other comprehensive income		
	- Fair value of Equity instruments through OCI	14.48	12.61
	Changes in fair value of equity instruments recorded in other comprehensive income		
		5,304.31	**4,878.59**

18. NON-CURRENT TRADE PAYABLES (AT AMORTISED COST)

(Rs. in Crores)

	March 31, 2018	March 31, 2017
Trade payables*	4.36	3.73
	4.36	**3.73**

* represents total dues of payables other than Micro and Small Enterprises. Also refer note 39.

19. OTHER NON-CURRENT FINANCIAL LIABILITIES (AT AMORTISED COST)

(Rs. in Crores)

	March 31, 2018	March 31, 2017
Payables for Capital Goods	2.62	2.07
	2.62	**2.07**

20. NON CURRENT PROVISIONS

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Provision for employee benefits (refer note 37)		
Post retirement medical benefits	4.45	4.88
Gratuity	8.78	8.68
Pension	3.51	3.18
Leave benefits	28.46	24.67
Others		
Provision for site restoration liabilities	1.25	1.13
	46.45	**42.54**

Notes to Financial Statements

for the year ended March 31, 2018

20. NON CURRENT PROVISIONS (CONTD.)

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Provision for site restoration liabilities		
A provision is recognised for site restoration liabilities on leasehold lands taken by the Company:		
Opening Balance	1.13	1.03
Add: Interest accrued on the provision during the year	0.12	0.10
Closing Balance	**1.25**	**1.13**

21. DEFERRED TAX LIABILITY (NET)

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Deferred tax liabilities	183.57	190.91
Less: Deferred tax assets	43.07	35.73
	140.50	**155.18**

Movement in deferred tax (liabilities) / assets balances:

(Rs. in Crores)

2017-18	April 01, 2017	Movement through Statement of Profit and Loss	Movement through Other Comprehensive Income	March 31, 2018
Deferred tax liabilities:				
Arising out of temporary difference in depreciable assets	(144.41)	(32.08)	-	(176.49)
Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year	(45.93)	39.34	-	(6.59)
Unrealised gain on investment in equity shares	(0.57)	-	0.08	(0.49)
Deferred tax assets:				
On expenses allowable against taxable income in future years	22.93	19.63	(0.55)	42.01
Expenses disallowed in earlier assessments which are being contested	12.80	(11.74)	-	1.06
	(155.18)	**15.15**	**(0.47)**	**(140.50)**

Notes to Financial Statements

for the year ended March 31, 2018

Movement in deferred tax (liabilities) / assets balances: (Contd.)

(Rs. in Crores)

2016-17	April 01, 2016	Movement through Statement of Profit and Loss	Movement through Other Comprehensive Income	March 31, 2017
Deferred tax liabilities:				
Arising out of temporary difference in depreciable assets	(123.98)	(20.43)	-	(144.41)
Expenses claimed as deduction as per Income Tax Act, 1961 but not booked in current year	(34.75)	(11.18)	-	(45.93)
Unrealised gain on investment in equity shares	(0.57)	-	-	(0.57)
Deferred tax assets:				
On expenses allowable against taxable income in future years	20.75	1.10	1.08	22.93
Expenses disallowed in earlier assessments which are being contested	10.52	2.28	-	12.80
	(128.03)	**(28.24)**	**1.08**	**(155.18)**

	March 31, 2018	March 31, 2017
Reconciliation of statutory rate of tax and effective rate of tax:		
Tax rate as a % of PBT	33.57	28.91
Adjustments:		
Non-deductible expenses for tax purposes	(0.55)	(0.73)
Dividend Income - exempt for tax purposes	1.16	2.75
Various allowances claimed under Income Tax Act, 1961	0.44	2.82
Others including Tax impact of earlier years	(0.01)	0.86
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)

Particulars	March 31, 2018	March 31, 2017
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
(The buyers' credit is secured by hypothecation of Stocks and book debts, both present and future)		
Unsecured	-	85.46
	-	**170.23**

Notes to Financial Statements
for the year ended March 31, 2018

23. TRADE PAYABLES (AT AMORTISED COST)

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
a)	Trade payable for goods & services		
	Total outstanding dues of Micro and small Enterprises (refer note no. 39)	4.08	10.04
	Total outstanding dues of creditors other than Micro and small Enterprises	934.19	653.78
b)	Acceptances	140.44	104.03
		1,078.71	**767.85**

Refer note 43 for information about liquidity risk and market risk related to trade payables.
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.

24. OTHER CURRENT FINANCIAL LIABILITIES (AT AMORTISED COST)

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
a)	Interest accrued but not due on borrowings	-	0.55
b)	Unclaimed dividends (to be credited to Investor Education and Protection Fund as and when due)	8.68	8.38
c)	Derivatives liability	-	0.70
d)	Other payables -		
	For Selling and distribution costs	177.09	122.00
	For Capital Goods	81.40	98.59
	For Other Expenses *	68.39	85.99
		335.56	**316.21**

* other liabilities includes employee related payments

i. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2018.

ii. Other payables for selling and distribution costs represents outstanding liabilities for incentives and trade schemes, etc.

25. OTHER CURRENT LIABILITIES

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
a)	Taxes and duties payable	87.60	53.97
b)	Advances from customers	16.59	23.13
c)	Other payables - For deferred revenue *	62.32	54.97
		166.51	**132.07**

*Other payables for deferred revenue relates to loyalty credit points granted to the customers as part of sales transactions and has been estimated with reference to the fair value of the products for which they could be redeemed.

Notes to Financial Statements
for the year ended March 31, 2018

26. CURRENT PROVISIONS

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
a) Provision for employee benefits (refer note 37)		
Post retirement medical benefits	0.41	0.45
Leave benefits	3.08	3.66
b) Others		
Provision for Warranty Claims	175.18	178.13
Provision for litigations and tax disputes	54.19	39.89
	232.86	**222.13**
Provisions for warranties		
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:		
Opening Balance	178.13	163.39
Add: Provision created during the year	189.64	205.63
Less: Utilised against warranty claims during the year	192.59	190.89
Closing Balance	**175.18**	**178.13**
Provisions for litigations and tax disputes (refer notes below)		
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:		
Opening Balance	39.89	31.98
Add: Provision created during the year	14.30	7.91
Closing Balance	**54.19**	**39.89**

27. REVENUE FROM OPERATIONS

(Rs. in Crores)

Particulars	2017-18	2016-17
Sale of products (including excise duty)	9,441.12	8,538.32
Other operating income		
Export incentive	8.19	7.32
Scrap sales	5.34	3.44
Income from Service / Installation	5.15	4.66
	9,459.80	**8,553.74**

(i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax, GST, etc.

(ii) Sale of goods includes excise duty collected from customers of Rs. 273.48 crs (PY: Rs. 970.27 crs).

(iii) Post the applicability of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operations are disclosed net of GST. Accordingly, the revenue from operations for year ended March 31, 2018 are not comparable with the previous years figure.

Notes to Financial Statements

for the year ended March 31, 2018

28. OTHER INCOME

(Rs. in Crores)

Particulars	2017-18	2016-17
Interest Income on:		
Income Tax refunds	-	9.92
Financial assets carried at amortised cost	0.60	0.61
Dividend Income on		
Long Term Investments in subsidiaries	11.22	21.64
Current investments in mutual funds designated at FVTPL	23.99	57.67
Other non-operating income		
Gain on fair value of investments in mutual funds units designated at FVTPL	0.50	0.75
Net foreign exchange Gain	16.52	8.93
Others	5.58	4.36
	58.41	**103.88**

29. COST OF MATERIALS CONSUMED

(Rs. in Crores)

Particulars	2017-18	2016-17
Opening Stock	371.51	277.36
Add: Purchases	6,213.43	5,087.75
	6,584.94	**5,365.11**
Less: Closing Stock	454.82	371.51
	6,130.12	**4,993.60**

Cost of material consumed includes net proceeds from scrap battery.

30. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rs. in Crores)

Particulars	2017-18	2016-17
Opening Stock		
Work-in-progress	455.01	386.11
Finished goods	555.20	363.95
Stock-in-trade	7.50	2.57
	1,017.71	**752.63**
Closing Stock		
Work-in-progress	466.60	455.01
Finished goods	792.96	555.20
Stock-in-trade	12.55	7.50
	1,272.11	**1,017.71**
Increase / (Decrease) in Excise Duty on Finished Goods	(109.87)	29.17
	(144.53)	**(294.25)**

Notes to Financial Statements

for the year ended March 31, 2018

31. EMPLOYEE BENEFIT EXPENSES

(Rs. in Crores)

Particulars	2017-18	2016-17
Salaries, wages and bonus	499.09	430.42
Contribution to provident and other funds (Refer Note 37)	33.49	29.33
Staff welfare expenses	64.59	59.82
	597.17	**519.57**

32. FINANCE COSTS

(Rs. in Crores)

Particulars	2017-18	2016-17
Interest expenses	5.24	3.99
Exchange difference to the extent considered as an adjustment to borrowing cost	-	0.32
	5.24	**4.31**

33. DEPRECIATION AND AMORTISATION

(Rs. in Crores)

Particulars	2017-18	2016-17
Depreciation of Property, Plant and Equipment	237.45	195.51
Amortisation and impairment loss of intangible assets	8.49	10.81
	245.94	**206.32**

34. OTHER EXPENSES

(Rs. in Crores)

Particulars	2017-18	2016-17
Stores and spare parts consumed	76.35	68.50
Power and fuel	286.72	254.95
Battery Charging / Battery assembly expenses	107.63	123.77
Repairs and maintenance		
Buildings	9.11	9.47
Plant & machinery	29.27	27.84
Others	12.74	11.74
Rent & Hire Charges	35.44	27.58
Rates and taxes	3.25	2.85
Insurance	6.40	7.48
Commission	4.13	3.64
Royalty and Technical Aid Fees	43.43	34.61
Warranty expenses	189.64	205.63
Publicity and Sales Promotion	63.38	72.61
Freight & Forwarding (net)	247.07	209.17
After Sales Services	56.87	57.43
C & F Expenses	30.57	27.31
Travelling & Conveyance	39.30	37.95

Notes to Financial Statements

for the year ended March 31, 2018

34. OTHER EXPENSES (CONTD.)

(Rs. in Crores)

Particulars	2017-18	2016-17
Bank Charges	1.32	0.96
Communication Costs	5.41	5.65
Donations	0.03	0.01
Directors' Sitting Fees	0.18	0.17
Loss on Property, plant and equipment sold/discarded (net)	2.21	0.55
Auditors' Remuneration:		
As Auditors *		
- For Statutory audit	0.49	0.49
- For Limited Reviews	0.30	0.29
- For Others	0.05	0.05
As Tax Auditors	0.07	0.07
Other Services	0.02	0.31
Out of pocket expenses	0.05	0.04
Miscellaneous expenses (refer Note 34.1)	86.53	75.24
	1,337.96	**1,266.36**

* includes Rs 0.14 crs paid to the erstwhile auditors.

i) The Company has a full-fledged Research and Development Centre. During the year, a sum of Rs. 28.08 crs. (PY Rs. 22.67 crs), including capital expenditure Rs. 6.27 crs. (PY Rs. 4.23 crs), was spent on Research and Development work.

ii) Rent and Hire charges include Rs. 32.47 crs (PY Rs. 25.53 crs) 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 arrangements. There are no sub-leases.

34.1. Miscellaneous Expenses

(Rs. in Crores)

Particulars	2017-18	2016-17
Motor Vehicle Running Expenses	6.09	5.91
Consultancy & Services outsourced	32.19	26.28
Security Service Charges	8.45	8.72
General Expenses	0.93	1.10
Legal Expenses	1.69	1.99
Printing & Stationery	5.70	5.93
Total Quality Management Expenses	0.74	0.38
Corporate Social Responsibility expenses	18.30	13.30
Pollution Control Expenses	4.46	3.11
Testing Charges	0.70	1.56
Liquidated Damages	1.92	4.55
Battery Erection / Installation Costs	5.36	2.41
	86.53	**75.24**

Notes to Financial Statements
for the year ended March 31, 2018

The Company has spent Rs. 18.30 crs (PY Rs. 13.30 crs) towards various schemes of Corporate Social Responsibility as prescribed under Sec 135 of the Companies Act, 2013. The details are :

I. Gross amount required to be spent by the Company during the year Rs. 17.64 crs (PY Rs. 16.06 crs)

II. Amount spent during the year on :

(Rs. in Crores)

Particulars	2017-18	2016-17
i) Construction/Acquisition of any asset	-	-
ii) For purposes other than (i) above	18.30	13.30
	18.30	**13.30**

35. EARNINGS PER SHARE (EPS)

(Rs. in Crores)

Particulars	2017-18	2016-17
Details for calculation of basic and diluted earning per share:		
Profit after tax as per Statement of Profit and Loss	668.35	693.64
Weighted average number of equity share (Numbers)	85,00,00,000	85,00,00,000
Basic and diluted earning per share (Rs.)	7.86	8.16

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 are 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. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the financial statements is as follows:

(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 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 under the incentive schemes based on past trend of similar incentive schemes and by applying a budgeted incentive payout rate. Inputs include making 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, 2018, the estimated liability towards unredeemed points amounted to approximately Rs. 62.32 crs (PY: Rs. 54.97 crs)

(d) Warranty, Non discounting to warranty

The Company estimates the provision for warranty based on past trend of actual issues of batteries under warranty. As at March 31, 2018, the estimated liability towards warranty amounted to approximately Rs. 175.18 crs (PY: Rs. 178.13 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) Provision for litigations and tax disputes

The likelihood of outcome of litigations and tax disputes are estimated by the management based on past experiences, legal advice, other public information etc. For further details, refer Note 26.

Notes to Financial Statements

for the year ended March 31, 2018

37. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company. The Company provides certain post-retirement medical benefits (PRMB) to the employees qualifying for such benefits under the scheme upto 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, 2018			For the year ended March 31, 2017		
		Gratuity	Pension	PRMB	Gratuity	Pension	PRMB
		Plan (Benefit)			Plan (Benefit)		
I.	**Expenses recognised in the Statement of Profit & Loss**						
1.	Current / Past Service Cost	5.90	-	0.04	5.34	-	0.07
2.	Interest Cost	5.67	0.30	0.37	5.54	0.38	0.34
3.	Expected Return on plan assets	(5.37)	(0.09)	-	(5.33)	(0.16)	-
4.	Past Service Cost - Plan Amendments	3.69	-	-	-	-	-
5.	Total	9.89	0.21	0.41	5.55	0.22	0.41
	Expenses recognised in OCI						
6.	Actuarial (Gains) / Losses	(0.88)	(0.05)	(0.65)	3.13	(0.49)	0.49
7.	Total Expense	9.01	0.16	(0.24)	8.68	(0.27)	0.90
II.	**Net Asset / (Liability) recognised in the Balance Sheet**						
1.	Present Value of Defined Benefit Obligation	94.11	4.43	4.86	83.61	4.41	5.33
2.	Fair Value of Plan Assets	85.33	0.92	-	74.93	1.23	-
3.	Net Asset / (Liability)	(8.78)	(3.51)	(4.86)	(8.68)	(3.18)	(5.33)
III.	**Change in Obligation during the year**						
1.	Present Value of Defined Benefit Obligation at the beginning of the year	83.61	4.41	5.33	77.59	5.42	4.65
2.	Current Service Cost / Plan amendments	9.59	-	0.04	5.34	-	0.07
3.	Interest Cost	5.67	0.30	0.37	5.54	0.38	0.34
4.	Benefits Paid	(5.24)	(0.26)	(0.23)	(7.32)	(0.86)	(0.22)
5.	Actuarial (Gains) / Losses						
	Arising from changes in experience	0.48	(0.02)	(0.86)	(0.62)	(0.58)	0.28
	Arising from changes in demographic assumptions	-	-	0.21	-	-	-
	Arising from changes in financial assumptions	-	-	-	3.08	0.05	0.21
	Total	0.48	(0.02)	(0.65)	2.46	(0.53)	0.49

Notes to Financial Statements
for the year ended March 31, 2018

(Rs. in Crores)

		For the year ended March 31, 2018			For the year ended March 31, 2017		
		Gratuity	Pension	PRMB	Gratuity	Pension	PRMB
		Plan (Benefit)			Plan (Benefit)		
6.	Present Value of Defined Benefit Obligation at the end of the year	94.11	4.43	4.86	83.61	4.41	5.33
IV.	**Change in the Fair Value of Plan Assets during the year**						
1.	Plan assets at the beginning of the year	74.93	1.23	-	71.85	3.02	-
2.	Expected return on plan assets	5.37	0.09	-	5.33	0.16	-
3.	Contribution by employer	8.91	-	-	5.75	-	-
4.	Transfers	-	(0.17)	-	-	(1.04)	-
5.	Actual Benefits Paid	(5.24)	(0.26)	-	(7.32)	(0.86)	-
6.	Actuarial Gains / (Losses)	1.36	0.03	-	(0.68)	(0.05)	-
7.	Plan assets at the end of the year	85.33	0.92	-	74.93	1.23	-
8.	Actual return on Plan Assets	6.73	0.12	-	4.65	0.11	-
V.	**The major categories of plan assets as a percentage of the fair value of total plan assets**						
	Investments with insurer	100%	100%	-	100%	100%	-
VI.	**Maturity profile of the defined benefit obligation**						
	Weighted average duration of the defined benefit obligation	5 & 8 years	4 years	9 years	3 & 9 years	3 years	3 years
	Expected benefit payments for the year ending						
	Not later than 1 year	8.90	0.87	0.41	10.11	2.23	0.45
	Later than 1 year and not later than 5 years	35.40	2.71	1.71	32.30	1.37	1.93
	More than 5 years	47.32	1.54	2.05	46.59	1.29	2.39

VII. Actuarial Assumptions

1.	Discount Rate	7 % p.a (March 31, 2017: 7% p.a.)
2.	Expected rate of return on plan assets	7 % p.a (March 31, 2017: 7% p.a.)
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%

VIII. In 2018-19 the Company expects to contribute Rs. 9.00 crs (2017-18: Rs. 8.00 crs) to gratuity and Rs. 3.50 crs (2017-18: Rs. 4.00 crs) to Pension funds.

IX. 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.

X. 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.

XI. The Company makes contribution to provident fund, superannuation fund and employees' state insurance schemes, which are defined contribution plans. Total contribution to the aforesaid funds during the year aggregated to Rs. 23.29 crs (2016-17 - Rs. 23.38 crs).

Notes to Financial Statements

for the year ended March 31, 2018

(Rs. in Crores)

Particulars		Year ended March 2018	Year ended March 2017
XII.	**Amounts for the current and previous year are as follows :**		
1.	**Gratuity**		
	Defined Benefit Obligation	94.11	83.61
	Plan Assets	85.33	74.93
	Surplus / (deficit)	(8.78)	(8.68)
	Experience (Gain) / loss adjustments on plan liabilities	0.48	(0.62)
	Experience Gain / (loss) adjustments on plan assets	1.36	(0.68)
2.	**Pension**		
	Defined Benefit Obligation	4.43	4.41
	Plan Assets	0.92	1.23
	Surplus / (deficit)	(3.51)	(3.18)
	Experience (Gain) / loss adjustments on plan liabilities	(0.02)	(0.58)
	Experience Gain / (loss) adjustments on plan assets	0.03	(0.05)
3.	**Post Retirement Medical Benefit**		
	Defined Benefit Obligation	4.86	5.33
	Experience Gain / (loss) adjustments on plan liabilities	(0.86)	0.28

XIII. The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

(Rs. in Crores)

	March 31, 2018		March 31, 2017	
Assumptions	Discount rate (a)		Discount rate (a)	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on retiral benefit	(7.03)	8.38	(5.95)	6.85
Assumptions	Future salary increases (b)		Future salary increases (b)	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on retiral benefit	7.57	(6.52)	5.89	(5.45)

(a) Based on interest rates of government bonds

(b) Based on managements estimate

38. COMMITMENTS AND CONTINGENCIES

(Rs. in Crores)

Particulars		March 31, 2018	March 31, 2017
(i)	**Capital and other commitments**		
	Commitment for acquisition of fixed assets	506.38	384.10
	Commitment for investment	30.64	31.27
		537.02	**415.37**
(ii)	**Contingent Liabilities**		
	Guarantees excluding financial guarantees	34.67	33.21
	Outstanding Bank Guarantees / Indemnity Bonds		
	Claims against the company not acknowledged as debt		
	Sales Tax demands	30.96	27.31
	Excise Duty demands	38.66*	36.82*
	Income Tax demands	9.92	16.54
	Other claims being disputed by the Company	-	0.44
	Claim from a landlord, an appeal whereby is pending in Hon'ble Bombay High Court	Not Ascertainable	Not Ascertainable
		114.21	**114.32**

* 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.

Notes to Financial Statements

for the year ended March 31, 2018

39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

(Rs. in Crores)

Particulars	2017-18	2016-17
Principal and interest amount remaining unpaid		
- Principal	4.09	10.04
- Interest	0.01	0.01
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.01	0.01
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006.	0.14	0.13

40. RELATED PARTY DISCLOSURE

i) Particulars of related parties:

A. Where control exists		
1.	Subsidiaries	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)
2.	Enterprise / Individuals having a direct or indirect control over the Company	Chloride Eastern Limited, UK. (CEL) Chloride Eastern Industries Pte Limited, Singapore (CEIL) LIEC Holdings SA, Switzerland Mr. S B Raheja
B. Others		
1.	Key Management Personnel (As on March 31, 2018)	Mr. G Chatterjee, Whole Time Director Mr. A K Mukherjee, Whole Time Director Mr. Subir Chakraborty, Whole Time Director Mr. Arun Mittal, Whole Time Director Mr. Bharat D. Shah, Director Mr. R.B.Raheja, Director Mr. Nawshir H. Mirza, Director Mr. Vijay Agarwal, Director Mr. Sudhir Chand, Director Ms. Mona N. Desai, Director Mr. Surin S. Kapadia, Director (w.e.f. October 25, 2017) Mr. Jitendra Kumar, Company Secretary
2.	Name of the Companies / firms / in which Directors / Key Management Personnel have significant influence with whom transactions have happened during the year	Shalini Construction Company Private Limited Peninsula Estates Private Limited Raheja QBE General Insurance Company Limited
3.	Employees Trusts where there is significant influence:	Chloride Officer's Provident Fund (COPF)

Notes to Financial Statements

for the year ended March 31, 2018

40. RELATED PARTY DISCLOSURE (CONTD.)

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	Employees Trust	Total
		Transaction Value	Transaction Value	Transaction Value	Transaction Value	Transaction Value	Transaction Value
Purchases of goods	- ABML	-	-	-	-	-	-
		(0.97)	-	-	-	-	(0.97)
	- CML	2,343.20	-	-	-	-	2,343.20
		(1,656.53)	-	-	-	-	(1,656.53)
	- CBSEA	0.14	-	-	-	-	0.14
		(0.04)	-	-	-	-	(0.04)
	- Espex	-	-	-	-	-	-
		(0.02)	-	-	-	-	(0.02)
	- CPSSL	25.95	-	-	-	-	25.95
		(10.59)	-	-	-	-	(10.59)
	Total	**2,369.29**	**-**	**-**	**-**	**-**	**2,369.29**
		(1,668.15)	**-**	**-**	**-**	**-**	**(1,668.15)**
Sale of goods	- CBSEA	48.45	-	-	-	-	48.45
		(39.83)	-	-	-	-	(39.83)
	- CPSSL	20.30	-	-	-	-	20.30
		(24.71)	-	-	-	-	(24.71)
	- Espex	37.39	-	-	-	-	37.39
		(36.75)	-	-	-	-	(36.75)
	- CML	434.06	-	-	-	-	434.06
		(233.65)	-	-	-	-	(233.65)
	Total	**540.20**	**-**	**-**	**-**	**-**	**540.20**
		(334.94)	**-**	**-**	**-**	**-**	**(334.94)**
Rent and Maintenance Costs							
	- CIL	0.72	-	-	-	-	0.72
		(0.53)	-	-	-	-	(0.53)
	- Shalini Construction	-	-	0.54	-	-	0.54
		-	-	(0.52)	-	-	(0.52)
	- Peninsula Estates	-	-	0.13	-	-	0.13
		-	-	(0.13)	-	-	(0.13)
	Total	**0.72**	**-**	**0.67**	**-**	**-**	**1.39**
		(0.53)	**-**	**(0.65)**	**-**	**-**	**(1.18)**
Insurance Expenses							
	- Raheja QBE	-	-	0.02	-	-	0.02
		-	-	(0.01)	-	-	(0.01)
Employee Welfare Expenses							
	-ELI	0.73	-	-	-	-	0.73
		(0.58)	-	-	-	-	(0.58)

Notes to Financial Statements
for the year ended March 31, 2018

40. RELATED PARTY DISCLOSURE (CONTD.)
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	Employees Trust	Total
	Transaction Value	Transaction Value	Transaction Value	Transaction Value	Transaction Value	Transaction Value
Dividend Income						
- ABML	1.30	-	-	-	-	1.30
	(2.54)	-	-	-	-	(2.54)
- Espex	0.09	-	-	-	-	0.09
	(0.55)	-	-	-	-	(0.55)
- CML	8.48	-	-	-	-	8.48
	(16.95)	-	-	-	-	(16.95)
- CIL	0.36	-	-	-	-	0.36
	(0.41)	-	-	-	-	(0.41)
- CPSSL	0.99	-	-	-	-	0.99
	(1.19)	-	-	-	-	(1.19)
Total	**11.22**	**-**	**-**	**-**	**-**	**11.22**
	(21.64)	**-**	**-**	**-**	**-**	**(21.64)**
Technical Assistance Expenses						
- CEIL	-	0.12	-	-	-	0.12
	-	(0.12)	-	-	-	(0.12)
Technical Assistance Income						
- ABML	0.41	-	-	-	-	0.41
	(0.36)	-	-	-	-	(0.36)
Marketing Expenses						
- CBSEA	0.38	-	-	-	-	0.38
	(0.06)	-	-	-	-	(0.06)
- ESPEX	0.10					0.10
	(0.12)					(0.12)
Contributions to employees benefit plans						
- COPF	-	-	-	-	18.22	18.22
	-	-	-	-	(16.38)	(16.38)
Rental Income						
- CPSSL	0.05	-	-	-	-	0.05
	(0.05)	-	-	-	-	(0.05)
Remuneration						
- Short term employee benefits	-	-	-	10.13	-	10.13
(including commission and sitting fees)	-	-	-	(10.09)	-	(10.09)
- Post retirement benefits	-	-	-	1.32	-	1.32
	-	-	-	(1.38)	-	(1.38)
Total	**-**	**-**	**-**	**11.45**	**-**	**11.45**
	-	**-**	**-**	**(11.47)**	**-**	**(11.47)**

figures for the previous years are in bracket

Notes to Financial Statements

for the year ended March 31, 2018

40. RELATED PARTY DISCLOSURE (CONTD.)

iii) Details of amounts due to or due from related parties as at March 31, 2018 and March 31, 2017 are as follows:

(Rs. in Crores)

Particulars	March 31, 2018	March 31, 2017
Amounts due to or due from Subsidiaries		
Trade Payables		
-CML	54.81	61.93
-CBSEA	-	0.02
-CPSSL	4.28	2.55
Total	**59.09**	**64.50**
Trade Receivables		
-CBSEA	19.00	9.33
-CPSSL	6.74	6.51
-Espex	20.69	19.96
Total	**46.43**	**35.80**
Technical Assistance Income Receivables		
-ABML	0.41	0.36
Marketing Expenses Payables		
-CBSEA	0.04	-
-ESPEX	0.04	-
Contributions to employees benefit plans payables		
-COPF	1.53	1.34
Amounts due to Key Managerial Personnel		
-Remuneration to Directors (Short term employee benefits)	6.01	5.94

Notes : (1) Final dividend amounting to Rs. 31.28 crs was paid for the year 2016-17 (Rs. 31.28 crs for the year 2015-16) and Rs. 62.55 crs towards Interim Dividend for 2017-18 (Rs. 62.55 crs for Interim Dividend 2016-17) 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, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (PY: 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
for the year ended March 31, 2018

41. SEGMENT REPORTING (CONTD.)

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:

(Rs. in Crores)

Particulars	Year ended 31st March 2018		
	India	Overseas	Total
Revenue (Gross Sale)	9,019.24	440.56	9,459.80
Non-current assets other than financial assets and Income tax assets	2,294.34	-	2,294.34

(Rs. in Crores)

Particulars	Year ended 31st March 2017		
	India	Overseas	Total
Revenue (Gross Sale)	8,145.76	407.98	8,553.74
Non-current assets other than financial assets and Income tax assets	1,767.59	-	1,767.59

The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external cistomer.

42. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A. Measurement of fair values

A number of the accounting policies and disclosures require the measurement of fair values of assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. The Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Notes to Financial Statements
for the year ended March 31, 2018

42. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

B. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy as at March 31, 2018:

(Rs. in Crores)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	Other financial assets - amortised cost*	FVOCI	Other financial liabilities*	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments - in mutual funds	9	203.89	-	-	-	203.89	10.03	193.86	-	203.89
Investments - in equity instruments	4	-	0.01	54.90	-	54.91	18.50	33.43	2.98	54.91
		203.89	**0.01**	**54.90**	**-**	**258.80**				
Financial assets not measured at fair value										
Trade receivables	5 & 10	-	944.57	-	-	944.57				
Cash and cash equivalents (a)	11	-	78.51	-	-	78.51				
Bank Balances other than (a) above	12	-	8.68	-	-	8.68				
Loans and deposits	6 & 13	-	27.20	-	-	27.20				
Other financial assets	14	-	24.80	-	-	24.80				
		-	**1,083.76**	**-**	**-**	**1,083.76**				
Financial liabilities not measured at fair value										
Trade payables	18 & 23	-	-	-	1,083.07	1,083.07				
Other financial liabilities	19 & 24	-	-	-	338.18	338.18				
		-	**-**	**-**	**1,421.25**	**1,421.25**				

* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their face value.

Notes to Financial Statements
for the year ended March 31, 2018

42. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (CONTD.)

B. Accounting classifications and fair values (Contd.)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy as at March 31, 2017:

(Rs. in Crores)

Particulars	Note	Carrying amount					Fair value			
		FVTPL	Other financial assets - amortised cost*	FVOCI	Other financial liabilities*	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments - in mutual funds	9	905.48	-	-	-	905.48	10.03	895.45	-	905.48
Investments - in equity instruments	4	-	0.01	58.25	-	58.26	20.69	34.19	3.38	58.26
		905.48	**0.01**	**58.25**	**-**	**963.74**				
Financial assets not measured at fair value										
Trade receivables	5 & 10	-	623.46	-	-	623.46				
Cash and cash equivalents (a)	11	-	11.19	-	-	11.19				
Bank Balances other than (a) above	12	-	8.38	-	-	8.38				
Loans and deposits	6 & 13		23.49	-	-	23.49				
Other financial assets	14	-	24.54	-	-	24.54				
		-	**691.06**	**-**	**-**	**691.06**				
Financial liabilities not measured at fair value										
Borrowings	22	-	-	-	170.23	170.23				
Trade payables	18 & 23	-	-	-	771.58	771.58				
Other financial liabilities	19 & 24	-	-	-	318.28	318.28				
		-	**-**	**-**	**1,089.86**	**1,089.86**				

* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value.

The fair value of equity securities designated as Fair value through other comprehensive income is determined using Level 3 inputs like discounted cash flows, net asset value approach. Significant unobservable inputs comprise long term growth rates, market conditions of the specific industry, etc. However, the changes in the fair values due to changes in unobservable inputs will not be material to the financial statements.

Notes to Financial Statements

for the year ended March 31, 2018

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.

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 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.

Particulars	Changes in rate	Foreign currency Payable (net)	Effect on profit before tax
	%	(Rs. in Crores)	(Rs. in Crores)
March 31, 2018	5%	140.61	(7.03)
	-5%		7.03
March 31, 2017	5%	215.28	(10.76)
	-5%		10.76

(ii) Equity price risk

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.

Notes to Financial Statements

for the year ended March 31, 2018

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

Equity price sensitivity

The following table shows the effect of price changes in listed equity

Particulars	Changes in price / NAV	Investment	Effect on profit before tax
	%	(Rs. in Crores)	(Rs. in Crores)
March 31, 2018	5%	26.31	1.32
	-5%		(1.32)
March 31, 2017	5%	28.01	1.40
	-5%		(1.40)

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.

The Company's exposure to credit risk for trade receivables and loans by geographic region is as follows:

(Rs. in Crores)

Particulars	Carrying Amount	
	March 31, 2018	March 31, 2017
India	840.59	561.39
Outside India	103.98	62.07
	944.57	**623.46**

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty, etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

The movement of the expected loss provision made by the Company are as under:

(Rs. in Crores)

Particulars	Expected credit loss	
	March 31, 2018	March 31, 2017
Opening Balance	2.20	1.54
Add: Provisions made (net)	0.85	0.66
Less: Utilisation for impairment/de-recognition	-	-
Closing Balance	3.05	2.20

Notes to Financial Statements
for the year ended March 31, 2018

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

III) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2018 and March 31, 2017. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and mutual funds with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

March 2018

(Rs. in Crores)

Particulars	Contractual cash flows 1 year or less	More than 1 year	Total Carrying Amount
Liabilities			
Trade and other payables	1,078.71	4.36	1,083.07
Other financial liabilities	335.56	2.62	338.18
	1,414.27	**6.98**	**1,421.25**

March 2017

(Rs. in Crores)

Particulars	Contractual cash flows 1 year or less	More than 1 year	Total Carrying Amount
Liabilities			
Borrowings	170.23	-	170.23
Trade and other payables	767.85	3.73	771.58
Other financial liabilities	316.21	2.07	318.28
	1,254.29	**5.80**	**1,260.09**

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

for the year ended March 31, 2018

45. The Board of Directors at its meeting held on May 7, 2018 have recommended a dividend of Re. 0.80 (80%) per equity share of face value of Re. 1 each for the financial year ended March 31, 2018. The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

46. 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, 2018
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)	Srilanka	61.5
Chloride Metals Ltd. (CML)	India	100
Exide Life Insurance Company Limited (ELI)	India	100

47. Exceptional Item represents expenses incurred towards settlement of dispute with Exide Technologies, USA, in relation to the usage of the name or mark "Exide" in India.

48. The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made since the requirement does not pertain to financial year ended March 31, 2018. Corresponding amounts as appearing in the audited Standalone Ind AS financial statements for the period ended March 31, 2017 have been disclosed.

(Rs. in Crores)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 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.

49. The financial statements of the previous year were audited by a firm of chartered accountants other than B S R & Co. LLP.

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of Exide Industries Ltd.

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757
Mumbai, May 7, 2018

Sd/-
J. Kumar
Company Secretary & EVP - Legal & Admin
ACS: 11159

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

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