Report of the Directors

For the financial year ended March 31, 2012

Your Directors are pleased to present the Annual Report, together with the audited Accounts of your Company for the financial year ended March 31, 2012.

Review of Performance

Financial results are summarized below : ₹ Crores

	2011-12	2010-11
Net Sales	**976.20**	950.42
Other Income from Operations	**4.10**	1.02
Total Income from Operations	**980.30**	951.44
Total Expenditure adjusted for increase/decrease of stocks	**929.77**	856.74
Profit/(Loss) from Operations before Other Income, Depreciation, Finance Costs, Exceptonal Items and Taxation	**50.53**	94.70
Other Income	**7.54**	9.58
Profit/(Loss) from Operations before Depreciation, Finance Costs, Exceptional Items and Taxation	**58.07**	104.28
Depreciation	**24.18**	24.53
Finance Costs	**36.09**	33.37
(Loss)/Profit before Exceptional Items and Taxation	**(2.20)**	46.38
Exceptional Items	**76.84**	0.29
(Loss)/Profit before Taxation	**(79.04)**	46.09
Provision for Taxation	**0.81**	6.72
(Loss)/Profit after Taxation	**(79.85)**	39.37
Balance of Profit/(Loss) brought forward from previous year	**33.21**	38.06
Amount available for Appropriation	–	77.43
Which the Directors recommend for appropriation as under :		
- Proposed Dividend	–	3.63
- Tax on Proposed Dividend	–	0.59
- General Reserve	–	40.00
Balance carried forward to Balance Sheet	**(46.64)**	33.21

Net sales for the year were higher by 3 % over the previous financial year. Due to factors explained later in this report, Profit before Depreciation, Interest and Taxation (PBDIT) before exceptional items was however lower by 44% at ₹ 58.07 crores (previous year ₹ 104.28 crores). With depreciation of ₹ 24.18 crores (previous year ₹ 24.53 crores) and interest / exchange fluctuation charges of ₹ 36.09 crores (previous year ₹ 33.37 crores), Loss before Exceptional Items and Taxation came to ₹ 2.20 crores (previous year Profit ₹ 46.38 crores). With a charge of ₹ 76.84 crores in exceptional items this year (previous year ₹ 0.29 crore), Loss after Taxation stood at ₹ 79.85 crores for the year against a corresponding profit of ₹ 39.37 crores in the previous year.

The year was a challenging one for operations - in terms of market being sluggish and incidence of adverse costs from both input materials and overheads. The operating results are indicative of these adversities.

Dividend

Your Directors considered it prudent not to recommend any dividend for the year under review in view of lack of profits.

Operational Review

Batteries and Flashlights

Batteries went through a chequered history over the last 5 years. Unprecedented cost push necessitated significant price increases. This being a functional product, demand bears a very strong elasticity to price. The consumer resistance to the price increases resulted in significant slow-down of this market. The sluggishness in the general economy did not help matters.

The segment which suffered the most from this impact was the 'D' size segment, which was at one time the major product segment in batteries and was relatively more expensive than other cylindrical batteries. The consumer resistance manifested in their lowering usage of appliances powered by 'D' size batteries. This virtually obliterated 'D' size incandescent flashlights, which were till then very popular. Consumers changed over to flashlights with LED bulbs using 'AA' batteries (more fully covered subsequently).

This trend of de-growth in 'D' batteries continued in the current year at a rate of 9 %. Despite this, battery volume remained flat in the overall, thanks to the growth in other segments - led by 'AA' and 'AAA'.

The market share positions of the major players remained unaltered during the year under review despite the various market changes taking place with your Company's share being at 50% (Company estimate).

The last 5 years had also seen rapid changes in the flashlights market. This segment also experienced major price impacts being passed on due to cost push. Combined with higher battery prices (as explained earlier), this led to strong consumer reaction. In addressing that, your Company started introducing a range of value-for-money, smart and efficient flashlights using 'LED' as the light source option (as opposed to the then prevalent incandescent bulbs). These flashlights mostly used 'AA' batteries (as opposed to 'D' batteries earlier).

Initially introduced as a value offer, this segment eventually became the standard and thereafter evolved as life-style products - in multifarious styling & color, across the aesthetic range and at several price points - both premium and popular.

From the Company's perspective, this measure is positive. The earlier flashlights using incandescent bulbs (mainly brass flashlights) were profitable and were good for consumption of 'D' size batteries but remained for long period of in-use with consumers. The new LED torches are equally profitable and displays much lower in-use period and is good for battery consumption (mainly 'AA').

These new generation flashlights took the consumers' fancy as these were introduced about 4 years back. The first 2 years saw significant growth in flashlights sales, jumping from a level of 12.82 million units in 2007-08 to 27.03 million units in 2009-10, a growth of more than 110 % in 2 years.

However this trend could not be sustained thereafter and during the current year, sales volumes grew by a modest 3.8 % - albeit on a much broader base. Apart from growth becoming slower due to higher penetration, the market was also impacted by the influx of look-alike grey market products in the market. Counter measures have been put in place to reverse this trend, to the extent possible.

Your Company's share of the organized flashlights market remained at 76% (Company estimate).

It is also worthwhile to mention that input costs rose during the current year as compared to the previous year. The adverse impacts came from major materials used for manufacture and also a weakening rupee. Efforts were made to recover this adverse impact from the market - but this was only partially successful as the demand of these product categories bear strong elasticity to price. Also, higher cost impacts came from advertisement spends necessary to maintain brand salience and other overheads riding on an inflationary economy. The combined effect of these was a reduction in the margin by almost 5% of net sales value.

The manufacturing operations of your Company continued to focus on total quality management, safety, energy conservation and cost control. This helped your Company in achieving efficiency in the manufacturing function.

Lighting Products

The Company started marketing of compact fluorescent lamps (CFL) and General Lighting Service (GLS) lamps in the recent past. These products have found excellent fit to the brand 'Eveready' and 'Powercell'. The Company is distributing these products through its existing distribution channel, primarily comprising of groceries and general merchants. This is tangibly different from the usual electrical trade. This has given the advantage of a quick entry to this market - but has the obvious disadvantage of not being amenable to the scale of the electrical trade.

Net sales for the current year stood at ₹ 102.34 crores - a growth of 12% over the previous year at ₹ 91.38 crores.

This growth in turnover was achieved despite the fact that the Company consciously restricted sales of CFL bulbs to a few geographies (UP and Bihar) where the phenomenon of returned products was found to be on the rise - and beyond acceptable levels. This market traditionally works on warranties and if returns are higher than the acceptable norm, it is essentially due to the poor quality of power, on which the Company has little control.

This step was necessary to avoid impairment to profitability. However, sales have now stabilized on this revised orientation and the position is expected to improve further from hereon.

Packet Tea

The packet tea business continued with its steady performance through leveraging of the distribution network of the Company. Current share of the market stands at 1 - 5 per cent in the various markets of the country. Focus is currently being given to make the business profitable. As a compromise, some marginal turnover was sacrificed. Sales turnover for the current year stood at ₹ 72.42 crores - at a marginal decline against that of the previous year at ₹ 73.34 crores.

Subsidiaries & Consolidated Financial Statements

Your Company has 82% (previous year 80%) of the controlling stake in Novener SAS (Novener), France which in turn controls Uniross SA, a French Company, which along with its subsidiaries, is engaged in the marketing of rechargeable batteries and allied products, having presence in various parts of the world and particularly strong in Europe. The above subsidiary was acquired 3 years back with a view to gain access to other geographies, where your Company has no presence - in particular, Europe, South East Asia and parts of Africa. Uniross was facing financial difficulties at that time and it was thought that it could be quickly nursed back to sustainable profitability.

Unfortunately, the dim economic situation prevailing in Europe and overall sluggish demand of the rechargeable category world-over, did not allow the quick turn-around that was planned, despite the best of efforts. During the year under review, Novener continued to fare poorly. It continues to be loss making, though, major restructuring exercise was carried out to reduce costs.

The current global economic environment - especially in the European context - may hinder Novener to achieve a turn-around in the foreseeable future. Consequently, with the possibility that your Company may not be able to recover its investments, as a measure of prudent accounting and governance, a provision of ₹ 75.00 crores has been made towards (a) diminution in the carrying cost of its investments; (b) amounts advanced till the year end and (c) certain anticipated obligatory payment commitments, and the charge for the same is included under "exceptional items" in the standalone financial results.

Novener's operations to your Company meant an addition of ₹ 122.55 crores in net sales (previous year ₹ 129.45 crores) and adding a net loss of ₹ 7.89 crores (previous year ₹ 52.36 crores), including exceptional costs of ₹ 0.43 crore (previous year - ₹ 18.05 crores). The effect of this is available in the Consolidated Accounts attached to this Report.

The consolidated financial statements have been prepared in compliance with applicable Accounting Standards. For reasons beyond management's control, the financial information of Novener and its subsidiaries included in the Consolidated Financial Statements are based on management's estimates.

As required by Clause 32 of the Listing Agreement with the Stock Exchanges, the Audited Financial Statements together with the Auditors' Report thereon are annexed and form part of this Annual Report.

The consolidated accounts presented under this Annual Report include the financial numbers of your Company's subsidiaries, for the year under review.

A Statement containing the details of the Subsidiary Companies is attached in the Annual Report.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the accounts of the applicable subsidiary companies and the related detailed information, as required under section 212 (1) of the Companies Act, 1956 are not attached. Hard copy of the Annual Accounts of the applicable subsidiary companies and the related other information shall be made available to the members seeking such information and shall also be kept open for inspection at the Registered Office of the Company and of the subsidiaries concerned during working hours, upto the date of the Annual General Meeting.

Prospects

As mentioned at the outset, the year was a challenging one for operations. Both batteries and flashlights went through some major changes in the recent past. In case of batteries, it was an unprecedented de-growth of an important segment ('D') and a major shift in product mix. For flashlights, on the other hand, it was a case of very significant growth fuelled by new generation products and then a quiet period during the current year.

Batteries have now settled down to a stable level which seem sustainable and supported by historical statistics. In fact the major segments in batteries - viz. 'AA' and 'AAA' - together comprising nearly 80 % of the market in terms of volume, are growing at a rate higher than historical trends. This is being brought down by the continuing de-growth of the 'D' segment. However, this latter segment has now gone down to such low level that it should now stop having much impact on the overall market. The outlook - even in the near-term thus appears to be brighter than what was seen in the current year.

For the long term, battery business is linked to fundamental demand driven by device population. As India gets economically more developed, device penetration into households will increase in line with the rest of the world, boosting battery growth. It needs to be borne in mind that India remains one of the lowest per capita battery consuming nations - and hence with a potential for major improvement.

The flashlights business is on a strong wicket. A big population with need for portable lighting is a potent formula for sustainable growth and profitability. The threat of gray market operators bringing copy-cat models to the market in violation of rights of brand & design continues. The current year saw significant impact from this phenomenon. However, your Company will keep striving to circumvent this problem by bringing new product offers which are creative and innovative.

Prospects are promising in the Lighting Products business - both in the CFL and GLS segments. Challenges remain with regard to handling of warranties and competitive pricing - but these are being met. This business remains a key focus area for the Company and an avenue for growth.

Packet tea will add to the turnover. Focus is currently on to improve profitability of this business.

As explained earlier, the Company's margins are impacted by the depreciating rupee, increase in commodity prices and overall inflationary trend. Much of this impact will have to be borne till the country gets out of its macro-economic problems - especially in light of the strong elasticity of demand of the subject product categories in relation to price. Efforts will continue to be made to recover as much of the adverse impact from the market - to the extent practicable.

Finance

Tight control was kept over the finances of your Company. However, due to operational difficulties faced during the year, the level of debt increased marginally by ₹ 14.04 crores.

This slightly higher level of debt, the overall hardening of interest rates and the depreciation of rupee resulted in finance costs being higher at ₹ 36.09 crores (previous year - ₹ 33.37 crores).

Your Company met its financial commitments in servicing debt and repayments thereof in a timely manner. Capital expenditure program as per requirements of operations was duly met.

In view of lack of profits during the year under review, there was no transfer to General Reserves and a loss of ₹ 46.64 crores will be carried forward to the balance sheet.

Employee Relations

One of your Company's key strengths is its people. Relations with employees remained cordial and satisfactory. Your Board would like to place on record its appreciation of employees for their contributions to the business.

Your Company believes in a system of Human Resource Management which rewards merit based performance and playing an active role in improving employee skills. Actions during the year under review were supportive of this policy. Long-term wage settlements were signed for factory units at Haridwar and Lucknow.

A statement of particulars of employees as required under section 217 (2A) of the Companies Act, 1956 forms a part of this report as a separate Annexure. In terms of section 219(1)(b)(iv) of the Act, this Report is being sent to all Members without the said annexure. Any member interested in taking inspection or obtaining a copy of the statement may contact the Secretary of the Company at its Registered Office during working hours, till the date of the Annual General Meeting.

Cost Auditors

As per the Order of the Central Government and in pursuance of Section 233B of the Companies Act, 1956, your Company carries out an audit of the cost accounts of the Company relating to dry cell batteries. The due date for filing of the Cost Audit Report with the Ministry of Corporate Affairs for the financial year ended 31st March, 2011 was September 27, 2011 and the same was filed on the said due date. The Board, has upon the recommendation of the Audit Committee re-appointed M/s.Mani & Co., Cost Accountants, Registration No. 00004, Ashoka, 111 Southern Avenue, Kolkata 700 029, (being eligible for the reappointment), to audit the cost accounts of the Company relating to dry cell batteries, as well as other products as recently included for the purpose of cost audit for the financial year ending 31st March, 2013, subject to the approval of the Central Government.

Public Deposits

Your Company does not have any public deposit scheme and has repaid all Fixed Deposits that have matured and were claimed by depositors under the earlier scheme. ₹ 0.005 crore as claimed and paid, however, remain un-encashed by the depositors as on March 31, 2012.

Exports and Foreign Exchange Earnings and Outgo

During the year under review, your Company exported batteries totaling to a value of ₹ 23.61 crores (2010-11 : ₹ 24.94 crores) and flashlights totaling to a value of ₹ 7.74 crores (2010-11 : ₹ 6.43 crores).

₹ Crores

	31.03.2012	31.03.2011
Foreign Exchange Earnings	14.83	17.28
Foreign Exchange Outgo	161.65	139.19

Conservation of Energy and Technology Absorption

A statement giving details of conservation of energy and technology absorption in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is annexed.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors state as follows :

1. That in the preparation of the annual accounts for the financial year ended March, 31, 2012, the applicable accounting standards had been followed with no material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

Directors

Mr. D. Khaitan, stepped down as Executive Vice Chairman and Managing Director of the Company effective from the close of working hours of August 10, 2011. Mr. Khaitan, continues as the Vice Chairman of the Board.

Mr. Amritanshu Khaitan has been appointed as Wholetime Director for a period of three years effective August 10, 2011.

In accordance with the Articles of Association, Mr. A. Khaitan, Mr. S. R. Dasgupta, Mr. P. H. Ravikumar and Mr. S. Sarkar will retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

On a Reference Application made by the Central Government to the Company Law Board (CLB) under Section 408 of the Companies Act, 1956, the CLB, by an order dated December 20, 2004 directed the Central Government to appoint three Directors on the Company's Board for three years. As the CLB's order suffers from various legal infirmities, the Company, based on legal advice, has challenged this order of the CLB before the High Court at Calcutta, which has, by an interim order, stayed the operation of the CLB's order. The stay is continuing.

Auditors

Messrs. Deloitte Haskins & Sells retire as Auditors at the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Auditors Report

The Auditors have made an observation in their Report relating to the financial information of Novener and its subsidiaries being included in the Consolidated Financial Statements based on management's estimates. As already explained earlier in the Section titled "Subsidiaries & Consolidated Financial Statements", this had to be resorted to for reasons beyond management's control.

Management Discussion and Analysis Report and Report on Corporate Governance

As required in terms of the Listing Agreement with Stock Exchanges a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed.

For and on behalf of the Board

Kolkata
June 4, 2012

B. M. Khaitan
Chairman

Management Discussion & Analysis

The Business

Eveready Industries India Limited (EIIL) is a leading consumer goods Company, with its products and brand being in Indian households for the past century - specializing in portable energy and lights. It is the country's market leader in the dry cell batteries and flashlights.

The Company's contemporary product portfolio comprises of the following:

- Dry cell and rechargeable batteries under brands' Eveready', 'Powercell' and 'Uniross'.
- Flashlights under the brands 'Eveready' and 'Powercell'.
- Packet tea under brands 'Tez', 'Jaago', 'Premium Gold' and 'Classic'.
- Lamps - CFL and GLS under the brand 'Eveready' and 'Powercell'.

The operations started in India through import of dry cell batteries and then marketing the same across major cities. This led to setting up of manufacturing facilities and a distribution network across India. Subsequently, this manufacturing presence was integrated forward into the manufacture and marketing of flashlights - a leading device category, consuming batteries.

Over time, the Company has evolved into the largest dry cell battery player in India with a market share of 50 per cent and a very dominant flashlights player with over 76 per cent share of this market.*(Source : Company estimate).*

The Company has one of the widest and deepest distribution networks in India, reflected in its premium brand equity and customer loyalty. To leverage this pan-national distribution pipeline, the Company extended its product category to the marketing of packet tea and lighting products.

The Company entered the lighting products market with CFLs during 2007 and then GLS lamps in 2009. The Company plans to be a significant player in these categories as the brand and marketing network of the Company have a good fit to these products.

The Company's existing share of the packet tea market is limited. However, this product category provides a sustainable turnover thereby adding scale to the Company's operations and profitability.

With a robust product outlook, EIIL expects to strengthen its presence across these products through increasing value and volumes in the future.

India Economic Overview

A very significant share of the Company's business comes from the domestic market - hence it is influenced by the health of the Indian economy.

According to reports, the country's GDP growth was estimated at 6.5 percent during the year under review. This was inferior to the growth recorded in the previous year. The year was also marked by high inflationary trends - especially in food prices, leading to a squeeze on people's spending abilities.

The country is facing the challenges of down turn like the rest of the world and the process of recovery is still quite slow. Moreover, the near certainty of a double-dip recession in some European countries will have long-term adverse impact on the global economy - and consequently India. A fast depreciating currency is already taking its toll on the Indian economy. Similarly an inflationary cost push is eating into the profitability of enterprises. The obvious advantages in India's favor are a strong domestic demand and a relatively lower dependence on exports. Given the usual positives and negatives - in the overall - it is hoped that the economy will prove itself to be resilient.

While the economic scenario is somewhat grim, India continues to be a significant emerging economic power house. Due to the sheer size of the economy, most Indians will continue to experience an increasingly higher income level and affluence. The Government is giving specific attention on the economic development of the rural and poorer sections of the economy. Spurred by these, India stands on the anvil of becoming a 'middle income' economy. This transition is expected to ignite consumerism. The consumer goods sector, in which EIIL is engaged, will be able to take full advantage of this.

Consumer Goods Industry in India

The consumer goods sector had mixed experience in the recent past on account of multiplicity of factors - volatility in agricultural incomes, increased competition, price discounts, newer technologies, etc. Also, with growing affordability and aspirational lifestyle, the bias has shifted to luxury and semi-luxury goods. This has led to concerns on retaining the share of consumer wallet for routine and day to day functional products.

However, with a big population as the consumer base and a sizeable percentage being new consumers, the sectoral outlook continues to be positive. This is further helped by the increase in per capita income levels. It is believed that the resilience and health of the economy will finally have a positive impact on per capita consumption pattern - lifting from the present low levels to something closer to average levels experienced elsewhere in the world. This may translate to a growth trend sustainable over the coming years.

Batteries

Industry size and structure

The Indian market for dry cell batteries is now estimated at 2.5 billion pieces by volume and over ₹ 1250 crores by value. The battery market has only a few players, out of which EIIL has a market share of 50 per cent between Eveready and Powercell brands *(Source:Company estimate),* and the next player lags by more than 20 percentage points.

The battery market saw all the players passing on significant price increases to offset material cost push in the recent past. Cumulative price increases for the various battery types ranged between 20 per cent and 50 per cent.

This met with stiff consumer resistance and demand started slowing down. Unfortunately, the price increases had to be persisted with due to input costs continuing to prevail at high levels.

The market started recovering over the last 2 years - albeit at a very slow pace. The trend of decline in demand has been arrested. During the last year and the one under review, the market remained flat. Latest trends indicate that the market is now poised to stabilize at the current level and grow reasonably therefrom.

The segment pattern within the market underwent change during the recent past as consumers shifted from the more expensive 'D' size batteries to 'AA' size. The share of the principal battery categories ended at the year-end as per the table below *(Company estimate)*.

Battery category	% of market
D	17.4
C	0.4
AA	73.4
AAA	8.8
Total	**100.0**

The above is quite similar to the pattern seen globally. To that extent it may be said that the recent phenomenon has resulted in the Indian market in aligning itself to the global trend as far as segment share is concerned.

The split of technology within the dry batteries market remained constant with past trends - with zinc carbon batteries virtually accounting for almost the entire market with 97 per cent share. The alkaline batteries have minimal share of the market at less than 2 per cent. Rechargeable batteries, which have the balance 1 per cent of the market seems to have made its mark on a loyal customer base, but remaining stagnant.

Consumption of batteries is driven by gadgets which require battery power. Thus, growth in batteries is a function of increase in devices which need portable power and also consumer behavior on their propensity to use such devices. Since many of these applications address everyday use, batteries should enjoy non-cyclical demand. However, Indian consumers being somewhat conservative in their consuming habits, there remains a strong price to demand elasticity. The phenomenon of consumption reducing on account of increases in the recent past is thus understandable - more so on account of the significant pricing impacts involved. However, latest trends seem to indicate that the market is on the way back to its usual growth path.

Performance review

Volume in the battery market in India was stagnant during the current year. Sales volume of EIIL also remained flat during the year. As a result, the market share pattern remained by and large consistent with the previous year.

EIIL's product mix is quite similar to that of the market. In the year under review, 'D' size had a share of 20 per cent, and 'AA' at 72 per cent, 'AAA' at 7 per cent and 'C' at 1 per cent.

Marketing and distribution

The Company continued to put emphasis in strengthening its distribution network. Of the total FMCG universe of 7.3 million outlets, penetration of batteries stocking universe was at 65 per cent. Eveready batteries were stocked in 66 per cent of such outlets, higher than any other battery brand by a wide margin.

Eveready's brand campaign featuring batteries and flashlights continued to add positive qualities to its brand value. EIIL will persist with these efforts to further strengthen its brand salience.

Opportunities and threats

India has a low per capita consumption across a number of product groups, batteries included, indicating an inherent potential for growth. Since dry cell batteries represent the cheapest source of portable power, consumption is expected to increase over time. Besides, growing income levels, changing lifestyles and an increased need for convenience have resulted in proliferation of gadgets (remote controls, torches, toys, cameras, FM radio sets and portable music systems) run by batteries.

The 'D' segment batteries are driven primarily by flashlights and radio (in rural India). The proven durability and quality assurance of the Company's brand will continue to capitalize on this longstanding opportunity. Growth in the 'AA' segment will continue to be fuelled by proliferation of remote control devices, toys, clock and growth of newer devices like the new generation 'LED' flashlights across both rural and urban India. The new 'AAA' segment will take higher share of the battery market, with introduction of smaller size devices.

Besides, the introduction of high drain equipment (digital cameras, toys) is expected to enhance the demand for more powerful rechargeable batteries. The Company made its presence felt in this segment by becoming the first organized entrant. Rechargeable batteries continue to be a potential for future revenues and profitability.

Batteries do not face any serious threat because they are items of recurring use, providing portable energy at an affordable cost. EIIL is adequately protected from competition due to its enduring brand equity, tangible quality and ease of availability due to its deep distribution.

Cheap imports have also not proved to be a threat because of their inherently poor quality. Initially - about 10 years back - these low cost products did invite first-time use on the basis of the price differential but could not garner repeat consumption on account of poor quality. Also, support was given by the Government through imposition of an anti-dumping duty.

Alkaline batteries, popular in the West, yet do not pose as a serious alternative to carbon zinc batteries due to the price-sensitive nature of the Indian consumer leading to a mere 2 per cent share of the market despite being present for over 15 years. In any case, EIIL has presence in this segment and will be able to participate if the market provides indication of an opportunity.

The overall scenario, thus, appears to be positive. However, there may be a tangible threat to battery consumption. If the current cost push continues or there is no near-term reversal of the same, further price increases will become necessary - which may adversely affect volumes in this category.

Risks and concerns

Presently, the biggest area of concern is the depreciating rupee. Since much of the battery making chemicals are imported or dollar-determined, margins have been impacted very significantly. The product category has limited capability in passing this unprecedented adverse impact without risking hit in consumption pattern. Beside this, raw material prices have also been showing tendency of hardening. Also, the overall inflationary trends have been putting pressure on other operating costs. While all these represent areas of concern, these are not limited to EIIL alone.

Also, the demand drivers continue to be the same and the Indian market continues to offer major potential for growth being a consumer of perhaps the lowest number of batteries in the world.

The Company has a well-documented Risk Management System, which is reviewed by an active Steering Committee appointed by the Board of Directors. The risk registrar does identify a few risks, which are inherent to the business. There is a mitigation system in place which addresses these risks as part of routine management process.

Flashlights

The flashlight market is shaped by EIIL because of its dominant market share position at over 76 per cent *(Source: Company estimate)* in the organized segment.

The segments in the flashlights market were traditionally determined by the material used for manufacturing the flashlight viz., Brass, Plastic, and Aluminum.

Historically, the 'brass' segment was the most popular among consumers - especially in the rural areas. However, in the recent past, prices of brass flashlights had to be increased manifold on account of the cost push of the underlying base metals - zinc and copper. This was thoroughly resisted by the consumers and brass flashlights volumes started de-growing significantly over the last 5 years.

As a mitigation measure and with a view to giving consumers a value-for-money option, the Company introduced the new generation 'LED' flashlights, so named popularly due to usage of LED bulbs being used as the light source. EIIL has been at the forefront of introduction of this new segment and has encouraged consumers to take to it due to the advantage of lower battery consumption in these flashlights.

This development breathed new life to this business with volumes making major strides both in number and growth over the initial 2 years. This in turn led to an enhanced user-ship. Also, the in-use period of these flashlights (mostly plastic) being considerably lower than the traditional metal flashlights, replacements are expected to be more frequent. These factors should also provide boost to battery demand.

After the robust growth of the initial 2 years, the last year and the year under review saw a quiet period in volumes for the organized players. This trend could be attributed to the sudden increase in user-ship and higher penetration over the stated 2 years. The base having suddenly doubled, there is a resultant slack. However, it is expected that once the market settles down to this new base, the normal growth pattern will resume.

LED flashlights now occupy more than 95 per cent of the total volume sold by EIIL. The incandescent bulb flashlights across all segments - brass, aluminum and plastics - account for the balance.

As mentioned earlier, the industry is dominated by EIIL. There are a few other players, none of whom have any significant position.

However, there is a trend to note - that of the grey market operation with copy-cat products. This is operated by unorganized and unscrupulous players, who violate brand and design rights without any compunction - and more often than not, do not pay duties and taxes. These grey market products confuse consumers. It is quite hurtful to organized players such as EIIL. Actions keep getting taken - but these are quite inadequate in a market of the size of our country. It appears that one has to live with this phenomenon.

Performance review

During 2011-12, EIIL's flashlights volume increased by 3.8 per cent, in line with trend of this product segment in the organized market. This business segment continues to be profitable.

Opportunities and threats

But for a flattish performance during the year (on account of reasons already explained), India's flashlights market is expected to grow at a steady pace. A vast dormant population (almost 45 million rural households) of non-users represents a large opportunity for flashlights, which the Company expects to tap into, over the foreseeable future.

Growth in urban areas - where flashlight ownership is less common - is the other opportunity area. Vast parts of urban areas now face frequent power cuts and flashlights provide a lighting solution in those times.

The threat remains that of the market being susceptible to grey operations of unorganized players bringing copy-cat models to the market - usually without payment of taxes and duties. The current year saw significant impact from this phenomenon. The only way to sidestep this problem is to keep bringing new models which are creative and innovative. This is a continuous process and hopefully efforts in this regard will mitigate this undesirable market phenomenon to some extent.

Risks and concerns

Volumes which grew at a significant pace over the initial 2 years after the launch of LED torches (as explained earlier),created a large base of users and thus saturating penetration. There is thus a concern of the market not being able to keep repeating such growth trend. The current year saw only a modest increase in volumes. However, current trends seem to indicate that the market is once again ready to resume normal growth pattern.

There remains a vast potential in terms of a significant part of the population who do not yet own flashlights. This non-consuming base needs to be tapped into, with innovative marketing.

Packet Tea

Tea is the staple Indian beverage, sold either in loose, unbranded or packaged branded forms. In India, consumption is hugely skewed towards loose tea with a 60 per cent market share. India's packet tea industry is fragmented with a few large players occupying a significant share and several localized players accounting for regional competition.

EIIL is leveraging its distribution pipeline to market this product and thus growing additional revenues on virtually no additional costs. EIIL has not really put any advertising money behind the four brands viz. Tez, Jaago, Premium Gold and Classic, which are positioned for different consumer segments. Yet these brands have gradually grown in consumer acceptance due to a tangible differentiation in quality, which has been a hallmark of EIIL's packet tea branding strategy.

The Company's existing share of the packet tea market is limited. However, this product category provides a sustainable turnover thereby adding scale to the Company's operations. It is also expected that the business can and will be run in a profitable manner.

Price of packet tea is a function of loose tea prices, the latter being the main cost. Small and unorganized players occupy a large part of the packet tea market. It has been established historically that these small players go out of the market during periods when loose tea prices rise, as they have very little pricing power. Loose tea prices have been on a rise in a significant manner. Organized players - such as EIIL - are set to gain from this.

During the year under review, emphasis was kept on profitability and as such marginal sales were avoided. Thus packet tea sales remained almost at the same level as the previous year.

It is expected that the business will provide steady turnover with decent profitability.

Lighting Products

A compact fluorescent lamp (CFL), also known as a compact fluorescent light bulb or less commonly as a compact fluorescent tube (CFT), is a type of fluorescent lamp. CFLs are designed to replace incandescent lamps and can fit in the existing light fixtures formerly used for incandescent bulbs.

Compared to general service incandescent lamps giving the same amount of visible light, CFLs use less power and have a longer rated life, but generally have a higher purchase price. A CFL can save over ₹ 1000 in electricity costs over the lamp's lifetime compared to an incandescent lamp and save 2000 times its own weight in greenhouse gases. CFLs radiate a different light spectrum from that of incandescent lamps.

India is seeing a large-scale conversion from incandescent lamps to CFLs on account of saving potential for the consumers. The Government is actively supporting such conversion on account of economic and environmental reasons. The market is seeing significant growth buoyed by these favorable factors.

EIIL started distributing compact fluorescent lamps (CFL) through its distribution network from 2007. As a measure of range expansion, the ordinary GLS bulbs were also introduced from 2009.

The Company's distribution and brands 'Eveready' and 'Powercell' seem to provide good fits to these product categories.

The current year's turnover was at ₹ 102.34 crores against ₹ 91.38 crores in the previous year - a growth of 12%.

This growth in turnover was achieved despite the fact that the Company consciously restricted sales of CFL bulbs to a few geographies (UP and Bihar) where the phenomenon of returned products was found to be on the rise - and beyond accepted levels. This market traditionally works on warranties and if returns are higher than the acceptable norm, it is essentially due to the poor quality of power, on which the Company has little control.

The above step was necessary to avoid impairment to profitability. However, sales have now stabilized on this revised orientation and the position is expected to improve hereafter. At this point of time the risk to CFLs and GLS appears to exist in the form of 'LED' lamps. However, considering the pricing equation, there seems to be a reasonable time-lag before this risk factor can come into play. In any case, having entered into this product category, EIIL will obviously be part of any such market change - since it is not encumbered by any technological constraints at this point of time.

Information Technology

EIIL has traditionally invested in information technology (IT) to provide effective business solutions amenable to informed decision making.

The IT process at EIIL is one of continuous improvement. During the year, EIIL maintained all its major applications across all locations on the Oracle Business Suite as an ERP solution in a stable environment. The processes are sound and are well internalized within the organization.

Internal Control and Systems

The Company has adequate internal control procedures commensurate with the Company's size and nature of business. The objective of these procedures are to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and Company procedures.

The existing system provides for structured work instructions, clearly laid down procedures of authorizations and approvals for purchase and sale of goods and services, reserved responsibility of custodial control with identified personnel, and use of computerized systems to ensure controls at source.

The Company has an in-house Internal Audit Department manned by qualified professionals. The pre-audit and post-audit checks and reviews are carried out to ensure follow up on the observations made by the Audit teams. The Internal Audit reports, the progress in implementation of recommendations contained in such reports and the adequacy of internal control systems are reviewed by the Audit Committee of the Board in its periodic meetings.

Human Resources

People power is one of the pillars of success at EIIL. The Company employs nearly 2500 individuals across its various plants and branch locations, who share a passion for excellence. The key attributes of human capital at EIIL are a rich knowledge base, expertise and experience.

Employee-management relations remained cordial through 2011-12. Human resource management system at EIIL puts accent on rewarding merit based performance and raising the skill level of employees.

Outlook

For various reasons as enumerated above, the year was a challenging one for operations.

Both batteries and flashlights went through some major changes in the recent past. In case of batteries, it was an unprecedented de-growth of an important segment (‘D’) and a major shift in product mix. For flashlights, on the other hand, it was a case of very significant growth fuelled by new generation products and then a modest growth during the current year.

Batteries have now settled down to a stable level which seem sustainable and supported by historical statistics. In fact the major segments in batteries - viz. ‘AA’ and ‘AAA’ - together comprising nearly 80 % of the market in terms of volume, are growing at a rate higher than historical trends. This is being brought down by the continuing de-growth of the ‘D’ segment.

However, this latter segment has now gone down to such low level that it should now stop having much impact on the overall market. The outlook - even in the near-term thus appears to be brighter than what was seen in the current year.

For the long term, battery business is linked to fundamental demand driven by device population. As India gets economically more developed, device penetration into households will increase in line with the rest of the world, boosting battery growth. It needs to be borne in mind that India remains one of the lowest per capita battery consuming nations - and hence with a potential for major improvement.

The flashlights business is on a strong wicket. A big population with need for portable lighting is a potent formula for sustainable growth and profitability. The threat of gray market operators bringing copy-cat models to the market in violation of rights of brand & design continues. The current year saw significant impact from this phenomenon. However, EIIL will keep striving to circumvent this problem by bringing new product offers which are creative and innovative.

Prospects are promising in the Lighting Products business - both in the CFL and GLS segments. Challenges remain with regard to handling of warranties and competitive pricing - but these are being met. This business remains a key focus area for the Company and an avenue for growth.

Packet tea will add to the turnover. Focus is currently on to improve profitability of this business.

As explained earlier, the Company's margins are impacted by the depreciating rupee, increase in commodity prices and overall inflationary trend. Much of this impact will have to be borne till the country gets out of its macro-economic problems - especially in light of the strong elasticity of demand of the subject product categories in relation to price. Efforts will continue to be made to recover as much of the adverse impact from the market - to the extent practicable.

Cautionary Statement

Statements in the Management Discussion and Analysis Report in regard to projections, estimates and expectations have been made in good faith. Many unforeseen factors may come into play and affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook. Market data and product information contained in this Report, have been based on information gathered from various published and unpublished reports, and their accuracy, reliability and completeness cannot be assured.

Report on Corporate Governance

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, your Company submits the Annual Report on Corporate Governance.

I. Compliance of Mandatory Requirements

A. Company's Philosophy on Corporate Governance

The Company believes that good corporate governance consists of a combination of business practices which result in enhancement of the value of the Company to the shareholders and simultaneously enable the Company to fulfill its obligations to other stakeholders such as customers, vendors, employees and financiers, and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environmental consciousness. The Company makes its best endeavors to uphold and nurture these core values in all aspects of its operations.

B. Board of Directors

(i) Composition of Board, Directorship and Committee Membership in other Companies as at March, 31, 2012

Sl. No.	Directors	Executive/Non-Executive/ Independent	No. of Director-ships held (excluding **)	Committee Memberships# (excluding**)	
				As Chairman/ Chairperson	As Member
1.	Mr. B. M. Khaitan	Non-Executive Chairman	5	–	1
2.	Mr. D. Khaitan	Non-Executive Vice-Chairman	8	–	1
3.	Mr. A. Khaitan	Non-Executive Director	7	1	1
4.	Mr. V. Bhandari	Independent Director	8	3	4
5.	Mr. S.R. Dasgupta	Independent Director	3	–	3
6.	Mr. S. Goenka	Independent Director	11	2	1
7.	Mr. B. Mitter	Independent Director	3	1	5
8.	Mr. D. A. Nanda	Non-Executive Director	3	1	1
9.	Mr. P. H. Ravikumar	Independent Director	6	2	2
10.	Mr. S. Saha	Wholetime Director	2	–	–
11.	Mr. A. Saraf (Nominee of ICICI Bank Ltd.)	Independent Director	1	–	–
12.	Mr. S. Sarkar	Independent Director	8	–-	5
13.	Mr. Amritanshu Khaitan	Wholetime Director	6	–	–

** Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.
# Only the two committees viz. the Audit Committee and the Shareholders' Grievance Committee are considered for this purpose.

The Non-Executive Directors have no material pecuniary relationships or transactions with the Company in their personal capacity. The Company's Chairman is a Non-Executive Director and as at March 31, 2012, Independent Directors comprise one-half of the Board strength.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956 except Mr. B.M. Khaitan, Mr. D. Khaitan and Mr. A. Khaitan, who are father and brothers respectively and Mr. Amritanshu Khaitan who is related to Mr.B.M.Khaitan and Mr.D.Khaitan in terms of the definition of 'relative' given under the Companies Act, 1956..

(ii) **Changes in composition of the Board of Directors since last Report :**

No change since last report.

(iii) **Meetings and Attendance of Directors during financial year 2011-12**

	Dates of Board Meetings				Date of AGM
	5.5.11	10.8.11	14.11.11	13.2.12	23.9.11
Mr. B. M. Khaitan	P	P	P	P	A
Mr. D. Khaitan	P	P	P	P	P
Mr. A. Khaitan	P	P	P	P	A
Mr. V. Bhandari	P	P	A	P	P
Mr. S. R. Dasgupta	P	P	P	P	P
Mr. S. Goenka	A	P	P	P	A
Mr. B. Mitter	P	P	P	P	P
Mr. D. A. Nanda	P	A	A	A	A
Mr. P. H. Ravikumar	P	A	P	A	P
Mr. S. Saha	P	P	P	P	P
Mr. A. Saraf	A	P	P	A	P
Mr. S. Sarkar	A	P	A	A	P
Mr. Amritanshu Khaitan	NA	P	P	P	P

P : Attended
A : Leave of absence granted
NA : Not Applicable

(iv) **Code of Conduct**

A Code of Conduct has been formulated for the Directors and senior management of the Company and the same is available on the Company's website. A declaration from the Wholetime Director, that all Board Members and senior management personnel have duly complied with the Code of Conduct for the financial year ended March 31, 2012 forms part of the Annual Report.

C. Audit Committee

(i) **Terms of Reference**

An Audit Committee of the Board was constituted on January 30, 2001. The terms of reference of the Audit Committee inter alia are as follows:

a) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

b) Reviewing with management the annual financial statements before submission to the Board, focussing primarily on :-

- Matters required to be included in the Directors' Responsibility Statement, as required for the Report of the Board of Directors.
- Any changes in accounting policies and practices.
- Major accounting entries based on exercise of judgement by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange and legal requirements concerning financial statements.
- Any related party transactions, i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

c) Reviewing with the management, the quarterly financial statements before submission to the Board.

d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.

e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

f) Discussion with internal auditors any significant findings and follow up thereon.

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

h) Discussion with external auditors before the audit commences on nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

i) Reviewing the Company's financial and risk management policies.

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

k) Reviewing the management discussion and analysis of financial condition and results of operations.

l) Reviewing the management letters/letters of internal control weaknesses, if any.

m) Reviewing with management the statement of utilization/application of funds raised through issues.

n) Reviewing the internal audit reports relating to internal control weaknesses.

o) Recommending appointment, removal and terms of remuneration of Internal Auditor.

p) Approval of the appointment of CFO (whole time finance director or person heading finance function).

q) First point of reference regarding the appointment of cost auditors.

(ii) **Composition, Names of Members and Chairman**

a. As on March 31, 2012, the Audit Committee comprised of Mr. P.H. Ravikumar, an Independent Director, as the Chairman, Mr. B. Mitter, Mr. S. Goenka and Mr. S. Sarkar, all Independent Directors as Members.

b. Mrs. T Punwani, Senior General Manager-Legal and Company Secretary acts as the Secretary of the Audit Committee.

c. Invitees : (being entitled to attend as per relevant provisions of applicable Laws/Rules and/or when felt necessary) :-
(a) The Statutory Auditors and the Cost Auditor
(b) The Internal Auditor
(c) Director in charge of Finance

d. Mr. S. R. Dasgupta has been nominated as a Member of the Committee at the Board Meeting held on May 14, 2012.

(iii) The Annual Accounts for the year ended March 31, 2012 were duly reviewed by the Audit Committee at its Meeting held on June 4, 2012, prior to adoption by the Board.

(iv) During the year ended March 31, 2012, 4 Meetings of the Audit Committee were held, the dates being 5.5.2011, 10.8.2011, 14.11.2011 & 13.2.2012.

(v) The attendance of the members of the Audit Committee was as follows:

Members	No. of Meetings attended
Mr. P. H. Ravikumar	2
Mr. B. Mitter	4
Mr. S. Goenka	2
Mr. S. Sarkar	1

D. Subsidiary Company

There are no material non-listed subsidiary companies as defined in clause 49 of the listing Agreement with Stock Exchanges.

E. Remuneration Committee

(i) **Terms of Reference**

The terms of reference of the Remuneration Committee, which was constituted on April 9, 2002, are as follows :

a. to determine and recommend to the Board of Directors the remuneration package of the Managing Director and Wholetime Directors including periodical revisions therein.

b. to approve, in the event of loss or inadequate profits in any year, the minimum remuneration payable to the Managing Director and Wholetime Directors within the limits and subject to the parameters prescribed in Schedule XIII to the Companies Act, 1956 and approvals as may be necessary.

(ii) **Composition, Names of Members and Chairman**

The Remuneration Committee of the Board as on March 31, 2012, comprises of Mr. B. Mitter, an Independent Director, as the Chairman, Mr. P.H. Ravikumar, Mr. S. Goenka and Mr. A. Saraf , all Independent Directors as Members.

(iii) During the year ended March 31, 2012, two Meetings of the Remuneration Committee were held, the dates being 10.8.2011 & 13.2.2012.

(iv) The attendance of the members was as follows :

Members	No. of Meetings attended
Mr. B. Mitter	2
Mr. P. H. Ravikumar	–
Mr. S. Goenka	2
Mr. A. Saraf	–

(v) The Company does not have any Employee Stock Option Scheme.

Remuneration Policy :

The remuneration of the Managing Director and Wholetime Directors and Non-Executive Directors is determined by the Board within the statutory limits subject to shareholders' approval and on the basis of recommendation of the Remuneration Committee.

(i) The details of Remuneration paid to Wholetime Directors for the year ended March 31, 2012 are as under (Note below) :

Name of Director	Salary (₹)	Value of Perquisite & Allowance (₹)	Contribution to Retiral Funds (₹)#	Tenure as per service contract	Notice Period
Mr. D. Khaitan	43,22,581	59,82,737	11,67,097	*	NA
Mr. S. Saha	72,00,000	93,45,783	19,44,000	21.03.2014	1 month
Mr. Amritanshu Khaitan**	23,12,903	29,56,078	6,24,484	9.08.2014	3 months

* Mr. D. Khaitan stepped down as Executive Vice Chairman & Managing Director effective the close of the working hours of August 10, 2012.

** Mr. Amritanshu Khaitan was appointed as Wholetime Director effective August 10, 2011.

Excluding contribution to Gratuity Fund.

(ii) The details of remuneration paid to Non-Executive Directors during the year and the number of shares held by the Non-Executive Directors for the year ended 31.3.12 are as follows :-

Name of Director	Sitting Fees paid for Board Meetings (₹)	Sitting Fees paid for Committee Meetings (Rs.)	Number of Shares Held as on 31.3.12
Mr. B. M. Khaitan	80,000	Nil	35,897
Mr. D. Khaitan	40,000	Nil	1,19,300
Mr. A. Khaitan	80,000	Nil	7,266
Mr. V. Bhandari	60,000	Nil	Nil
Mr. S. R. Dasgupta	80,000	Nil	1,000
Mr. S. Goenka	60,000	80,000	Nil
Mr. B. Mitter	80,000	1,60,000	Nil
Mr. D. A. Nanda	20,000	Nil	Nil
Mr. P. H. Ravikumar	40,000	40,000	500
Mr. A. Saraf*	40,000	Nil	Nil
Mr. S. Sarkar	20,000	20,000	Nil
TOTAL :	**6,00,000**	**3,00,000**	**1,63,963**

* Paid to ICICI Bank Limited

With effect from 28.4.2005, the sitting fees payable to the Non-Executive Directors for each Meeting of the Board or any Committee thereof attended by them have been enhanced to Rs. 20,000 from Rs. 10,000 previously.

F. Management

(i) Management Discussion and Analysis as approved by the Audit Committee has been given as part of the Annual Report.

(ii) There were no material financial and commercial transactions where senior management of the Company had personal interest that may have a potential conflict with the interest of the Company at large.

G. Shareholders

(i) The Shareholders'/Investors' Grievance Committee of the Board was constituted on January 30, 2001 and as on March 31, 2012, comprises of Mr. B. Mitter, Independent Director as Chairman and Mr. S. Saha, Wholetime Director.

(ii) The terms of reference of the Committee are to look into redressal of investors' complaints relating to transfer of shares/debentures, issue of dividend/interest warrants, repayment of deposits, non-receipt of dividend/interest warrants and notices/annual reports, and other investor grievances.

(iii) During the year ended March 31, 2012, 2 meetings of the Committee were held on 8.4.2011 and 25.10.2011.

(iv) The attendance of the Members was as follows :-

Members	No. of Meetings attended
Mr. B. Mitter	2
Mr. S. Saha	2

(v) Mrs. T. Punwani, Senior General Manager - Legal & Company Secretary is the 'Compliance Officer' of the Company for the requirements under the Listing Agreements with Stock Exchanges.

(vi) Shareholders' Complaints and Redressal as on 31.3.2012 :

Type of Grievances and Category	Dividend Warrant not received	F.D. Interest Warrants not received	F.D. Refund Order not received	Shares not Dematerial-ised	Non-Receipt of Share Certificates	Annual Report not received	Total
Complaints received during the year	24	Nil	Nil	Nil	5	14	43
Complaints Attended to/ Redressed	24	Nil	Nil	Nil	5	14	43

(vii) Number of pending Share Transfers : Nil

(viii) The Board has delegated the power of share transfer to a committee. The committee attends to share transfer formalities, once a fortnight.

(ix) Details of Directors seeking appointment or re-appointment at the ensuing Annual General Meeting are given as hereunder :

	Seeking re-appointment	Seeking re-appointment	Seeking re-appointment	Seeking re-appointment
Name of Director	Mr. A. Khaitan	Mr. S.R. Dasgupta	Mr. P.H. Ravikumar	Mr. S. Sarkar
Date of appointment	23.11.1994	11.05.2007	01.08.2008	24.02.2010
Expertise in specific functional area	Given in the Notice of the AGM	Given in the Notice of the AGM	Given in the Notice Notice of the AGM	Given in the Notice of the AGM
List of other Directorships held	-Do-	-Do-	-Do-	-Do-
Chairman/Member of the Committees of the Board of Companies in which he is a Director	-Do-	-Do-	-Do-	-Do-
Shareholding in the Company in case of non-executive director	7266	1000	500	Nil

H. General Body Meetings

(i) Details of Annual General Meetings (AGMs)

AGMs	Date of AGMs	Location	Time	Special Resolutions Passed
AGM (76th)	23.09.2011	Rang Manch, Swabhumi, Kolkata	10.30 a.m.	Yes
AGM (75th)	24.09.2010	Royal Bengal Room, City Centre DC Block, Sector-I, Salt Lake, Kolkata	10.30 a.m.	No
AGM (74th)	24.07.2009	Rang Manch, Swabhumi, Kolkata	10.30 a.m.	No

(ii) There were no Special Resolutions which were put through postal ballot, last year.

(iii) In the Notice of the forthcoming 77th Annual General Meeting there are no items of business (Special Resolutions) which require to be conducted through postal ballot.

I. Disclosures

(i) Related party transactions have been disclosed under Note 25 to the Accounts for the year under review. A Statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee. The pricing of all the transactions with the related parties were on an arms length basis. The Company did not have any significant related party transactions, which may have potential conflict with the interest of the Company.

(ii) While preparation of financial statements during the period under review, no accounting treatment which was different from that prescribed in the Accounting Standard was followed.

(iii) The Company has laid down adequate procedures to inform the Board about the risk assessment and risk minimization procedures.

(iv) The Company has complied with all the requirements of the listing agreements with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties have been imposed or stricture has been issued by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years.

J. Means of Communication

(i) **Financial Results**

Quarterly, half-yearly and annual results in the forms prescribed by Clause 41 of the Stock Exchange Listing Agreements are published in prominent dailies such as Business Standard/Financial Express (English) and Pratidin/Aajkal (Bengali) newspapers and also displayed on the Company's website www.evereadyindustries.com.

(ii) **Other Information**

General Information on the Company, official news releases and presentations to analysts and institutional investors are also posted on the Company's website.

K. CEO/CFO Certification

The aforesaid certificate duly signed by the CFO in respect of the financial year ended March 31, 2012 has been placed before the Board in the meeting held on June 4, 2012.

L. General Shareholders' Information

1. **Annual General Meeting :**

Date	Time	Venue
July 27, 2012	10.15 a.m.	Rotary Sadan 94/2, Chowringhee Road, Kolkata-700 020

2. **Financial Calendar (tentative) for the year 2011-2012**

Publication of :

Unaudited results for the quarter ending June 2012	:	July/August 2012
Unaudited results for the half-year ending September 2012	:	October/November 2012
Unaudited results for the quarter ending December 2012	:	January/February 2013
Unaudited/audited results for the year ending March 2013	:	April/May 2013/as approved
Annual General Meeting for the year ending March 2013	:	July to September 2013

3. **Dates of Book Closure** : The Register of Members of the Company will remain closed from July 17, 2012 to July 27, 2012. (both days inclusive) for the purpose of the Annual General Meeting of the Company.

4. **Listing on Stock Exchanges** :
   - The Calcutta Stock Exchange Association Ltd.
     7, Lyons Range, Kolkata - 700 001.
   - Bombay Stock Exchange Ltd.
     Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
   - The National Stock Exchange of India Ltd.
     Exchange Plaza, Bandra - Kurla Complex, Bandra (E),
     Mumbai - 400 051.

   The shares of the Company can be traded on all the recognised Stock Exchanges in India. The Annual Listing Fees for 2012-2013 have been paid to all the three Stock Exchanges within the scheduled dates.

5. **Stock Code** :

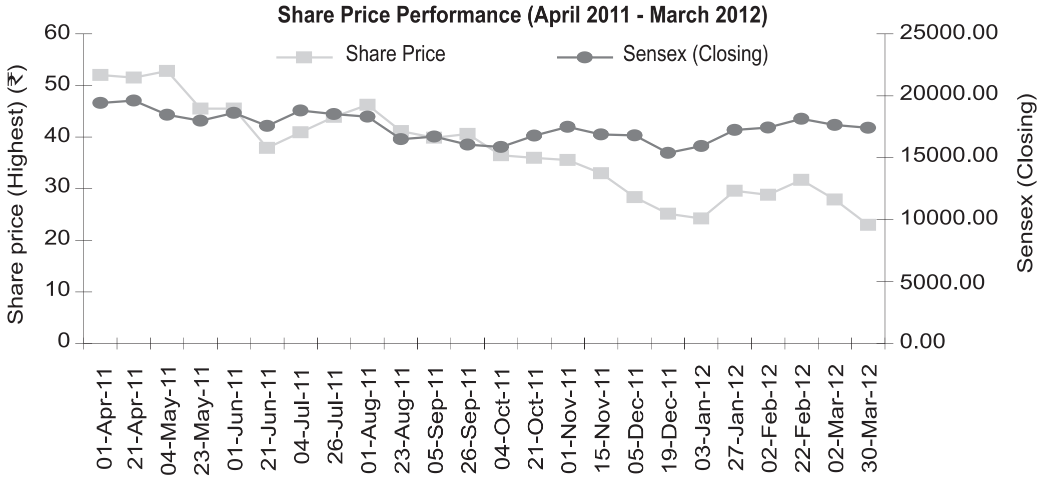
The Calcutta Stock Exchange Association Ltd.	:	10000029
Bombay Stock Exchange Ltd.	:	531508
The National Stock Exchange of India Ltd.	:	EVEREADY

6. **Stock Market Price Data :**

Amount (₹)

Month	Bombay Stock Exchange Ltd.		The National Stock Exchange of India Ltd.	
	High	Low	High	Low
2011 April	56.00	48.50	54.10	48.60
May	52.80	42.50	52.95	42.40
June	45.50	36.15	45.80	36.00
July	45.60	37.90	45.75	37.50
August	46.25	37.25	46.35	38.20
September	40.90	35.30	40.90	35.20
October	36.75	33.50	37.60	33.20
November	35.55	26.50	35.50	26.50
December	28.35	22.25	28.90	22.05
2012 January	29.50	22.85	29.85	22.70
February	31.70	24.80	31.85	24.75
March	28.25	21.15	28.20	20.60

7. **Performance in comparison with BSE Sensex** (Share price as on BSE) **:**



8. **Registrar and Transfer Agents :**

Pursuant to Regulation 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed the following SEBI registered Agency as the Common Registrar & Share Transfer Agent of the Company for both the Physical and Dematerialised segment with effect from November 1, 2003 :-

Maheshwari Datamatics Private Limited
6, Mangoe Lane, Kolkata - 700 001, Phone No. (033) 2243 5809, 2243 5029, Fax No. (033) 2248 4787

9. **Share Transfer System for Physical Shares :**

The Directors' Share & Debenture Transfer Committee of the Company generally meets fortnightly for approving share transfers and for other related activities. The average time taken for processing of Share transfers including despatch of share certificate is about three weeks. The time taken to process dematerialisation requests is about 12 to 14 days.

10. **Distribution of Shareholding as on March 31, 2012 :**

According to category of Holding :

Category	No. of Shares held	Percentage of shareholding
A. Promoters Holding	2,96,91,537	40.85
Sub-Total	**2,96,91,537**	**40.85**
B. Non-Promoters Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	21,37,757	2.94
b. Banks, FIs, Insurance Companies etc. (Central/State Government Institutions / Non-government Institutions)	36,71,778	5.05
c. FIIs	63,53,445	8.74
Sub-Total	**1,21,62,980**	**16.73**
2. Others		
a. Private Corporate Bodies	85,08,182	11.71
b. Indian Public	2,10,52,522	28.96
c. NRIs/OCBs	7,95,055	1.10
d. Trust	15,528	0.02
e. Clearing Member	4,61,456	0.63
Sub-Total	**3,08,32,743**	**42.42**
GRAND TOTAL	**7,26,87,260**	**100.00**

According to number of Ordinary Shares held :

	No. of Ordinary Shares held	No. of Shareholders	% of Shareholders
1 to 50	4,30,827	21,636	34.10
51 to100	12,99,242	14,849	23.41
101 to 150	6,32,054	4,798	7.56
151 to 250	14,72,533	7,234	11.40
251 to 500	29,81,231	7,597	11.97
501 to 5000	93,73,598	6,663	10.50
5001 and above	5,64,97,775	668	1.06
TOTAL	**7,26,87,260**	**63,445**	**100.00**

11. **Dematerialisation of shareholding and liquidity :**

The Company has entered into Agreement with both the Depositories registered under the Depositories Act, 1996, i.e. National Securities Depository Ltd. (NSDL), Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 and Central Depository Services (India) Ltd. (CDSL), Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 001 to facilitate holding and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996.

Scrips of the Company have been mandated by SEBI for settlement only in dematerialised form by all investors effective March 21, 2000. Mention may be made that 97.17%of the total shares of the Company has since been dematerialised.

ISIN No. for the Company's ordinary shares in Demat Form : INE 128A01029

12. **Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity :**

Nil

13. **Insider Trading :**

The Code of Insider Procedure & Conduct and Code of Corporate Disclosure Practices as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended by the Notification of 20th February, 2002 has been approved by the Board on 28th June, 2002 and is effective.

14. **Plant Location :**

1. 1, Taratola Road, Kolkata - 700 088
2. 1075, Tiruvottiyur High Road, Chennai - 600 019
3. B-1, Sector - 80, Phase II, Noida, Gautam Budh Nagar U.P.-201 305
4. Plot No. 6, Sector 12, IIE SIDCUL, Hairdwar - 249 403
5. 7/1A, KIADB Industrial Area, Somanahalli, Dist. Mandya, Maddur - 571428, Karnataka
6. B-2, Sector - 80, Phase II, Noida, Gautam Budh Nagar U.P. - 201305
7. Mill Road, Aishbag, Lucknow - 226 004
8. E-32, Selaqui Industrial Area, Vikas Nagar, Dehra Dun,Uttaranchal
9. P-4, Transport Depot Road, Kolkata - 700 088
10. 123/2 & 3, Ponneri Road, Vaikadu Village, Manali New Town, Chennai - 600 103
11. Chuapara, Dist. Jalpaiguri, West Bengal.

15. **Whom and where to contact for Share and related services :**

Any assistance regarding share transfers and transmissions, change of address, non-receipt of dividends, duplicate/missing Share Certificates, demat and other matters, and for redressal of all share-related complaints and grievances please write to or contact the Registrar & Share Transfer Agent or the Share Department of the Company at the addresses given below :

Maheshwari Datamatics Private Ltd.
6, Mangoe Lane, Kolkata – 700 001
Tel No.: (033) 2243-5809, 2243-5029
Fax No. : (033) 2248-4787
E-mail : mdpl@cal.vsnl.net.in

Share Department
Eveready Industries India Ltd.
1, Middleton Street, Kolkata-700 071
Tel No. : (033) 2288-3950, 2288-2147 • Fax No. : (033) 2288-4059
E-mail : investorrelation@eveready.co.in

II. Compliance of Non-Mandatory Requirements

(i) **The Board :** During the year under review, no expenses were incurred in connection with the office of the Chairman.

(ii) **Remuneration Committee :**

The Company has a Remuneration Committee comprising of Mr. B. Mitter, Mr. P. H. Ravikumar, Mr. S. Goenka and Mr. A. Saraf as Members as stated in item No. E of Section I above.

(iii) **Shareholder Rights :**

Half-yearly results including summary of the significant events are presently not being sent to the Shareholders of the Company.

(iv) **Audit Qualifications :**

The observations of the Auditor on the consolidated financial statements have been dealt with in the Directors' Report.

(v) **Training of Board Members :**

There was no Directors' Training Programme during the year under review.

(vi) **Mechanism for evaluating Non-Executive Board Members** :

There is no mechanism for evaluating Non-Executive Board Members at present. All Non-Executive Board Members have the requisite qualifications and expertise in their respective functional area.

(vii) **Whistle Blower Policy :**

There is no Whistle Blower Policy at present.

For and on behalf of the Board

Kolkata
June 4, 2012

B. M. Khaitan
Chairman

Auditors' Certificate

Regarding Compliance of Conditions of Corporate Governance

To the Members of

EVEREADY INDUSTRIES INDIA LIMITED

1. We have examined the compliance of conditions of corporate governance by **Eveready Industries India Limited** ("the Company") for the year ended 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E
K. Rajasekhar
Partner
Membership No. : 23341

Secunderabad
June 4, 2012

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to state that the Company had duly adopted a Code of Conduct in the meeting of the Board of Directors held on 18th January, 2005. After adoption of the Code of Conduct, the same was circulated to all the Board Members and senior management personnel for compliance. The Code of Conduct has also been posted on the website of the Company. The Company has since received declarations from all the Board Members and senior management personnel affirming compliance of the Code of Conduct of the Company in respect of the financial year ended March 31, 2012.

Kolkata
June 4, 2012

S. Saha
Wholetime Director

Annexure to the Directors' Report

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2012.

A. Conservation of Energy

Energy conservation continued to be an area of priority. Continued efforts on rationalization of demands in manufacturing locations resulted in the saving of 2% energy compared to the previous year.

The Company continued to harness non - conventional energy and 1.25 million units of electricity was generated through wind and solar energy, thereby meeting part of the energy requirements of manufacturing operations.

B. Technology Absorption / Modernisation

Research & Development (R & D)

1. Specific area in which the Company carried out R&D :
   a. New AA battery manufacturing line was installed and commissioned at Maddur wherein new features such as water addition and better sealant application were introduced. This will improve the product performance and shelf life.
   b. New sources were developed for some of the raw materials, which were more cost effective.
   c. Developed new cost-effective sources for re-chargeable and Alkaline batteries.
   d. Advanced Electrolyte purification system was introduced in battery manufacturing location in order to improve battery performance.
   e. Alternate domestic source developed for imported AA battery components such as bottom ring and sealing compound.
2. Benefits derived as a result of above R&D :
   a) Quality improvement of the products.
   b) Reduction in manufacturing costs.
3. Expenditure on R&D :

₹ Crores

	Year ended 31.03.2012	Year ended 31.03.2011
a. Capital	–	–
b. Recurring	2.58	2.18
c. Total	2.58	2.18
as % of Turnover	0.26%	0.23%

Technology Absorption, Adaptation & Innovation

The technologies developed and adopted in the plants were absorbed by all the unit locations.

Auditors' Report

To the Members of
Eveready Industries India Limited

1. We have audited the attached Balance Sheet of **Eveready Industries India Limited** ("the Company") as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Attention is invited to Note 25.10 forming part of the financial statements regarding payment of Managerial remuneration aggregating to ₹ 358.56 Lakhs to three executive directors and in respect of which Central Government approval has been sought.

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows :

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (d) in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

      (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

      (ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date and

      (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6. On the basis of the written representations received from the Directors as on March 31, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E
K. Rajasekhar
Partner
Membership No.: 23341

Secunderabad, June 4, 2012

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date)

(i) Having regard to the nature of the Company's business/activities/ result, clauses (iii), (v), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of CARO are not applicable.

(ii) In respect of its fixed assets :

   (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(iii) In respect of its inventories :

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system comensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956.

(vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(vii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of manufacture of dry cell batteries and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

(viii) According to the information and explanations given to us in respect of statutory dues :

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax , Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities

(b) There are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below :

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which amount Pertains	Forum where Disputes is Pending
Sales Tax Act	**Sales Tax**	11.01	1995-96	Commissioner of Sales Tax
		0.35	1998-99	Additional Commissioner of Sales Tax
		3.02	2006-07	Joint Commissioner of Commercial Tax (Appeals)
		4.03	2007-08	Joint Commissioner of Commercial Tax
		20.70	1999-2000 to 2002-03 & 2005-07	Assistant Commissioner of Sales Tax
Central Excise Act	**Excise Duty *#**	1496.53	1997-98 to 2002-03 & 2003-04	High Court
		555.01	1987-88 to 1991-92, 1999-00 to 2006-07	Customs Excise & Service Tax Appellate Tribunal
		67.28	1991-92 to 1998-99, 2004-05 to 2006-07 & 2009-10 to 2010-11	Commissioner of Central Excise (Appeals)
		31.99	1996-98	Additional Commissioner of Central Excise
		132.73	2001-02 to 2004-05, 2009-10 to 2010-11	Deputy Commissioner of Central Excise
		39.13	1998-99, 2001-02 to 2008-09	Assistant Commssioner of Central Excise
	Service Tax *#	84.44	2004-05 to 2010-11	Customs Excise & Service Tax Appellate Tribunal
		17.31	2004-05, 2006-07 to 2010-11	Commissioner of Central Excise & Service Tax (Appeals)
		13.72	2006-07	Assistant Commissioner of Central Excise and Service tax.

Name of Statute	Nature of Dues	Amount (in lacs)	Period to which amount Pertains	Forum where Disputes is Pending
Customs Act	**Customs Duty ***	62.71	2005-06, 2008-09	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act	**Income Tax**	599.70	1991-92 to 1994-95	High Court

***** Excludes interest mentioned in a few orders / show cause notices issued by the respective Authorities but amount whereof had not been quantified.

Excludes penalty mentioned in a few orders / show cause notices issued by the respective Authorities but amount whereof had not been quantified.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

(x) In our opinion the terms and conditions on which the Company has given guarantees for loans taken by others from banks are prima facie not prejudicial to the interest of the Company.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(xii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.

(xiii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E

K. Rajasekhar
Partner
Membership No.: 23341

Secunderabad, June 4, 2012.

Balance Sheet

As at March 31, 2012

₹ Lakhs

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,634.36	3,634.36
(b) Reserves and surplus	4	55,241.70	64,890.64
		58,876.06	**68,525.00**
2. Non-current liabilities			
(a) Long-term borrowings	5	9,064.13	9,169.86
(b) Deferred tax liabilities (net)	25.17	928.78	847.83
(c) Other long-term liabilities	6	428.35	394.73
(d) Long-term provisions	7	552.60	545.02
		10,973.86	**10,957.44**
3. Current liabilities			
(a) Short-term borrowings	8	13,609.72	10,577.83
(b) Trade payables	9	19,081.70	17,423.06
(c) Other current liabilities	10	7,212.03	8,452.24
(d) Short-term provisions	7	1,517.62	1,576.09
		41,421.07	**38,029.22**
TOTAL		**1,11,270.99**	**1,17,511.66**
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.A	25,919.22	25,295.47
(ii) Intangible assets	11.B	53,293.46	54,941.63
(iii) Capital work-in-progress		1,107.39	1,367.90
		80,320.07	**81,605.00**
(b) Non-current investments	12	4.99	4,110.00
(c) Long-term loans and advances	13	2,035.39	4,790.62
(d) Other non-current assets	14	697.44	378.01
		83,057.89	**90,883.63**
2. Current assets			
(a) Inventories	15	21,314.26	18,979.94
(b) Trade receivables	16	4,340.76	4,222.36
(c) Cash and Bank balances	17	399.62	754.11
(d) Short-term loans and advances	13	1,576.95	1,821.67
(e) Other current assets	14	581.51	849.95
		28,213.10	**26,628.03**
TOTAL		**1,11,270.99**	**1,17,511.66**
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner

Place : Secunderabad
Date : June 4, 2012

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : June 4, 2012

Statement of Profit and Loss

For the year ended March 31, 2012

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
1. Revenue from operations (gross)	18	1,03,331.03	1,00,328.17
Less : Excise duty	18	5,300.88	5,183.68
Revenue from operations (net)		98,030.15	95,144.49
2. Other income	19	754.47	958.32
3. Total Revenue (1+2)		**98,784.62**	**96,102.81**
4. Expenses			
(a) Cost of materials consumed	20.a	46,482.93	41,746.27
(b) Purchases of stock-in-trade	20.b	19,369.27	16,544.53
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	(1,609.09)	1,758.13
(d) Employee benefit expense	21	8,900.44	8,774.96
(e) Finance costs	22	3,609.38	3,336.83
(f) Depreciation and amortisation expense	11.C	2,417.84	2,453.18
(g) Other expenses	23	19,833.74	16,850.32
Total Expenses		**99,004.51**	**91,464.22**
5. (Loss) / Profit before exceptional items and tax (3 - 4)		**(219.89)**	**4,638.59**
6. Exceptional items	24	7,684.22	29.27
7. (Loss) / Profit before tax (5 - 6)		**(7,904.11)**	**4,609.32**
8. Tax expense :			
(a) Current tax expense for current year		–	932.42
(b) (Less): Excess FBT Provision relating to earlier year written back		–	(13.21)
(c) Net current tax expense		–	919.21
(d) Deferred tax		80.95	(247.10)
		80.95	**672.11**
9. (Loss) / Profit for the year (7 - 8)		**(7,985.06)**	**3,937.21**
10. Earnings Per Share - of ₹ 5 each after tax			
– Before Exceptional Item relating to impairment charge of subsidiary			
(a) Basic	25.16.b	(0.67)	5.42
(b) Diluted	25.16.d	(0.67)	5.42
– After Exceptional Item relating to impairment charge of subsidiary			
(a) Basic	25.16.a	(10.99)	5.42
(b) Diluted	25.16.c	(10.99)	5.42
See accompanying notes forming part of the financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner

Place : Secunderabad
Date : June 4, 2012

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : June 4, 2012

Cash Flow Statement For the year ended March 31, 2012

₹ Lakhs

Particulars		For the year ended March 31, 2012		For the year ended March 31, 2011
A. Cash flow from operating activities				
Net (Loss) / Profit before tax		(7,904.11)		4,609.32
Adjustments for :				
Depreciation and amortisation	2,417.84		2,453.18	
(Profit) on sale / write off of assets	(197.82)		(121.91)	
Interest and other Finance costs	3,609.38		3,336.83	
Interest income	(234.44)		(633.63)	
Adjustments to the carrying amount of investments	4,646.04		–	
Provision for losses of subsidiary companies	574.45		–	
Provision for Wealth Tax	11.00		11.00	
Net unrealised exchange loss / (gain)	97.72		(3.86)	
Workmen Seperation Cost	184.22	11,108.39	29.27	5,070.88
Operating profit before working capital changes		**3,204.28**		**9,680.20**
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(2,334.32)		1,231.61	
Trade receivables	(95.04)		(545.05)	
Short-term loans and advances	265.21		539.33	
Long-term loans and advances	2,245.09		221.32	
Other current assets	106.12		(266.79)	
Other non-current assets	(319.43)		(366.30)	
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	1,540.55		450.83	
Other current liabilities	312.25		126.03	
Other long-term liabilities	33.62		–	
Short-term provisions	(202.89)		(12.80)	
Long-term provisions	7.58	1,558.74	(4.57)	1,373.61
Workmen Separation Cost		(184.02)		(29.27)
Cash generated from operations		**4,579.00**		**11,024.54**
Income tax (Net)		529.83		(2,717.17)
Net cash flow from operating activities (A)		**5,108.83**		**8,307.37**
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		(2,888.50)		(1,726.03)
Proceeds from sale of fixed assets		326.96		131.69
Investment in Subsidiaries		(541.03)		–
Loan to Subsidiaries		(372.32)		(1,029.12)
Interest received		598.40		228.67
Net cash used in investing activities (B)		**(2,876.49)**		**(2,394.79)**

Cash Flow Statement For the year ended March 31, 2012

₹ Lakhs

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
C. Cash flow from financing activities				
Proceeds from long-term borrowings	4,885.07		763.80	
Repayment of long-term borrowings	(6,512.69)		(4,961.77)	
Net increase in working capital borrowings	4,234.99		2,672.02	
Proceeds from other short-term borrowings	14,150.00		11,150.00	
Repayment of other short-term borrowings	(15,400.00)		(11,750.00)	
Interest and other Finance cost	(3,536.43)		(3,198.32)	
Dividends paid	(356.85)		(357.58)	
Tax on dividend	(58.96)	(2,594.87)	(60.36)	(5,742.21)
Net cash used in financing activities (C)		**(2,594.87)**		**(5,742.21)**
Net (decrease) / increase in Cash and cash equivalents (A+B+C)		**(362.53)**		**170.37**
Cash and cash equivalents at the beginning of the year		725.43		554.55
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		1.75		0.51
Cash and cash equivalents at the end of the year *		**364.65**		**725.43**
* Comprises:				
(a) Cash in hand		8.09		9.94
(b) Cheques, drafts in hand		126.73		187.83
(c) Balances with banks				
- In current accounts (Refer note below)		229.83		527.66
		364.65		**725.43**
See accompanying notes forming part of the financial statements				

Note :

Cash and cash equivalents at the end of the year includes restricted balance ₹ 14.30 Lakhs (31.03.2011: ₹ 14.30 Lakhs).

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner

Place : Secunderabad
Date : June 4, 2012

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : June 4, 2012

Notes forming part of the financial statements

Note	Particulars

1. Corporate Information

Eveready Industries (Eveready) is in the business of manufacture and marketing of batteries, flashlights and packet tea under the brand name of "Eveready". The Company also distributes a wide range of lighting products. Eveready has its manufacturing facilities at Chennai, Lucknow, Noida, Haridwar, Maddur and Kolkata and is supported by a sales and distribution network across the country.

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (Indian GAAP), as adopted consistently by the Company.

2.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and any revision to such accounting estimates is recognised prospectively in the period in which the results are ascertained.

2.3 Inventories

Inventories are valued as under :

i) Raw Materials and Stores and Spare Parts at lower of weighted average cost and net realizable value.

ii) Work-in-Progress and Finished Goods are valued at lower of cost and net realizable value where cost is worked out on weighted average basis. Cost includes all charges incurred in bringing the goods to the point of sale, including excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

i) In respect of assets which have not been revalued, depreciation is provided on straight line method as follows :

- Plant and machinery, excluding air conditioners, at rates prescribed in Schedule XIV to the Companies Act, 1956.
- Buildings, furniture and fixtures including air conditioners & office appliances (excluding computers), motor vehicles and computers at 4%, 10%, 33.33% and 16.66% p.a. respectively.

ii) The revalued assets are depreciated on straight line basis over the balance useful lives estimated by the valuer.

iii) Freehold land is not depreciated except for improvements to land included therein.

iv) Patents, trademarks and brands are amortized over their legal term or working life, whichever is shorter.

v) Brand "Eveready" is amortized over a working life of 40 years and Brand "Premium Gold" is amortized over a working life of 10 years.

2.7 Revenue recognition

Sale of goods

Sales comprise sale of goods less discounts as applicable and include excise duty but exclude central sales tax / VAT.

2.8 Tangible fixed assets

Tangible Fixed Assets are stated at cost / revalued amount less accumulated depreciation. Cost comprises purchase price plus attributable cost (including borrowing and financing cost during the period of construction).

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Notes forming part of the financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

2.9 Intangible assets

Except for brand "Eveready" which is reflected on the basis of a Scheme of Arrangement, other intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.10 Foreign currency transactions and translations

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT are initially recorded at the spot rates on the date of the transactions/ contract.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Profit and Loss Account.

In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

2.11 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.12 Investments

Long term investments are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

2.13 Employee benefits

The estimated liability for all employee benefits, both for present and past services which are due as per the terms of employment, are determined in accordance with Accounting Standard (AS) 15 issued by the Companies (Accounting Standards) Rules, 2006. A brief description of the various employee benefits are as follows :

Pension - A defined benefit plan, the liability for which is determined on the basis of an actuarial valuation on the frozen corpus as at March 31, 2003 and thereafter on the basis of the Company's defined contribution scheme.

Gratuity - The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement, death while in employment or on separation. Vesting occurs upon completion of five years of service. The liability, which is determined by means of an independent actuarial valuation, is funded with trusts sponsored by the Company.

Provident Fund - This is a defined contribution plan framed in accordance with Indian laws, in accordance with which eligible employees participate. Under the plan, both the employee and employer contribute monthly at a determined rate (currently upto 12% of employee's salary). Contributions under the plan are made to the trust sponsored by the Company and the Pension Scheme framed by the Central Government.

Other employee benefits include Post Retirement Medical Benefits and compensated absences on separation, which are long term in nature. Both these benefits are unfunded and the liability for the same is determined by an independent actuarial valuation in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits".

2.14 Borrowing costs

Interest and other costs in connection with the borrowing of funds by the Company are recognised as an expense in the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would

Notes forming part of the financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

3. Share Capital

Particulars		As at March 31, 2012		As at March 31, 2011	
		Number of Shares	₹ Lakhs	Number of Shares	₹ Lakhs
(a)	**Authorised**				
	Equity shares of ₹ 5 each with voting rights	21,15,60,000	10,578.00	21,15,60,000	10,578.00
(b)	**Issued**				
	Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
(c)	**Subscribed and fully paid up**				
	Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
	Total	**7,26,87,260**	**3,634.36**	**7,26,87,260**	**3,634.36**

Refer Notes (i), (ii) and (iii) below

Notes :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended March 31, 2012		
– Number of shares	7,26,87,260	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	3,634.36
Year ended March 31, 2011		
– Number of shares	7,26,87,260	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	3,634.36

(ii) Terms / rights attached to Equity Shares :

The company has one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

Notes forming part of the financial statements

Note	Particulars

(iii) Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at March 31, 2012		As at March 31, 2011	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Williamson Magor & Co Ltd.	1,67,56,841	23%	1,67,56,841	23%
Williamson Financial Services Ltd.	51,60,988	7%	51,60,988	7%
HSBC Global Investment Funds Mauritius Ltd.	44,61,166	6%	55,98,379	8%
Metal Centre Limited	41,48,246	6%	41,48,246	6%
American Funds Insurance Series Global Small Capitalization Fund	–	–	43,70,000	6%

4. Reserves and Surplus

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Capital Reserve	12,356.60	12,356.60
(b) Securities Premium Account	16,412.11	16,412.11
(c) Revaluation Reserve		
– Opening Balance	2,569.32	4,339.84
Less : Depreciation on revalued portion of Fixed Assets	1,770.53	1,770.52
Adjustment relating to Fixed Assets sold during the year	53.91	–
– Closing Balance	744.88	2,569.32
(d) Development Allowance Reserve	3.50	3.50
(e) General Reserve		
– Opening Balance	29,867.46	25,867.46
Add : Transferred from surplus in Statement of Profit and Loss	–	4,000.00
– Closing Balance	29,867.46	29,867.46
(f) Foreign Currency Translation Reserve		
– Opening Balance	60.64	–
Add : Effect of foreign exchange rate variations during the year	160.56	60.64
– Closing Balance	221.20	60.64
(g) Amalgamation Reserve	300.42	300.42
(h) Surplus / (Deficit) in Statement of Profit and Loss		
– Opening Balance	3,320.59	3,805.78
Add : (Loss) / Profit for the year	(7,985.06)	3,937.21
Less : Dividends proposed to be distributed to equity shareholders [₹ Nil per share (Previous year ₹ 0.50 per share)]	–	363.44
Tax on dividend	–	58.96
Transferred to :		
General Reserve	–	4,000.00
– Closing Balance	(4,664.47)	3,320.59
Total	**55,241.70**	**64,890.64**

Notes forming part of the financial statements

Note	Particulars

5. Long-Term Borrowings

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-Current	Current	Non-current	Current
Term Loans				
From Banks (Secured)				
ICICI Bank Ltd.	3,904.17	3,904.16	7,808.34	3,904.16
HDFC Bank Ltd.	2,583.33	416.67	750.00	–
IDBI Bank Ltd.	–	604.52	604.52	2,555.56
Yes Bank Ltd.	2,500.00	–	–	–
From Banks (Unsecured)				
Car Loans	76.63	46.38	7.00	33.91
Total	**9,064.13**	**4,971.73**	**9,169.86**	**6,493.63**

Notes :

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured long-term borrowings :

₹ Lakhs

Particulars	Terms of repayment and security	As at March 31, 2012		As at March 31, 2011	
		Secured	Unsecured	Secured	Unsecured
Term Loans from Banks :					
i) ICICI Bank Ltd.	Secured by exclusive mortgage on movable and immovable properties and by deposit of title deed of the plant located at Haridwar, Uttaranchal. Rate of Interest : 10.184% p.a. Terms of repayment : 4 half yearly installments of ₹ 1,285.42 Lakhs.	2,570.84	–	5,141.67	–
ii) ICICI Bank Ltd.	Secured by first charge over all immovable fixed assets of the company excluding assets over which exclusive charge has already been created in favour of other lenders. Rate of Interest : 12.75% p.a. Terms of repayment : 36 monthly installments of ₹ 111.11 Lakhs.	1,333.33	–	2,666.67	–
iii) HDFC Bank Ltd.	Secured by first charge on all the assets financed by HDFC Bank, First pari passu charge on all fixed assets other than those financed specifically by any Bank, Second pari passu charge on all assets financed by any Bank or charged specifically to any Bank, wherein assets include all movable Plant & Machinery. Rate of Interest : 12.90% p.a. Terms of repayment : Starting from November 2012 in 36 monthly installments of ₹ 83.33 Lakhs.	2,583.33	–	750.00	–

Notes forming part of the financial statements

Note 5 : Long-term Borrowings (contd.)

Note	Particulars

₹ Lakhs

Particulars	Terms of repayment and security	As at March 31, 2012		As at March 31, 2011	
		Secured	Unsecured	Secured	Unsecured
iv) IDBI Bank Ltd.	Secured by a pari passu first charge by way of equitable mortgage over certain movable & immovable properties of the company and exclusive charge on certain brand belonging to the Company. Rate of Interest : 11.50% p.a. Terms of repayment : 3 monthly installments of ₹ 201.51 Lakhs.	–	–	604.52	–
v) Yes Bank Ltd.	Secured by first pari passu charge on entire moveable fixed assets of the company (both present and future) including plant and machinery located at Hyderabad, Kolkata, Lucknow & Tiruvottiyur, providing minimum assets coverage of 1.25 times of the facility amount during the entire tenure of facility. Rate of Interest : 11.80% p.a. Terms of repayment : 24 monthly installments of ₹ 104.17 Lakhs with 18 months moratorium period.	2,500.00	–	–	–
vi) Car Loans	Terms of repayment : Various; Each repayable in 36 equated instalments.	–	76.63	–	7.00
Total - Term loans from banks		**8,987.50**	**76.63**	**9,162.86**	**7.00**

(ii) For the current maturities of long-term borrowings, refer items (a) in Note 10 Other current liabilities.

6. Other Long-term Liabilities

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Trade Payables	33.62	–
(b) Security deposits received	394.73	394.73
Total	**428.35**	**394.73**

Notes forming part of the financial statements

Note	Particulars

7. Provisions

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-Current	Current	Non-current	Current
(a) Provision for employee benefits :				
(i) Post-employment medical benefits (Refer Note 25.13.b)	343.49	5.46	334.88	7.23
(ii) Compensated absences (Refer Note 25.13.b)	209.11	23.85	210.14	29.03
	552.60	**29.31**	**545.02**	**36.26**
(b) Provision - Others :				
(i) Tax [net of advance tax ₹ 69.18 Lakhs (As at March 31, 2011 ₹ 62.40 Lakhs)]	–	135.85	–	143.48
(ii) In respect of subsidiary - Novener SAS (Refer Note below)	–	574.45	–	–
(iii) Sales Tax, Excise, etc (Refer Note 25.19)	–	608.37	–	805.59
(iv) Proposed equity dividend	–	–	–	363.44
(v) Tax on proposed dividend	–	–	–	58.96
(vi) Others	–	169.64	–	168.36
	–	**1,488.31**	**–**	**1,539.83**
Total	**552.60**	**1,517.62**	**545.02**	**1,576.09**

Note :
Represents obligatory payment / commitments - Refer Note 25.9

8. Short-term Borrowings

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Loans repayable on demand		
From Banks		
Secured - Cash credit	12,109.72	7,827.83
Unsecured	1,500.00	2,750.00
Total	**13,609.72**	**10,577.83**

Note :
(i) Details of security :

₹ Lakhs

Particulars	Nature of security	As at March 31, 2012	As at March 31, 2011
Loans repayable on demand from banks :	Secured by hypothecation of stocks, stores & book debts relating to businesses of the Company and ranking pari passu with the charges created and/or to be created in favour of other banks in the consortium and first/second charge on the fixed assets of the company.		
IDBI Bank		540.11	2,356.08
UCO Bank		4,195.98	1,945.40
United Bank of India		2,583.31	1,848.56
ICICI Bank		4,385.47	1,677.79
HDFC Bank		404.85	–
Total - from Banks (Secured)		**12,109.72**	**7,827.83**

Notes forming part of the financial statements

Note	Particulars

9. Trade Payables

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Trade payables :		
(i) Acceptances	4,669.39	4,763.63
(ii) Other than Acceptances		
– Dues to Micro, Small & Medium Enterprises (Refer Note 25.2)	152.80	168.04
– Other than Micro, Small & Medium Enterprises	14,249.70	12,309.12
(iii) Due to Subsidiaries	9.81	182.27
Total	**19,081.70**	**17,423.06**

10. Other Current Liabilities

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Current maturities of long-term debt (Refer Note 5)	4,971.73	6,493.63
(b) Interest accrued but not due on borrowings	346.39	338.19
(c) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 :		
(i) Unpaid dividends		
– Due	3.02	3.02
– Not Due	60.55	53.96
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.38
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	920.32	806.28
(ii) Payables on purchase of fixed assets	139.55	199.62
(iii) BPL Escrow Liability	14.30	14.30
(iv) Forward Contract Restatement	60.47	30.61
(v) Advances from customers	249.02	212.74
(vi) Retention Money	207.02	221.04
(vii) Others	236.54	75.47
Total	**7,212.03**	**8,452.24**

Notes forming part of the financial statements

Note	Particulars

11. Fixed Assets

₹ Lakhs

A. Tangible Assets :	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2011	Additions	Disposals	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation/ amortisation expenses for the year	Eliminated on disposal of asssets	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(a) Land – Freehold	7,349.10	–	35.53	7,313.57	275.18	19.77	30.48	264.47	7,049.10	7,073.92
– Leasehold	1,306.26	–	–	1,306.26	136.74	19.76	–	156.50	1,149.76	1,169.52
(b) Buildings	14,853.94	50.11	625.04	14,279.01	6,958.16	510.81	345.16	7,123.81	7,155.20	7,895.78
(c) Plant and Equipment (Refer note below)	36,639.66	3,102.63	2,567.57	37,174.72	28,417.55	1,489.31	2,444.42	27,462.44	9,712.28	8,222.11
(d) Furniture and Fixture	1,039.10	66.44	43.69	1,061.85	884.61	39.84	39.92	884.53	177.32	154.49
(e) Vehicles	330.78	147.97	83.41	395.34	262.41	76.00	83.41	255.00	140.34	68.37
(f) Office Equipment	2,553.26	25.59	85.10	2,493.75	1,841.98	199.68	83.13	1,958.53	535.22	711.28
Total	**64,072.10**	**3,392.74**	**3,440.34**	**64,024.50**	**38,776.63**	**2,355.17**	**3,026.52**	**38,105.28**	**25,919.22**	**25,295.47**
Previous year	63,388.37	955.84	272.11	64,072.10	36,648.46	2,390.50	262.33	38,776.63	25,295.47	

Note : Additions to Plant and Equipment includes borrowing cost capitalised ₹ 105.81 Lakhs.

₹ Lakhs

B. Intangible Assets :	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at April 1, 2011	Additions	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation/ amortisation expenses for the year	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(a) Brands	67,600.00	–	67,600.00	12,670.00	1,810.00	14,480.00	53,120.00	54,930.00
(b) Computer Software	139.25	185.03	324.28	127.62	23.20	150.82	173.46	11.63
(c) Patent/Trade Mark	15.00	–	15.00	15.00	–	15.00	–	–
Total	**67,754.25**	**185.03**	**67,939.28**	**12,812.62**	**1,833.20**	**14,645.82**	**53,293.46**	**54,941.63**
Previous Year	67,754.25	–	67,754.25	10,979.42	1,833.20	12,812.62	54,941.63	

₹ Lakhs

C. Depreciation and Amortisation :	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation and amortisation for the year on tangible assets as per Note 11 A	2,355.17	2,390.50
Depreciation and amortisation for the year on intangible assets as per Note 11 B	1,833.20	1,833.20
Less : Depreciation on revalued portion of Fixed Assets transferred to Revaluation Reserve	1,770.53	1,770.52
Total	**2,417.84**	**2,453.18**

Notes forming part of the financial statements

Note	Particulars

12. Non-current Investments

₹ Lakhs

Particulars	As at March 31, 2012			As at March 31, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost less provision for diminution, other than temporary) : **Trade**						
(a) Investment in Equity instruments						
(i) of Subsidiaries						
- Novener SAS 456 Ordinary Shares of € 10 each (31.03.2011 : 400 Ordinary Shares of € 10 each)	–	4,646.04	4,646.04	–	4,110.00	4,110.00
- Litez India Ltd. 49,800 Equity Shares of ₹ 10 each (31.03.2011 : Nil)	–	4.98	4.98	–	–	–
- Everspark HK Pvt. Ltd. 100 Ordinary Shares of HK$ 1 each (31.03.2011 : Nil)	–	0.01	0.01	–	–	–
(ii) Other 40 (As at March 31, 2011: 40) shares of ₹ 5 each fully paid up in McLeod Russel India Ltd.* [₹ 200]	*	–	*	*	–	*
Total - Trade	*	**4,651.03**	**4,651.03**	*	**4,110.00**	**4,110.00**
Less : Provision for diminution, other than temporary in carrying cost of investments			4,646.04			
Total			**4.99**			**4,110.00**
Aggregate amount of quoted investments			*			*
Aggregate market value of listed and quoted investments			0.11			0.10
Aggregate amount of unquoted investments			4,651.03			4,110.00
Aggregate provision for dimunition other than temporary in value of investment			4,646.04			–

13. Loans & Advances

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
(a) Capital advances				
Unsecured, considered good	223.18	–	712.01	–
(b) Security deposits				
Unsecured, considered good	491.84	18.28	454.42	31.04
(c) Loans and advances to related parties (Refer Note below)				
Unsecured, considered good	14.07	16.56	1,748.22	3.21
Doubtful	2,279.51	–	–	–
	2,293.58	16.56	1,748.22	3.21
Less : Provision for doubtful loans and advances	2,279.51	–	–	–
	14.07	16.56	1,748.22	3.21
(d) Loans and advances to employees				
Unsecured, considered good	206.60	73.07	245.35	81.85
(e) Prepaid expenses	52.63	128.57	67.55	100.24
(f) Advance income tax [net of provisions ₹ 3,742.03 Lakhs (As at March 31, 2011 ₹ 3,747.47 Lakhs)]	670.82	–	1,197.08	–
(g) Balances with government authorities				
Unsecured, considered good				
(i) CENVAT credit receivable	210.60	99.88	211.29	26.29
(ii) VAT credit receivable	144.41	63.26	140.28	59.45
(iii) Service Tax credit receivable	–	320.75	–	196.55
	355.01	483.89	351.57	282.29
(h) Other loans and advances				
Unsecured, considered good				
– Advance to suppliers	21.24	856.58	14.42	1,323.04
Total	**2,035.39**	**1,576.95**	**4,790.62**	**1,821.67**

Notes forming part of the financial statements

Note 13 : Loans & Advances (contd.)

Note	Particulars

Note : Loans and advances include amounts due from :

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
Directors	14.07	3.21	16.49	3.21
Subsidiaries	2,279.51	13.35	1,731.73	–
Total	**2,293.58**	**16.56**	**1,748.22**	**3.21**

14. Other Assets

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
(i) Insurance claims	10.63	14.08	10.86	20.37
(ii) Receivables on sale of fixed assets	–	230.77	–	–
(iii) Interest receivable on Advance Tax	–	–	–	386.80
(iv) Other trade claims	33.98	209.98	35.83	203.46
(v) Others	652.83	127.18	331.32	239.32
Total	**697.44**	**581.51**	**378.01**	**849.95**

15. Inventories

(At lower of cost and net realisable value)

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Raw materials	6,677.10	5,767.68
Goods-in-transit	1,593.48	1,781.82
	8,270.58	7,549.50
(b) Work-in-progress (Refer Note below)	3,384.81	2,679.35
(c) Finished goods (other than those acquired for trading)	5,386.58	5,774.11
Goods-in-transit	531.17	157.05
	5,917.75	5,931.16
(d) Stock-in-trade (acquired for trading)	3,230.04	2,328.43
Goods-in-transit	59.01	43.58
	3,289.05	2,372.01
(e) Stores and spares	452.07	447.92
Total	**21,314.26**	**18,979.94**

Note : Details of inventory of work-in-progress

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Batteries	2,172.37	1,437.90
Flashlight	1,032.18	1,019.30
Other items	180.26	222.15
Total	**3,384.81**	**2,679.35**

Notes forming part of the financial statements

Note	Particulars

16. Trade Receivables

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Receivables not due for payment	2,539.15	2,272.48
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	24.62	29.06
Doubtful	156.68	176.60
	181.30	205.66
Less : Provision for doubtful trade receivables	156.68	176.60
	24.62	29.06
Other Trade receivables		
Unsecured, considered good (Refer Note below)	1,776.99	1,920.82
Doubtful	45.01	68.80
	1,822.00	1,989.62
Less : Provision for doubtful trade receivables	45.01	68.80
	1,776.99	1,920.82
Total	**4,340.76**	**4,222.36**

Note : Trade receivables include debts due from :

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Subsidiaries	–	17.73
Total	**–**	**17.73**

17. Cash and Bank Balances

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
(a) Cash in hand	8.09	9.94
(b) Cheques, drafts in hand	126.73	187.83
(c) Balances with banks		
– In current accounts	229.83	527.66
	364.65	**725.43**
Other Bank Balances		
In earmarked accounts		
(i) Unpaid dividend accounts	30.51	23.92
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.38
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments	1.34	1.38
	34.97	**28.68**
Total	**399.62**	**754.11**

Notes forming part of the financial statements

Note	Particulars

18. Revenue from Operations

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Sale of products (Refer Note (i) below)	1,02,921.07	1,00,226.00
(b) Other operating revenues (Refer Note (ii) below)	409.96	102.17
	1,03,331.03	**1,00,328.17**
Less :		
(c) Excise duty	5,300.88	5,183.68
Total	**98,030.15**	**95,144.49**

Note :

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(i) **Sale of products comprises :**		
Manufactured goods		
Batteries	59,792.20	59,152.23
Flashlights	11,210.58	12,414.79
Packet Tea	7,241.80	7,334.00
Others	84.63	75.10
Total - Sale of manufactured goods	**78,329.21**	**78,976.12**
Traded goods		
Batteries	2,852.10	2,261.14
Flashlights	11,487.68	9,317.33
Lighting Products	10,234.28	9,138.46
Others	17.80	532.95
Total - Sale of traded goods	**24,591.86**	**21,249.88**
Total - Sale of products	**1,02,921.07**	**1,00,226.00**
(ii) **Other operating revenues comprise :**		
Sale of scrap	139.80	102.17
VAT incentive	270.16	–
Total - Other operating revenues	**409.96**	**102.17**

19. Other Income

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Interest income (Refer Note (i) below)	234.44	633.63
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	–	11.88
(c) Other non-operating income (Refer Note (ii) below)	520.03	312.81
Total	**754.47**	**958.32**

Notes forming part of the financial statements

Note 19 : Other Income (contd.)

Note	**Particulars**

Note :

₹ Lakhs

Particulars	**For the year ended March 31, 2012**	**For the year ended March 31, 2011**
(i) Interest income comprises :		
- On deposits with Banks	15.99	25.76
- On advance to subsidiaries	28.25	15.47
- On advance payment of Taxes	190.20	592.40
Total - Interest income	**234.44**	**633.63**
(ii) Other non-operating income comprises :		
– Profit on sale of fixed assets	197.82	121.91
– Provisions no longer required written back	322.21	190.90
Total - Other non-operating income	**520.03**	**312.81**

20.a Cost of Materials Consumed

₹ Lakhs

Particulars	**For the year ended March 31, 2012**	**For the year ended March 31, 2011**
Opening stock	7,549.50	6,966.22
Add : Purchases	47,204.01	42,329.55
	54,753.51	49,295.77
Less : Closing stock	8,270.58	7,549.50
Total Cost of material consumed	**46,482.93**	**41,746.27**
Material consumed comprises :		
Zinc Spelter	8,390.93	7,974.66
Acetylene Black	1,909.77	1,450.36
Brass	2,023.83	2,079.34
Manganese Ore	1,876.52	1,736.98
Black Tea for Packet Tea	4,944.66	4,994.60
Others	27,337.22	23,510.33
Total	**46,482.93**	**41,746.27**

20.b Purchase of Traded Goods

₹ Lakhs

Particulars	**For the year ended March 31, 2012**	**For the year ended March 31, 2011**
Batteries	2,419.17	2,036.94
Flashlight	8,135.67	6,287.20
Lighting Products	8,799.74	7,985.02
Others	14.69	235.37
Total	**19,369.27**	**16,544.53**

Notes forming part of the financial statements

Note	Particulars

20. c Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Inventories at the end of the year :		
Finished goods	5,917.75	5,931.16
Work-in-progress	3,384.81	2,679.35
Stock-in-trade	3,289.05	2,372.01
	12,591.61	**10,982.52**
Inventories at the beginning of the year :		
Finished goods	5,931.16	6,813.58
Work-in-progress	2,679.35	3,803.30
Stock-in-trade	2,372.01	2,123.77
	10,982.52	**12,740.65**
Net (increase) / decrease	**(1,609.09)**	**1,758.13**

21. Employee Benefits Expense

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and wages	7,234.91	6,814.76
Contributions to provident and other funds (Refer Note 25.13)	759.99	959.03
Staff welfare expenses	905.54	1,001.17
Total	**8,900.44**	**8,774.96**

22. Finance Costs

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Interest expense on borrowings	3,102.36	3,086.49
(b) Other borrowing costs	31.02	43.81
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	299.43	9.24
(d) Bank Charges	176.57	197.29
Total	**3,609.38**	**3,336.83**

Notes forming part of the financial statements

Note	Particulars

23. Other Expenses

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spare parts	336.22	264.26
Increase / (decrease) in excise duty in inventory of Finished Goods	108.60	(75.01)
Power and fuel	1,293.28	1,115.02
Repairs and maintenance	1,126.75	1,068.26
Insurance	120.47	116.52
Rates and taxes	497.21	442.63
Travelling and conveyance	1,769.02	1,679.36
Freight, Shipping and Selling Expenses	5,843.01	5,533.99
Advertisement, Sales Promotion and Market Research	5,513.51	4,087.72
Payments to auditors (Refer Note (i) below)	43.70	47.29
Bad and doubtful trade receivables	15.51	69.17
Net loss on foreign currency transactions and translation (other than considered as finance cost)	168.06	–
Provision for indirect taxes (Refer Note 25.19)	125.00	69.89
Miscellaneous expenses	2,873.40	2,431.22
Total	**19,833.74**	**16,850.32**

Note :

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(i) Payments to the auditors comprises fees for (net of service tax input credit, where applicable) :		
Statutory audit (including Consolidated Accounts)	25.00	20.00
Tax Audit	5.10	5.10
Limited Review	11.50	15.33
Certifications, etc	1.78	6.86
Reimbursement of expenses	0.32	–
Total	**43.70**	**47.29**

24. Exceptional Items

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Provision for Diminution in Value of Investment in Subsidiary (Refer Note 25.9)	7,500.00	–
Workmen Separation Cost	184.22	29.27
Total	**7,684.22**	**29.27**

Notes forming part of the financial statements

Note	Particulars

25. Additional Information to the financial statements

25.1 Contingent liabilities & commitments (to the extent not provided for)

₹ Lakhs

Particulars		As at March 31, 2012	As at March 31, 2011
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debts :		
	- Excise & Customs *	1,825.68	1,781.91
	- Sales tax	91.14	133.56
	- Income tax :		
	The Department is in appeal in regard to matters decided in favour of the Company	–	71.59
	The Company is in appeal in regard to assessments made	599.70	599.70
	In respect of matters relating to erstwhile The Bishnauth Tea Company Limited (BTCL) [amalgamated with the Company effective April 1, 2000]	–	125.48
	*Excludes interest claimed in a few cases by respective Authorities but amount not quantified.		
	(b) Others (Includes ESI, Property Tax, Water Tax etc.)	295.29	207.39
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 220.68 Lakhs; 2010-11 : ₹ 467.43 Lakhs)		
	- Tangible assets	1,234.56	2,977.81
	- Intangible assets	18.45	–

25.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ Lakhs

Particulars		As at March 31, 2012	As at March 31, 2011
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	152.80	168.04
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.45	0.76
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
(iv)	The amount of interest due and payable for the year	0.45	0.76
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	–	–
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

25.3 Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges Loans and advances in the nature of loans given to subsidiaries :

₹ Lakhs

Name of the Subsidiaries	Amount outstanding as at March 31, 2012	Maximum balance outstanding during the year
Novener SAS (Terms of Repayment : payable after December 31, 2015)	2,279.51 (1,731.73)	2,279.51 (1,731.73)

Note : Figures in bracket relate to the previous year.

Notes forming part of the financial statements

Note 25 : Additional Information to the financial statements (contd.)

Note	Particulars

25.4 Details on derivatives instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at March 31, 2012. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(a) Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2012

Currency	₹ in Lakhs	Buy / Sell	Cross currency
USD	62.11 (16.96)	Buy Buy	Rupees Rupees
EURO	5.60 –	Buy –	Rupees –
USD	5.58 (1.82)	Sell Sell	Rupees Rupees
JPY	3.36 –	Buy –	Rupees –

Note : Figures in brackets relate to the previous year.

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

As at March 31, 2012		As at March 31, 2011	
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
₹ Lakhs	In million	₹ Lakhs	In million
2,285.13	US$ 0.01 & € 3.33	1,865.34	US$ 0.30 & € 2.74
(1,586.51)	(US$ 3.12)	(1,332.73)	(US$ 2.98 & JPY 0.32)

25.5 Value of imports calculated on CIF basis

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Raw materials	11,372.28	10,972.10
FG	3,479.86	1,978.38
Components	23.94	14.16
Capital goods	905.27	525.05

25.6 Expenditure in Foreign Currency

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest	53.15	12.66
Travel & Others	376.34	476.93

Notes forming part of the financial statements

Note 25 : Additional Information to the financial statements (contd.)

Note	Particulars

25.7 Details of consumption of imported and indigenous items for the year ended March 31, 2012

Particulars	₹ Lakhs	%
Imported		
Raw materials	11,004.79 (9,959.63)	100.00 (99.96)
Spare parts	– (4.42)	– (0.04)
Total	**11,004.79** **(9,964.05)**	**100.00** **(100.00)**
Indigenous		
Raw materials	35,478.14 (31,786.64)	99.06 (99.19)
Spare parts	336.22 (259.84)	0.94 (0.81)
Total	**35,814.36** **(32,046.48)**	**100.00** **(100.00)**

Note : Figures / percentages in brackets relate to the previous year.

25.8 Earnings in Foreign Exchange

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Export of goods calculated on FOB basis	1,482.84	1,728.18

25.9 Exceptional Items

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Relating to Subsidiary Novener SAS (see below)	7500.00	–
Workmen Separation Cost	184.22	29.22
Total	**7684.22**	**29.22**

The Company acquired a controlling stake in Novener SAS (Novener) in July 2009,a rechargeable battery conglomerate whose products are marketed under the brand name of "Uniross". As at March 31, 2012, the Company has an investment of ₹ 4,646.04 Lakhs and has advanced amounts aggregating to ₹ 2,279.51 Lakhs. Even though Novener's operations and organization was substantially restructured in 2010-11, its performance had been less than satisfactory primarily on account of the poor recessionary condition in Europe and other geographies where it has a strong market presence. Novener has registered loss for the current year as well, resulting in a complete erosion of its networth.The current global economic environment in the context of Novener's operations and the likelihood of it continuing to prevail for some more time may possibly make it even more difficult for Novener to achieve a complete turn around in the foreseeable future. Given this back drop and the threat that the Company may not be able to recover its investments, management has, as a measure of prudent accounting and governance,created a provision of ₹ 7,500 Lakhs towards (a) diminution in the carrying cost of its investment; (b) amount advanced till the year end and (c) certain anticipated obligatory payment commitments and the charge for the same is included under "exceptional items".

25.10 Central Government approval for Managerial Remuneration :

The Statement of Profit & Loss includes Managerial Remuneration amounting to ₹ 358.56 Lakhs in respect of three executive directors of the Company. In the absence of profits for the financial year, the Company has made necessary application to the Central Government for treating the above as minimum remuneration and approval is awaited.

Notes forming part of the financial statements

Note 25 : Additional Information to the financial statements (contd.)

Note	Particulars

25.11 Amortisation of brand "Eveready"

Expert opinion was received whereby the working life of brand "Eveready' was estimated at more than 100 years. However, as a measure of prudence, the amortisation period of the brand has been kept at 40 years only.

25.12 Details of government grants

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
VAT incentive	270.16	–
Total	**270.16**	**–**

25.13 Employee Benefit Plans

25.13.a Defined Contribution Plans

The Company makes Provident Fund and Pension Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 212.37 Lakhs (Year ended March 31, 2011 ₹ 265.85 Lakhs) for Provident Fund contributions and ₹ 116.72 Lakhs (Year ended March 31, 2011 ₹ 204.82 Lakhs) for Pension Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Companies Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellanous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust over statutory rate, accordingly contribution by the Company includes a sum of ₹ 37.29 Lakhs (March 31, 2011 ₹ 68.00 Lakhs).

25.13.b Defined Benefit Plans

The Company offers the following employee benefit schemes to its employees :

i. Gratuity
ii. Post-employment medical benefits
iii. Pension
iv. Leave Encashment

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements :

₹ Lakhs

Particulars	Year ended March 31, 2012				Year ended March 31, 2011			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Components of employer's expense								
Current service cost	102.80	–	–	25.74	81.42	–	–	15.23
Interest cost	96.95	27.47	43.43	16.67	84.78	27.73	52.52	16.26
Expected return on plan assets	(128.09)	–	(46.12)	–	(115.02)	–	(58.08)	–
Past service cost	–	–	–	–	15.82	–	–	–
Actuarial losses / (gains)	34.16	17.24	(131.99)	37.34	193.04	(2.79)	41.34	30.84
Total expense recognised in the Statement of Profit and Loss	**105.82**	**44.71**	**(134.68)**	**79.75**	**260.04**	**24.94**	**35.78**	**62.33**
Actual contribution and benefit payments for the year								
Actual benefit payments	306.58	37.87	296.04	85.03	187.71	37.86	61.01	40.69
Actual contributions	308.00	37.87	–	85.03	211.53	37.86	–	40.69

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

₹ Lakhs

Particulars	Year ended March 31, 2012				Year ended March 31, 2011			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Net asset / (liability) recognised in the Balance Sheet								
Present value of defined benefit obligation	1,223.29	348.95	374.39	232.96	1,293.83	342.11	658.97	239.17
Fair value of plan assets	1,637.81	–	540.70	–	1,506.17	–	690.60	–
Funded status [Surplus / (Deficit)]	414.52	(348.95)	166.31	(232.96)	212.34	(342.11)	31.63	(239.17)
Net asset / (liability) recognised in the Balance Sheet	**414.52**	**(348.95)**	**166.31**	**(232.96)**	**212.34**	**(342.11)**	**31.63**	**(239.17)**
Change in defined benefit obligations (DBO) during the year								
Present value of DBO at beginning of the year	1,293.83	342.11	658.97	239.17	1,121.44	355.03	667.12	217.53
Current service cost	102.80	–	–	25.74	81.42	–	–	15.23
Interest cost	96.95	27.47	43.43	16.67	84.78	27.73	52.52	16.26
Actuarial (gains) / losses	36.29	17.24	(31.97)	37.34	178.08	(2.79)	0.34	30.84
Past service cost	–	–	–	–	15.82	–	–	–
Benefits paid	(306.58)	(37.87)	(296.04)	(85.96)	(187.71)	(37.86)	(61.01)	(40.69)
Present value of DBO at the end of the year	**1,223.29**	**348.95**	**374.39**	**232.96**	**1,293.83**	**342.11**	**658.97**	**239.17**
Change in fair value of assets during the year								
Plan assets at beginning of the year	1,506.17	–	690.60	–	1,382.29	–	734.53	–
Expected return on plan assets	128.09	–	46.12	–	115.02	–	58.08	–
Actual company contributions	308.00	37.87	–	85.96	211.53	37.86	–	40.69
Actuarial gain / (loss)	2.13	–	100.02	–	(14.96)	–	(41.00)	–
Benefits paid	(306.58)	(37.87)	(296.04)	(85.96)	(187.71)	(37.86)	(61.01)	(40.69)
Plan assets at the end of the year	**1,637.81**	**–**	**540.70**	**–**	**1,506.17**	**–**	**690.60**	**–**
Actual return on plan assets	130.22	–	146.14	–	100.06	–	17.08	–
Composition of the plan assets is as follows :								
Government bonds	98.62	NA	155.49	NA	143.52	NA	193.67	NA
Special Deposit with SBI	–	NA	65.35	NA	–	NA	65.35	NA
Corporate Bonds	–	NA	90.80	NA	10.94	NA	97.03	NA
Insurance Companies	1,401.01	NA	1,435.27	NA	1,215.13	NA	1,598.48	NA
Cash and Cash Equivalents	21.59	NA	11.62	NA	11.10	NA	8.67	NA
Actuarial assumptions								
Discount rate	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Expected return on plan assets	8.50%	NA	8.50%	NA	8.25%	NA	8.25%	NA
Salary escalation	5.00%	NA	NIL	5.00%	5.00%	NA	NA	5.00%
Attrition	NA	NA	NA	NA	NA	NA	NA	NA
Medical cost inflation	NA	NA	NA	NA	NA	NA	NA	NA
Mortality tables	LIC (1994-96) Ultimate	LIC (1996-98) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1996-98) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

₹ Lakhs

	2011-2012	2010- 2011	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	1,223.29	1,293.83	1,121.44	1,203.92	1,222.41
Fair value of plan assets	1,637.81	1,506.17	1,382.29	1,204.32	1,386.60
Funded status [Surplus / (Deficit)]	414.52	212.34	260.85	0.40	164.19
Experience gain / (loss) adjustments on plan liabilities	(36.29)	(178.08)	(48.41)	(144.98)	(8.37)
Experience gain / (loss) adjustments on plan assets	2.13	(14.96)	120.12	(100.05)	(22.63)
Post Employment Medical Benefits					
Present value of DBO	348.95	342.11	355.03	345.99	376.01
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status [Surplus / (Deficit)]	(348.95)	(342.11)	(355.03)	(345.99)	(376.01)
Experience gain / (loss) adjustments on plan liabilities	(17.24)	2.79	(20.67)	21.30	32.08
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA
Pension					
Present value of DBO	374.39	658.97	667.12	646.50	722.03
Fair value of plan assets	540.70	690.60	734.53	864.99	1,066.06
Funded status [Surplus / (Deficit)]	166.31	31.63	67.41	218.49	344.03
Experience gain / (loss) adjustments on plan liabilities	31.97	(0.34)	(138.74)	(27.48)	63.19
Experience gain / (loss) adjustments on plan assets	100.02	(41.00)	110.96	18.19	37.52
Leave					
Present value of DBO	232.96	239.17	238.32	232.00	199.91
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status [Surplus / (Deficit)]	(232.96)	(239.17)	(238.32)	(232.00)	(199.91)
Experience gain / (loss) adjustments on plan liabilities	(37.34)	(30.84)	(90.18)	(52.70)	43.04
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA

25.14 Segment information

The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea and general lighting products which come under **a single business segment known as Consumer Goods**.

Geographical Segment

- Sales within India ₹ 99,786.62 Lakhs (2010-11 : ₹ 97,088.83 Lakhs)
- Sales outside India ₹ 3,134.45 Lakhs (2010-11 : ₹ 3,137.17 Lakhs)

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.15 Related party transactions

25.15.a Details of related parties :

Description of relationship	Names of related parties
Subsidiaries	Novener SAS Uniross SA Uniross Batteries SAS Industrial - Uniross Batteries (PTY) LTD. Uniross Batteries GmbH Uniross Batteries Limited Zhongshan Uniross Industry Co. Limited Everfast Rechargeables Limited Idea Power Limited Celltex Limited Everspark Hong Kong Private Limited * Litez India Limited * not operational
Key Management Personnel (KMP)	Mr. D. Khaitan * Mr. S. Saha Mr. A. Khaitan * upto August 10, 2011
Relatives of KMP with whom the company had transactions during the year	Mrs. Neena Saha - Wife of Mr. S. Saha

Note : Related parties have been identified by the Management.

25.15.b Details of related party transactions during the year ended March 31, 2012 and balances outstanding as at March 31, 2012 :

₹ Lakhs

Transactions	Subsidiaries	KMP	Relatives of KMP	Total
Purchase of goods				
– Idea Power Ltd.	340.93	–	–	340.93
	(654.74)	–	–	(654.74)
– Litez India Ltd.	8.65	–	–	8.65
	–	–	–	–
Sale of goods				
– Idea Power Ltd.	–	–	–	–
	(7.79)	–	–	(7.79)
– Uniross Batteries SAS	–	–	–	–
	(17.73)	–	–	(17.73)
Remuneration :				
– Mr D. Khaitan	–	114.72	–	114.72
	–	(320.35)	–	(320.35)
– Mr S. Saha	–	184.90	–	184.90
	–	(185.11)	–	(185.11)
– Mr A. Khaitan	–	58.93	4.60	63.53
	–	–	(14.48)	(14.48)

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

₹ Lakhs

Transactions	Subsidiaries	KMP	Relatives of KMP	Total
Rent Paid	–	4.56	–	4.56
	–	(4.56)	0.00	(4.56)
Car Rental Charges - in accordance with Company's scheme	–	–	5.67	5.67
	–	–	(5.67)	(5.67)
Finance (including loans & equity contributions in cash or in kind)	959.67	–	–	959.67
	(1,029.12)	–	–	(1,029.12)
Guarantees and collaterals	284.42	–	–	284.42
	(582.97)	–	–	(582.97)
Balances outstanding at the end of the year				
Trade receivables - Uniross Batteries SAS	–	–	–	–
	(17.73)	–	–	(17.73)
Loans and advances	2,292.86	17.28	–	2,310.14
	(1,731.73)	(19.70)	–	(1,751.43)
Trade payables				
- Idea Power Ltd.	–	–	–	–
	(182.27)	–	–	(182.27)
- Litez India Ltd.	9.81	–	–	9.81
	–	–	–	–
Guarantees and collaterals	949.63	–	–	949.63
	(582.97)	–	–	(582.97)
Provision for doubtful receivables, loans and advances	2,853.96	–	–	2,853.96
	–	–	–	–

Note: Figures in bracket relates to the previous year

25.16 Earnings per share

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
25.16. a Basic		
Net (loss) / profit for the year ₹ in Lakhs	(7,985.06)	3,937.21
Weighted average number of equity shares	7,26,87,260	7,26,87,260
Par value per share ₹	5.00	5.00
Earnings per share - Basic ₹	(10.99)	5.42
25.16. b Basic (excluding exceptional items relating to impairment charge of subsidiary)		
Net (loss) / profit for the year ₹ in Lakhs	(7,985.06)	3,937.21
(Add) / Less : Exceptional items relating to impairment charge of subsidiary ₹ in Lakhs	7,500.00	–
Net (loss) / profit for the year attributable to the equity shareholders, excluding exceptional items relating to impairment charge of subsidiary ₹ in Lakhs	(485.06)	3,937.21
Weighted average number of equity shares	7,26,87,260	7,26,87,260
Par value per share ₹	5.00	5.00
Earnings per share, excluding exceptional items relating to impairment charge of subsidiary - Basic ₹	(0.67)	5.42

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

₹ Lakhs

Note	Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
25.16. c	**Diluted**		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares.		
	Net (loss) / profit for the year ₹ in Lakhs	(7,985.06)	3,937.21
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Diluted ₹	(10.99)	5.42
25.16.d	**Diluted (excluding exceptional items relating to impairment charge of subsidiary)**		
	Net (loss) / profit for the year ₹ in Lakhs	(7,985.06)	3,937.21
	(Add) / Less : Exceptional items relating to impairment charge of subsidiary ₹ in Lakhs	7,500.00	–
	Net (loss) / profit for the year attributable to the equity shareholders, excluding exceptional items ₹ in Lakhs	(485.06)	3,937.21
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional items relating to impairment charge of subsidiary - Diluted ₹	(0.67)	5.42

25.17 Deferred tax (liability) / asset

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,470.25)	(1,396.02)
Tax effect of items constituting deferred tax liability	(1,470.25)	(1,396.02)
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances	65.44	79.62
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	304.13	243.91
Others	171.90	224.66
Tax effect of items constituting deferred tax assets	541.47	548.19
Net deferred tax (liability)	**(928.78)**	**(847.83)**

25.18 Details of research and development expenditure recognised as an expense

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Materials	–	3.38
Employee benefits expense	147.08	122.14
Consumables	44.81	44.43
Travelling expenses	33.66	20.54
Rent	1.82	1.89
Others	30.21	25.14
Total	**257.58**	**217.52**

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.19 Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below :

₹ Lakhs

Particulars	As at April 1, 2011	Additions	Utilisation	Reversal (with-drawn as no longer required)	As at March 31, 2012
Provision for other contingencies					
Sales Tax	100.39	13.49	–	11.85	102.02
	(76.38)	(24.01)	–	–	(100.39)
Excise	324.66	52.15	–	307.66	69.15
	(495.92)	(17.60)	–	(188.86)	(324.66)
Others	380.54	59.36	–	2.70	437.20
	(354.30)	(28.28)	–	(2.04)	(380.54)
Total	**805.59**	**125.00**	**–**	**322.21**	**608.37**
	(926.60)	(69.89)	–	(190.90)	(805.59)

Notes : (i) Figures in brackets relate to the previous year.

(ii) The expected time of resulting outflow is one to two years.

25.20 Previous year's figures

The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, June 4, 2012

Statement regarding Subsidiary Companies

₹ Lakhs

	Name of the Subsidiary Company	Country	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit/(Loss) before Taxation	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend
1	Novener SAS ^	France	Euro	3.80	(14,444.38)	4,203.92	4,203.92	–	2,355.27	277.74	–	277.74	–
2	Uniross SA ^	France	Euro	4,193.28	(19,085.19)	840.65	840.65	–	762.45	(852.97)	–	(852.97)	–
3	Uniross Batteries SAS ^	France	Euro	4,832.37	(10,321.88)	14,459.86	14,459.86	135.69	7,814.26	(245.28)	–	(245.28)	–
4	Uniross Batteries GmbH ^	Germany	Euro	17.08	(2,004.54)	281.14	281.14	–	–	–	–	–	–
5	Industrial - Uniross Batteries (PTY) LTD. ^^	South Africa	ZAR	0.01	(249.13)	946.95	946.95	–	1,311.02	(77.45)	(75.41)	(2.04)	–
6	Uniross Batteries Limited **	UK	GBP	245.30	(183.46)	144.80	144.80	–	114.81	(312.69)	25.92	(338.62)	–
7	Zhongshan Uniross Industry Co. Limited #	China	CNY	282.35	(220.74)	1,645.67	1,645.67	–	2,117.42	(314.96)	–	(314.96)	–
8	Everfast Rechargeables Limited ##	Hong Kong	HKD	6.59	501.94	709.18	709.18	–	1,183.61	(109.72)	2.77	(112.49)	–
9	Idea Power Limited ##	Hong Kong	HKD	0.07	(224.48)	287.13	287.13	–	1,366.57	(124.69)	–	(124.69)	–
10	Celltex Limited ##	Hong Kong	HKD	–	13.11	66.72	66.72	–	942.79	(21.04)	–	(21.04)	–
11	Everspark Hong Kong Private Limited* ##	Hong Kong	HKD	0.01	(2.36)	–	–	–	–	(0.23)	–	(0.23)	–
12	Litez India Ltd.	India	INR	5.00	(1.22)	15.00	15.00	–	8.81	(1.22)	–	(1.22)	–

* not operational

^ Converted into Indian Rupees at the Exchange rate, 1 EURO = ₹ 68.3068

^^ Converted into Indian Rupees at the Exchange rate, 1 ZAR = ₹ 6.6312

** Converted into Indian Rupees at the Exchange rate, 1 GBP = ₹ 81.7390

\# Converted into Indian Rupees at the Exchange rate, 1 CNY = ₹ 8.1220

\## Converted into Indian Rupees at the Exchange rate, 1 HKD = ₹ 6.5903

As at 31.03.2012

CONSOLIDATED FINANCIAL STATEMENTS WITH AUDITORS' REPORT

Auditors' Report

To the Board of Directors of
Eveready Industries India Limited

1. We have audited the attached Consolidated Balance Sheet of **Eveready Industries India Limited** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements in the case of overseas subsidiaries having total assets (net) of (₹ 4,178.48) Lakhs as at March 31, 2012 and total revenue of ₹ 13,098.56 Lakhs and net cash flows amounting to (₹ 443.93) Lakhs for the year ended on that date, the figures used for consolidation are based on management's estimates and are not audited by their auditors.
4. (i) The financial statements of an overseas subsidiary whose financial statements reflect total assets (net) of (₹ 2.35) Lakhs as at March 31, 2012, total revenue of ₹ Nil and net cash flows amounting to ₹ Nil for the year ended on that date have been audited by auditors in the local GAAP of the country where the subsidiary is situated.

   (ii) The financial statements of a subsidiary in India which reflect total assets (net) of ₹ 3.78 Lakhs at March 31, 2012, total revenue of ₹ 8.81 Lakhs and net cash flows amounting to ₹ 5.19 Lakhs for the year ended on that date have been audited by other auditors.

   The reports of those auditors have been furnished to us and our opinion in so far it relates to the amounts included in respect of these subsidiaries is based solely on the reports of those auditors.
5. Attention is invited to Note 25.4 forming part of the financial statements regarding payment of Managerial remuneration aggregating to ₹ 358.56 Lakhs to three executive directors and in respect of which Central Government approval has been sought.
6. Subject to the matter referred in paragraph 3 above :

   (a) We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), as notified under the Companies (Accounting Standards) Rules, 2006.

   (b) Based on our audit and on consideration of the separate audit report on individual financial statements of the Company, its aforesaid subsidiaries and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :

   (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;

   (ii) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date and

   (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E
K. Rajasekhar
Partner
Membership No.: 23341

Secunderabad, June 4, 2012.

Consolidated Balance Sheet

As at March 31, 2012

₹ Lakhs

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,634.36	3,634.36
(b) Reserves and surplus	4	47,114.24	57,400.23
		50,748.60	**61,034.59**
2. Minority Interest		**(240.03)**	**(164.87)**
3. Non-current liabilities			
(a) Long-term borrowings	5	15,084.49	15,391.83
(b) Deferred tax liabilities (net)	25.12	838.22	780.40
(c) Other long-term liabilities	6	1,962.90	1,953.61
(d) Long-term provisions	7	701.96	581.21
		18,587.57	**18,707.05**
4. Current liabilities			
(a) Short-term borrowings	8	14,858.18	11,088.58
(b) Trade payables	9	21,674.14	20,897.19
(c) Other current liabilities	10	9,768.90	12,208.92
(d) Short-term provisions	7	1,603.77	2,364.95
		47,904.99	**46,559.64**
TOTAL		**1,17,001.13**	**1,26,136.41**
B ASSETS			
1. Non-current assets			
(a) Goodwill on consolidation (net of impairment)		–	6,444.92
(b) Fixed assets			
(i) Tangible assets	11.A	26,235.72	25,648.02
(ii) Intangible assets	11.B	53,310.67	54,981.69
(iii) Capital work-in-progress		1,107.39	1,367.90
		80,653.78	**81,997.61**
(c) Non-current investments	12	–	–
(d) Long-term loans and advances	13	2,360.41	3,689.19
(e) Other non-current assets	14	712.16	378.01
		83,726.35	**92,509.73**
2 Current assets			
(a) Inventories	15	23,205.32	21,105.53
(b) Trade receivables	16	6,191.10	6,817.53
(c) Cash and Bank balances	17	719.37	1,495.82
(d) Short-term loans and advances	13	1,723.89	1,842.73
(e) Other current assets	14	1,435.10	2,365.07
		33,274.78	**33,626.68**
TOTAL		**1,17,001.13**	**1,26,136.41**
See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner

Place : Secunderabad
Date : June 4, 2012

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : June 4, 2012

Consolidated Statement of Profit and Loss

For the year ended March 31, 2012

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
1. Revenue from operations (gross)	18	1,15,306.38	1,12,571.03
Less: Excise duty	18	5,300.88	5,183.68
Revenue from operations (net)		**1,10,005.50**	**1,07,387.35**
2. Other income	19	1,499.07	1,039.71
3. **Total revenue (1+2)**		**1,11,504.57**	**1,08,427.06**
4. Expenses			
(a) Cost of materials consumed	20.a	48,078.78	42,776.66
(b) Purchases of stock-in-trade	20.b	25,014.64	23,629.40
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	(1,545.97)	2,964.94
(d) Employee benefit expense	21	11,228.90	11,631.65
(e) Finance costs	22	3,829.91	3,529.45
(f) Depreciation and amortisation expense	11.C	2,922.39	3,325.92
(g) Other expenses	23	22,988.18	19,394.69
Total expenses		**1,12,516.83**	**1,07,252.71**
5. **(Loss) / Profit before exceptional items and tax (3 - 4)**		**(1,012.26)**	**1,174.35**
6. Exceptional items	24	7,727.47	1,834.43
7. **(Loss) before tax (5 - 6)**		**(8,739.73)**	**(660.08)**
8. **Tax expense :**			
(a) Current tax expense for current year		2.59	996.29
(b) (Less): Excess FBT Provision relating to earlier year written back		–	(13.21)
(c) Net current tax expense		2.59	983.08
(d) Deferred tax		63.95	(247.05)
		66.54	**736.03**
9. **(Loss) for the year (7 - 8)**		**(8,806.27)**	**(1,396.11)**
10. Minority Interest		0.70	0.69
11. **Net (Loss) after taxes and minority interest (9 + 10)**		**(8,805.57)**	**(1,395.42)**
12. **Earnings Per Share - of ₹ 5 each after tax**			
– Before Exceptional Item relating to impairment charge of subsidiary			
(a) Basic	25.11.b	(1.80)	(1.92)
(b) Diluted	25.11.d	(1.80)	(1.92)
– After Exceptional Item relating to impairment charge of subsidiary			
(a) Basic	25.11.a	(12.11)	(1.92)
(b) Diluted	25.11.c	(12.11)	(1.92)

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner

Place : Secunderabad
Date : June 4, 2012

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : June 4, 2012

Consolidated Cash Flow Statement For the year ended March 31, 2012

₹ Lakhs

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
A. Cash flow from operating activities				
Net (Loss) before tax		(8,739.73)		(660.08)
Adjustments for :				
Depreciation and amortisation	2,922.39		3,325.92	
(Profit) on sale / write off of assets	(209.85)		(121.91)	
Interest and other Finance costs	3,736.47		3,473.75	
Interest income	(211.33)		(636.87)	
Provision for losses of subsidiary companies	325.31		–	
Impairment of Goodwill arising on consolidation	7,174.69		–	
Provision for Wealth Tax	11.00		11.00	
Net unrealised exchange (gain)	(363.33)		(3.86)	
Workmen Seperation Cost	184.22	13,569.57	1,834.43	7,882.46
Operating profit before working capital changes		**4,829.84**		**7,222.38**
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(1,994.91)		2,705.18	
Trade receivables	1,305.94		(673.73)	
Short-term loans and advances	1,150.36		2,509.57	
Long-term loans and advances	110.82		359.66	
Other current assets	15.72		(265.94)	
Other non-current assets	(333.62)		(366.30)	
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	227.91		(1,848.61)	
Other current liabilities	(1,130.89)		764.27	
Other long-term liabilities	(144.35)		(431.50)	
Short-term provisions	(711.34)		104.37	
Long-term provisions	113.80	(1,390.56)	(0.42)	2,856.55
Workmen Seperation Cost		(184.02)		(760.86)
Cash generated from operations		**3,255.26**		**9,318.07**
Income tax (Net)		487.03		(2,844.56)
Net cash flow from operating activities (A)		**3,742.29**		**6,473.51**
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		(2,928.65)		(1,835.00)
Proceeds from sale of fixed assets		354.21		131.69
Bank balances not considered as Cash and cash equivalents		(21.26)		–
Interest received		603.54		247.38
Net cash used in investing activities (B)		**(1,992.16)**		**(1,455.93)**

Consolidated Cash Flow Statement For the year ended March 31, 2012

₹ Lakhs

Particulars	For the year ended March 31, 2012		For the year ended March 31, 2011	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	0.02		–	
Proceeds from long-term borrowings	4,885.07		612.81	
Repayment of long-term borrowings	(7,163.10)		(4,961.77)	
Net increase in working capital borrowings	4,234.99		2,672.02	
Proceeds from other short-term borrowings	14,820.86		11,637.12	
Repayment of other short-term borrowings	(15,400.00)		(11,824.12)	
Interest and other Finance cost	(3,672.37)		(3,360.93)	
Dividends paid	(356.85)		(357.58)	
Tax on dividend	(58.96)	(2,710.34)	(60.36)	(5,642.81)
Net cash used in financing activities (C)		**(2,710.34)**		**(5,642.81)**
Net (decrease) in Cash and cash equivalents (A+B+C)		**(960.21)**		**(625.23)**
Cash and cash equivalents at the beginning of the year		1,467.14		2,227.25
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		155.60		(134.88)
Cash and cash equivalents at the end of the year *		**662.53**		**1,467.14**
* Comprises:				
(a) Cash in hand		308.06		11.27
(b) Cheques, drafts in hand		126.73		187.83
(c) Balances with banks				
- In current accounts (Refer note below)		227.74		1,268.04
		662.53		**1,467.14**
See accompanying notes forming part of the consolidated financial statements				

Note :

Cash and cash equivalents at the end of the year includes restricted balance ₹ 14.30 Lakhs (31.03.2011 : ₹ 14.30 Lakhs).

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

K. Rajasekhar
Partner

Place : Secunderabad
Date : June 4, 2012

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : June 4, 2012

Notes forming part of the consolidated financial statements

Note	Particulars

1. Corporate information

Eveready Industries (Eveready) is in the business of manufacture and marketing of batteries, flashlights and packet tea under the brand name of "Eveready". The Company also distributes a wide range of lighting products. Eveready has its manufacturing facilities at Chennai, Lucknow, Noida, Haridwar, Maddur and Kolkata and is supported by a sales and distribution network across the country.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting standards notified by the Companies (Accounting Standards) Rules, 2006 (Indian GAAP), as adopted consistently by the Company.

2.2 Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and any revision to such accounting estimates is recognised prospectively in the period in which the results are ascertained.

2.3 Inventories

Inventories are valued as under :

i) Raw Materials and Stores and Spare Parts at lower of weighted average cost and net realizable value.

ii) Work-in-Progress and Finished Goods are valued at lower of cost and net realizable value where cost is worked out on weighted average basis. Cost includes all charges incurred in bringing the goods to the point of sale, including excise duty.

2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

i) In respect of assets which have not been revalued, depreciation is provided on straight line method as follows :

- Plant and machinery, excluding air conditioners, at rates prescribed in Schedule XIV to the Companies Act, 1956.
- Buildings, furniture and fixtures including air conditioners & office appliances (excluding computers), motor vehicles and computers at 4%, 10%, 33.33% and 16.66% p.a. respectively.

ii) The revalued assets are depreciated on straight line basis over the balance useful lives estimated by the valuer.

iii) Freehold land is not depreciated except for improvements to land included therein.

iv) Patents, trademarks and brands are amortized over their legal term or working life, whichever is shorter.

v) Brand "Eveready" is amortized over a working life of 40 years and Brand "Premium Gold" is amortized over a working life of 10 years.

2.7 Revenue recognition

Sale of goods

Sales comprise sale of goods less discounts as applicable and include excise duty but exclude central sales tax / VAT.

2.8 Tangible fixed assets

Tangible Fixed Assets are stated at cost / revalued amount less accumulated depreciation. Cost comprises purchase price plus attributable cost (including borrowing and financing cost during the period of construction).

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Notes forming part of the consolidated financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

2.9 Intangible assets

Except for brand "Eveready" which is reflected on the basis of a Scheme of Arrangement, other intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.10 Foreign currency transactions and translations

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT are initially recorded at the spot rates on the date of the transactions / contract.

Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the Profit and Loss Account.

In respect of transactions covered by foreign exchange contracts, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss Account over the period of the contract.

2.11 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.12 Investments

Long term investments are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are carried at lower of cost and fair value.

2.13 Employee benefits

The estimated liability for all employee benefits, both for present and past services which are due as per the terms of employment, are determined in accordance with Accounting Standard (AS) 15 issued by the Companies (Accounting Standards) Rules, 2006. A brief description of the various employee benefits are as follows:

Pension - A defined benefit plan, the liability for which is determined on the basis of an actuarial valuation on the frozen corpus as at March 31, 2003 and thereafter on the basis of the Company's defined contribution scheme.

Gratuity - The Company has an obligation towards gratuity, a defined benefit plan covering eligible employees. The plan provides for lump sum payment to vested employees on retirement, death while in employment or on separation. Vesting occurs upon completion of five years of service. The liability, which is determined by means of an independent actuarial valuation, is funded with trusts sponsored by the Company.

Provident Fund - This is a defined contribution plan framed in accordance with Indian laws, in accordance with which eligible employees participate. Under the plan, both the employee and employer contribute monthly at a determined rate (currently upto 12 % of employee's salary). Contributions under the plan are made to the trust sponsored by the Company and the Pension Scheme framed by the Central Government.

Other employee benefits include Post Retirement Medical Benefits and compensated absences on separation, which are long term in nature. Both these benefits are unfunded and the liability for the same is determined by an independent actuarial valuation in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits".

2.14 Borrowing costs

Interest and other costs in connection with the borrowing of funds by the Company are recognised as an expense in the period in which they are incurred unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

Notes forming part of the consolidated financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

2.16 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.17 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.18 Principles of Consolidation

The Consolidated Financial Statements relate to Eveready Industries India Limited ("the Company") and its subsidiary companies. The Consolidated Financial Statements have been prepared on the following basis :

– The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standard) Rules, 2006.

– The foreign subsidiary companies, being non-integral operations, revenue items is consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

– The difference between the cost of the investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

– Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

Minority Interest in the net assets consists of :

a) The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and

b) The minorities' share of movement in equity since the date the parent subsidiary relationship came into existence.

- Minority interest in the net profit in the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting dates as that of the Company i.e. March 31, 2012.

The list of subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of the Company	Ownership in % either directly or through Subsidiaries	Country of Incorporation
Novener SAS	82%	France
Uniross SA	97.30% (through Novener SAS)	France
Uniross Batteries SAS	100% (through Uniross SA)	France
Industrial - Uniross Batteries (PTY) LTD.	100% (through Uniross Batteries SAS)	South Africa
Uniross Batteries GmbH	100% (through Uniross Batteries SAS)	Germany
Uniross Batteries Limited	100% (through Uniross Batteries SAS)	UK
Zhongshan Uniross Industry Co. Limited	100% (through Uniross Batteries SAS)	China
Everfast Rechargeables Limited	100% (through Uniross Batteries SAS)	Hong Kong
Idea Power Limited	70% (through Novener SAS & 30% through Everfast Rechargeables Ltd.)	Hong Kong
Celltex Limited	100% (through Uniross Batteries SAS)	Hong Kong
Everspark Hong Kong Private Limited *	100%	Hong Kong
Litez India Limited (incorporated during the year)	99.60%	India

* Not operational

Notes forming part of the consolidated financial statements

Note	Particulars

3. Share Capital

Particulars	As at March 31, 2012		As at March 31, 2011	
	Number of Shares	₹ Lakhs	Number of Shares	₹ Lakhs
(a) **Authorised**				
Equity shares of ₹ 5 each with voting rights	21,15,60,000	10,578.00	21,15,60,000	10,578.00
(b) **Issued**				
Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
(c) **Subscribed and fully paid up**				
Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
Total	**7,26,87,260**	**3,634.36**	**7,26,87,260**	**3,634.36**

Refer Notes (i), (ii) and (iii) below

Notes :

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :

Particulars	Opening Balance	Closing Balance
Equity shares with voting rights		
Year ended March 31, 2012		
– Number of shares	7,26,87,260	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	3,634.36
Year ended March 31, 2011		
– Number of shares	7,26,87,260	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	3,634.36

(ii) **Terms / rights attached to Equity Shares :**

The company has one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution shall be according to the members right and interest in the Company.

(iii) Details of shares held by each shareholder holding more than 5% shares :

Class of shares / Name of shareholder	As at March 31, 2012		As at March 31, 2011	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Williamson Magor & Co Ltd.	1,67,56,841	23%	1,67,56,841	23%
Williamson Financial Services Ltd.	51,60,988	7%	51,60,988	7%
HSBC Global Investment Funds Mauritius Ltd.	44,61,166	6%	55,98,379	8%
Metals Centre Limited	41,48,246	6%	41,48,246	6%
American Funds Insurance Series Global Small Capitalization Fund	-	-	43,70,000	6%

Notes forming part of the consolidated financial statements

Note	Particulars

4. Reserves and Surplus

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Capital Reserve	12,356.60	12,356.60
(b) Securities Premium Account		
– Opening Balance	16,412.11	16,412.11
Add : Premium on shares issued during the year	565.20	–
– Closing Balance	16,977.31	16,412.11
(c) Revaluation Reserve		
– Opening Balance	2,569.32	4,339.84
Less : Depreciation on revalued portion of Fixed Assets	1,770.53	1,770.52
Adjustment relating to Fixed Assets sold during the year	53.91	–
– Closing Balance	744.88	2,569.32
(d) Development Allowance Reserve	3.50	3.50
(e) General Reserve		
– Opening Balance	29,867.46	25,867.46
Add : Transferred from surplus in Statement of Profit and Loss	–	4,000.00
– Closing Balance	29,867.46	29,867.46
(f) Foreign Currency Translation Reserve		
– Opening balance	(598.83)	(414.16)
Add : Effect of foreign exchange rate variations during the year	(274.32)	(184.67)
– Closing Balance	(873.15)	(598.83)
(g) Amalgamation Reserve	300.42	300.42
(h) (Deficit) / Surplus in Statement of Profit and Loss		
– Opening Balance	(3,510.35)	2,307.47
Add : (Loss) for the year	(8,805.57)	(1,395.42)
Adjustment for Subsidiaries		
Novener SAS	53.14	–
Less : Dividends proposed to be distributed to equity shareholders [₹ Nil per share (Previous year ₹ 0.50 per share)]	–	363.44
Tax on dividend	–	58.96
Transferred to General Reserve	–	4,000.00
– Closing Balance	(12,262.78)	(3,510.35)
Total	**47,114.24**	**57,400.23**

Notes forming part of the consolidated financial statements

Note	Particulars

5. Long-Term Borrowings

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-Current	Current	Non-current	Current
(a) Term Loans				
From Banks (Secured)	8,987.50	6,258.28	9,162.86	7,772.75
Car Loans from Banks (Unsecured)	76.63	46.38	7.00	33.91
(b) Borrowings from Bank on deferred terms of payment				
Secured (frozen by safety plans)	4,223.23	–	4,470.46	–
(c) Others	1,797.13	–	1,751.51	–
Total	**15,084.49**	**6,304.66**	**15,391.83**	**7,806.66**

6. Other Long-term Liabilities

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Trade Payables - Other than Acceptances	1,532.90	1,557.15
(b) Trade / security deposits received	405.32	394.73
(c) Others	24.68	1.73
Total	**1,962.90**	**1,953.61**

7. Provisions

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-Current	Current	Non-current	Current
(a) Provision for employee benefits :				
(i) Post-employment medical benefits (Refer Note 25.8.b)	343.49	5.46	334.88	7.23
(ii) Compensated absences (Refer Note 25.8.b)	358.47	23.85	246.33	29.03
	701.96	**29.31**	**581.21**	**36.26**
(b) Provision - Others :				
(i) Tax [net of advance tax ₹ 69.18 Lakhs (As at March 31, 2011 ₹ 62.40 Lakhs)]	–	138.53	–	374.94
(ii) In respect of subsidiary - Novener SAS (Refer Note below)	–	354.82	–	–
(iii) Sales Tax, Excise, etc (Refer Note 25.14)	–	608.37	–	805.59
(iv) Provision for litigations	–	303.10	–	557.40
(v) Proposed equity dividend	–	–	–	363.44
(vi) Tax on proposed dividends	–	–	–	58.96
(vii) Others	–	169.64	–	168.36
	–	**1,574.46**	**–**	**2,328.69**
Total	**701.96**	**1,603.77**	**581.21**	**2,364.95**

Note :
Represents obligatory payment / commitments - Refer Note 25.3

Notes forming part of the consolidated financial statements

Note 5 : Long-term Borrowings (contd.)

Note	Particulars

8. Short-term Borrowings

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Loans repayable on demand		
From Banks		
Secured - Cash credit	13,358.18	8,338.58
Unsecured	1,500.00	2,750.00
Total	**14,858.18**	**11,088.58**

9. Trade Payables

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Trade payables :		
(i) Acceptances	4,669.39	4,763.63
(ii) Other than Acceptances		
– Dues to Micro, Small & Medium Enterprises	152.80	168.04
– Other than Micro, Small & Medium Enterprises	16,851.95	15,965.52
Total	**21,674.14**	**20,897.19**

10. Other Current Liabilities

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Current maturities of long-term debt (Refer Note 5)	6,304.66	7,806.66
(b) Interest accrued but not due on borrowings	551.10	535.98
(c) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956:		
(i) Unpaid dividends		
- Due	3.02	3.02
- Not Due	60.55	53.96
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.38
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, etc.)	1,282.24	1,297.46
(ii) Payables on Purchase of Fixed Assets	139.55	199.62
(iii) BPL Escrow Liability	14.30	14.30
(iv) Forward Contract Restatement	60.47	30.61
(v) Advances from customers	597.22	273.86
(vi) Retention Money	208.02	221.04
(vii) Others	544.65	1,769.03
Total	**9,768.90**	**12,208.92**

Notes forming part of the consolidated financial statements

Note	Particulars

11. Fixed Assets

₹ Lakhs

A. Tangible Assets :	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at April 1, 2011	Additions	Disposals	Other adjustments	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation/ amortisation expenses for the year	Eliminated on disposal of asssets	Other adjustments	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(a) Land												
– Freehold	7,349.10	–	35.53	–	7,313.57	275.18	19.77	30.48	–	264.47	7,049.10	7,073.92
– Leasehold	1,306.26	–	–	–	1,306.26	136.74	19.76	–	–	156.50	1,149.76	1,169.52
(b) Buildings	14,853.94	50.11	625.04	–	14,279.01	6,958.16	510.81	345.16	–	7,123.81	7,155.20	7,895.78
(c) Plant and Equipment (Refer note below)	37,241.11	3,102.63	2,567.57	–	37,776.17	29,019.00	1,489.31	2,444.42	–	28,063.89	9,712.28	8,222.11
(d) Furniture and Fixture	2,683.24	104.11	416.98	(62.26)	2,308.11	2,176.20	190.22	400.60	(151.53)	1,814.29	493.82	507.04
(e) Vehicles	330.78	147.97	83.41	–	395.34	262.41	76.00	83.41	–	255.00	140.34	68.37
(f) Office Equipment	2,553.26	25.59	85.10	–	2,493.75	1,841.98	199.68	83.13	–	1,958.53	535.22	711.28
Total	**66,317.69**	**3,430.41**	**3,813.63**	**(62.26)**	**65,872.21**	**40,669.67**	**2,505.55**	**3,387.20**	**(151.53)**	**39,636.49**	**26,235.72**	**25,648.02**
Previous year	65,463.24	1,033.70	179.25	–	66,317.69	38,187.30	2,665.27	182.90	–	40,669.67	25,648.02	

Note : Additions to Plant and Equipment includes borrowing cost capitalised ₹ 105.81 Lakhs.

₹ Lakhs

B. Intangible Assets :	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at April 1, 2011	Additions	Disposals	Other adjustments	Balance as at March 31, 2012	Balance as at April 1, 2011	Depreciation/ amortisation expenses for the year	Eliminated on disposal of asssets	Other adjustments	Balance as at March 31, 2012	Balance as at March 31, 2012	Balance as at March 31, 2011
(a) Brands	67,600.00	–	–	–	67,600.00	12,670.00	1,810.00	–	–	14,480.00	53,120.00	54,930.00
(b) Computer Software	1,547.47	187.53	105.16	53.22	1,683.06	1,495.78	30.17	102.53	68.97	1,492.39	190.67	51.69
(c) Patent / Trademark	15.00	–	–	–	15.00	15.00	–	–	–	15.00	–	–
Total	**69,162.47**	**187.53**	**105.16**	**53.22**	**69,298.06**	**14,180.78**	**1,840.17**	**102.53**	**68.97**	**15,987.39**	**53,310.67**	**54,981.69**
Previous year	69,073.22	31.12	–	58.13	69,162.47	12,276.01	1,848.38	–	56.39	14,180.78	54,981.69	

₹ Lakhs

C. Depreciation and Amortisation :	For the year ended March 31, 2012	For the year ended March 31, 2011
Depreciation and amortisation for the year on tangible assets as per Note 11 A	2,505.55	2,665.28
Depreciation and amortisation for the year on intangible assets as per Note 11 B	1,840.17	1,848.38
Amortisation of Goodwill for the year	347.20	582.78
Less : Depreciation on revalued portion of Fixed Assets transfered to Revaluation Reserve	1,770.53	1,770.52
Total	**2,922.39**	**3,325.92**

Notes forming part of the consolidated financial statements

Note	Particulars

12. Non-current Investments

₹ Lakhs

Particulars	As at March 31, 2012			As at March 31, 2011		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost) :						
Trade						
Investment in equity instruments – of other entities						
40 (As at 31 March, 2011: 40) shares of ₹ 5 each fully paid up in						
McLeod Russel India Ltd.* [₹ 200]	*	–	*	*	–	*
Total - Trade	*	–	*	*	–	*
Aggregate market value of listed and quoted investments			0.11			0.10

13. Loans & Advances

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
(a) Capital advances				
Unsecured, considered good	223.18	–	712.01	–
(b) Security deposits				
Secured	314.40	–	430.09	–
Unsecured, considered good	491.84	18.28	454.42	31.04
	806.24	18.28	884.51	31.04
(c) Loans and advances to related parties – due from Director				
Unsecured, considered good	14.07	3.21	16.49	3.21
(d) Loans and advances to employees				
Unsecured, considered good	206.60	73.07	245.35	102.91
(e) Prepaid expenses	52.63	128.57	67.55	100.24
(f) Advance income tax [net of provisions ₹ 3,742.03 Lakhs (As at March 31, 2011 ₹ 3,747.47 Lakhs)]	681.44	–	1,397.29	–
(g) Balances with government authorities				
Unsecured, considered good				
(i) CENVAT credit receivable	210.60	99.88	211.29	26.29
(ii) VAT credit receivable	144.41	63.26	140.28	59.45
(iii) Service Tax credit receivable	–	320.75	–	196.55
(iv) Other receivable	–	160.29	–	–
	355.01	644.18	351.57	282.29
(h) Other loans and advances				
Unsecured, considered good				
– Advance to suppliers	21.24	856.58	14.42	1,323.04
Total	**2,360.41**	**1,723.89**	**3,689.19**	**1,842.73**

Notes forming part of the consolidated financial statements

Note	Particulars

14. Other Assets

₹ Lakhs

Particulars	As at March 31, 2012		As at March 31, 2011	
	Non-current	Current	Non-current	Current
(i) Insurance claims	10.63	14.08	10.86	20.37
(ii) Receivables on sale of fixed assets	–	230.77	–	–
(iii) Interest receivable on Advance Tax	–	–	–	386.80
(iv) Other trade claims	33.98	209.48	35.83	203.46
(v) Others	667.55	980.77	331.32	1,754.44
Total	**712.16**	**1,435.10**	**378.01**	**2,365.07**

15. Inventories

(At lower of cost and net realisable value)

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Raw materials	6,739.21	6,001.20
Goods-in-transit	1,593.48	1,781.82
	8,332.69	7,783.02
(b) Work-in-progress (Refer Note below)	3,384.81	2,679.35
(c) Finished goods (other than those acquired for trading)	5,335.26	5,722.79
Goods-in-transit	531.17	157.05
	5,866.43	5,879.84
(d) Stock-in-trade (acquired for trading)	5,110.31	4,271.82
Goods-in-transit	59.01	43.58
	5,169.32	4,315.40
(e) Stores and spares	452.07	447.92
Total	**23,205.32**	**21,105.53**

Note : Details of inventory of work-in-progress

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Batteries	2,172.37	1,437.90
Flashlight	1,032.18	1,019.30
Other items	180.26	222.15
Total	**3,384.81**	**2,679.35**

Notes forming part of the consolidated financial statements

Note	Particulars

16. Trade Receivables

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Trade Receivables not due for payment	2,539.15	2,272.48
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	24.62	29.06
Doubtful	156.68	176.60
	181.30	205.66
Less : Provision for doubtful trade receivables	156.68	176.60
	24.62	29.06
Other Trade receivables		
Unsecured, considered good	3,627.33	4,515.99
Doubtful	45.01	68.80
	3,672.34	4,584.79
Less : Provision for doubtful trade receivables	45.01	68.80
	3,627.33	4,515.99
Total	**6,191.10**	**6,817.53**

17. Cash and Bank Balances

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Cash and cash equivalents		
(a) Cash in hand	308.06	11.27
(b) Cheques, drafts in hand	126.73	187.83
(c) Balances with banks		
– In current accounts	227.74	1,268.04
	662.53	**1,467.14**
Other Bank Balances		
(a) In earmarked accounts		
(i) Unpaid dividend accounts	30.51	23.92
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.38
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments	1.34	1.38
(b) Deposit Accounts with maturity of more than three months	21.87	–
	56.84	**28.68**
Total	**719.37**	**1,495.82**

Notes forming part of the consolidated financial statements

Note	Particulars

18. Revenue from Operations

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Sale of products (Refer Note (i) below)	1,14,619.18	1,12,468.86
(b) Sale of services	206.58	–
(c) Other operating revenues (Refer Note (ii) below)	480.62	102.17
	1,15,306.38	**1,12,571.03**
Less :		
(d) Excise duty	5,300.88	5,183.68
Total	**1,10,005.50**	**1,07,387.35**

Notes :

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(i) **Sale of product comprises :**		
Manufactured goods		
Batteries	59,792.20	59,152.23
Flashlights	11,210.58	12,414.79
Packet Tea	7,241.80	7,334.00
Others	198.13	228.78
Total - Sale of manufactured goods	**78,442.71**	**79,129.80**
Traded goods		
Batteries	13,755.06	14,060.06
Flashlights	11,708.35	9,607.59
Lighting Products	10,234.28	9,138.46
Others	478.78	532.95
Total - Sale of traded goods	**36,176.47**	**33,339.06**
Total - Sale of products	**1,14,619.18**	**1,12,468.86**
(ii) **Other operating revenues comprise :**		
Sale of scrap	139.80	102.17
VAT incentive	270.16	–
Others	70.66	–
Total - Other operating revenues	**480.62**	**102.17**

19. Other Income

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(a) Interest income (Refer Note (i) below)	211.33	636.87
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	485.82	11.88
(c) Other non-operating income (Net of expenses directly attributable to such income) (Refer Note (ii) below)	801.92	390.96
Total	**1,499.07**	**1,039.71**

Notes forming part of the consolidated financial statements

Note 19 : Other Income (contd.)

Note	Particulars

Notes :

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
(i) Interest income comprises :		
- On deposits with Banks	21.13	44.47
- On advance payment of Taxes	190.20	592.40
Total - Interest income	**211.33**	**636.87**
(ii) Other non-operating income comprises :		
- Profit on sale of fixed assets	209.85	121.91
- Provisions no longer required written back	322.21	190.90
- Others	269.86	78.15
Total - Other non-operating income	**801.92**	**390.96**

20.a Cost of Materials Consumed

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Opening stock	7,783.02	7,372.91
Add : Purchases	48,628.45	43,186.77
	56,411.47	50,559.68
Less : Closing stock	8,332.69	7,783.02
Total Cost of material consumed	**48,078.78**	**42,776.66**

20.b Purchase of Traded Goods

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Batteries	8,064.54	9,121.81
Flashlight	8,135.67	6,287.20
Lighting Products	8,799.74	7,985.02
Others	14.69	235.37
Total	**25,014.64**	**23,629.40**

20.c Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Inventories at the end of the year :		
Finished goods	5,866.43	5,879.84
Work-in-progress	3,384.81	2,679.35
Stock-in-trade	5,169.32	4315.40
	14,420.56	**12,874.59**
Inventories at the beginning of the year :		
Finished goods	5,879.84	9,912.46
Work-in-progress	2,679.35	3,803.30
Stock-in-trade	4,315.40	2,123.77
	12,874.59	**15,839.53**
Net (increase) / decrease	**(1,545.97)**	**2,964.94**

Notes forming part of the consolidated financial statements

Note	Particulars

21. Employee Benefits Expense

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Salaries and wages	8,980.32	9,048.63
Contributions to provident and other funds (Refer Note 25.8)	1,272.11	1,581.85
Staff welfare expenses	976.47	1,001.17
Total	**11,228.90**	**11,631.65**

22. Finance Costs

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Interest expense on borrowings	3,229.45	3,249.10
Other borrowing costs	31.02	43.81
Net loss / (gain) on foreign currency transactions and translation (considered as finance cost)	299.43	(16.45)
Bank Charges	270.01	252.99
Total	**3,829.91**	**3,529.45**

23. Other Expenses

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Consumption of stores and spare parts	336.22	264.26
Increase / (decrease) in excise duty in inventory of finished goods	108.60	(75.01)
Power and fuel	1,368.86	1,158.59
Repairs and maintenance	1,174.47	1,373.23
Insurance	183.70	213.50
Rates and taxes	632.89	569.89
Travelling and conveyance	1,999.35	1,924.20
Freight, Shipping and Selling Expenses	6,668.42	6,117.00
Advertisement, Sales Promotion and Market Research	6,345.90	4,453.39
Payments to auditors	43.91	47.29
Bad & doubtful trade receivables	(418.97)	(432.85)
Net loss on foreign currency transactions and translation (other than considered as finance cost)	192.83	–
Provision for indirect taxes (Refer Note 25.14)	125.00	627.29
Miscellaneous expenses	4,227.00	3,153.91
Total	**22,988.18**	**19,394.69**

24. Exceptional Items

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Impairment of Goodwill arising on consolidation	7,174.69	–
Provision for losses in Subsidiaries	325.31	–
Workmen Separation Cost	227.47	1,834.43
Total	**7,727.47**	**1,834.43**

Notes forming part of the consolidated financial statements

Note	Particulars

25. Additional Information to the Consolidated financial statements

25.1 Contingent liabilities & commitments (to the extent not provided for)

₹ Lakhs

Particulars		As at March 31, 2012	As at March 31, 2011
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debts :		
	- Excise & Customs *	1,825.68	1,781.91
	- Sales tax	91.14	133.56
	- Income tax :		
	The Department is in appeal in regard to matters decided in favour of the Company	–	71.59
	The Company is in appeal in regard to assessments made	599.70	599.70
	In respect of matters relating to erstwhile The Bishnauth Tea Company Limited (BTCL) [amalgamated with the Company effective April 1, 2000].	–	125.48
	*Excludes interest claimed in a few cases by respective Authorities but amount not quantified.		
	(b) Others (Includes ESI, Property Tax, Water Tax etc.)	298.04	207.39
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances ₹ 220.68 Lakhs ; 2010-11 : ₹ 467.43 Lakhs)		
	- Tangible assets	1,234.56	2,977.81
	- Intangible assets	18.45	–

25.2 Details on derivatives instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at March 31, 2012. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

(a) Forward exchange contracts and options [being derivative instruments], which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2012

Currency	₹ in Lakhs	Buy / Sell	Cross currency
USD	62.11 (16.96)	Buy Buy	Rupees Rupees
EURO	5.60 –	Buy –	Rupees –
USD	5.58 (1.82)	Sell Sell	Rupees Rupees
JPY	3.36 –	Buy –	Rupees –

Note : Figures in brackets relate to the previous year.

Notes forming part of the consolidated financial statements

Note 25 : Additional Information to the consolidated financial statements (contd.)

Note	Particulars

25.2 Details on derivatives instruments and unhedged foreign currency exposures (contd.)

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

As at March 31, 2012		As at March 31, 2011	
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
₹ Lakhs	In million	₹ Lakhs	In million
5.63	US$ 0.01	115.88	US$ 0.26
(1,586.51)	(US$ 3.12)	(1,150.46)	(US$ 2.58 & JPY 0.32)

25.3 Exceptional Items :

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Impairment of Goodwill arising on consolidation and provision for losses is subsidiaries (see below)	7,500.00	–
Provision for safeguard related payments	–	683.21
Workmen Separation Cost	227.47	1,151.22
Total	**7,727.47**	**1,834.43**

The Company acquired a controlling stake in Novener SAS (Novener) in July 2009, a rechargeable battery conglomerate whose products are marketed under the brand name of "Uniross". As at March 31, 2012, the Company has an investment of ₹ 4,646.04 Lakhs and has advanced amounts aggregating to ₹ 2,279.51 Lakhs. Even though Novener's operations and organization was substantially restructured in 2010-11, its performance had been less than satisfactory primarily on account of the poor recessionary condition in Europe and other geographies where it has a strong market presence. Novener has registered a loss for the current year as well, resulting in a complete erosion of its networth. The current global economic environment in the context of Novener's operations and the likelihood of it continuing to prevail for some more time may possibly make it even more difficult for Novener to achieve a complete turn around in the foreseeable future. Given this back drop and the threat that the Company may not be able to recover its investments, management has, as a measure of prudent accounting and governance, created a provision of ₹ 7,500 Lakhs towards (a) impairment of Goodwill on consolidation and (b) provision for losses in Subsidiaries and the charge for the same is included under "exceptional items".

25.4 Central Government approval for managerial remuneration :

The Statement of Profit & Loss includes Managerial Remuneration amounting to ₹ 358.56 Lakhs in respect of three executive directors of the Company. In the absence of profits for the financial year, the Company has made necessary application to the Central Government for treating the above as minimum remuneration and approval is awaited.

25.5 Amortisation of brand "Eveready" :

Expert opinion was received whereby the working life of brand "Eveready" was estimated at more than 100 years. However, as a measure of prudence, the amortisation period of the brand has been kept at 40 years only.

25.6 In accordance of Para 26 of Accounting Standard 21 – "Consolidated Financial Statements", the losses applicable to minority in Consolidated Financial Statements, being in excess of its interest in equity of subsidiary companies amounting to ₹ 141.17 Lakhs (2010-11 : ₹ 1,046.55 Lakhs) has been adjusted against the parent's share of Loss.

25.7 Details of government grants

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
VAT incentive	270.16	–
Total	**270.16**	**–**

Notes forming part of the consolidated financial statements

Note 25 : Additional Information to the consolidated financial statements (contd.)

Note	Particulars

25.8 Employee Benefit Plans

25.8.a Defined Contribution Plans

The Company makes Provident Fund and Pension Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 212.37 Lakhs (Year ended March 31, 2011 ₹ 265.85 Lakhs) for Provident Fund contributions and ₹ 116.72 Lakhs (Year ended March 31, 2011 ₹ 204.82 Lakhs) for Pension Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Companies Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellanous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any , in the interest rate declared by the Trust over statutory rate, accordingly contribution by the Company includes a sum of ₹ 37.29 Lakhs (March 31, 2011 ₹ 68.00 Lakhs).

25.8.b Defined Benefit Plans

The Company offers the following employee benefit schemes to its employees :

i. Gratuity
ii. Post-employment medical benefits
iii. Pension
iv. Leave Encashment

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements :

₹ Lakhs

Particulars	Year ended March 31, 2012				Year ended March 31, 2011			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Components of employer's expense								
Current service cost	102.80	-	-	25.74	81.42	-	-	15.23
Interest cost	96.95	27.47	43.43	16.67	84.78	27.73	52.52	16.26
Expected return on plan assets	(128.09)	-	(46.12)	-	(115.02)	-	(58.08)	-
Past service cost	-	-	-	-	15.82	-	-	-
Actuarial losses/(gains)	34.16	17.24	(131.99)	37.34	193.04	(2.79)	41.34	30.84
Total expense recognised in the Statement of Profit and Loss	**105.82**	**44.71**	**(134.68)**	**79.75**	**260.04**	**24.94**	**35.78**	**62.33**
Actual contribution and benefit payments for the year								
Actual benefit payments	306.58	37.87	296.04	85.03	187.71	37.86	61.01	40.69
Actual contributions	308.00	37.87	-	85.03	211.53	37.86	-	40.69
Net asset / (liability) recognised in the Balance Sheet								
Present value of defined benefit obligation	1,223.29	348.95	374.39	232.96	1,293.83	342.11	658.97	239.17
Fair value of plan assets	1,637.81	-	540.70	-	1,506.17	-	690.60	-
Funded status [Surplus / (Deficit)]	414.52	(348.95)	166.31	(232.96)	212.34	(342.11)	31.63	(239.17)
Net asset / (liability) recognised in the Balance Sheet	**414.52**	**(348.95)**	**166.31**	**(232.96)**	**212.34**	**(342.11)**	**31.63**	**(239.17)**

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

₹ Lakhs

Particulars	Year ended March 31, 2012				Year ended March 31, 2011			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Change in defined benefit obligations (DBO) during the year								
Present value of DBO at beginning of the year	1,293.83	342.11	658.97	239.17	1,121.44	355.03	667.12	217.53
Current service cost	102.80	-	-	25.74	81.42	-	-	15.23
Interest cost	96.95	27.47	43.43	16.67	84.78	27.73	52.52	16.26
Actuarial (gains) / losses	36.29	17.24	(31.97)	37.34	178.08	(2.79)	0.34	30.84
Past service cost	-	-	-	-	15.82	-	-	-
Benefits paid	(306.58)	(37.87)	(296.04)	(85.96)	(187.71)	(37.86)	(61.01)	(40.69)
Present value of DBO at the end of the year	**1,223.29**	**348.95**	**374.39**	**232.96**	**1,293.83**	**342.11**	**658.97**	**239.17**
Change in fair value of assets during the year								
Plan assets at beginning of the year	1,506.17	-	690.60	-	1,382.29	-	734.53	-
Expected return on plan assets	128.09	-	46.12	-	115.02	-	58.08	-
Actual company contributions	308.00	37.87	-	85.96	211.53	37.86	-	40.69
Actuarial gain / (loss)	2.13	-	100.02	-	(14.96)	-	(41.00)	-
Benefits paid	(306.58)	(37.87)	(296.04)	(85.96)	(187.71)	(37.86)	(61.01)	(40.69)
Plan assets at the end of the year	**1,637.81**	**-**	**540.70**	**-**	**1,506.17**	**-**	**690.60**	**-**
Actual return on plan assets	130.22	-	146.14	-	100.06	-	17.08	-
Composition of the plan assets is as follows :								
Government bonds	98.62	NA	155.49	NA	143.52	NA	193.67	NA
Special Deposit with SBI	-	NA	65.35	NA	-	NA	65.35	NA
Corporate Bonds	-	NA	90.80	NA	10.94	NA	97.03	NA
Insurance Companies	1,401.01	NA	1,435.27	NA	1,215.13	NA	1,598.48	NA
Cash and Cash Equivalents	21.59	NA	11.62	NA	11.10	NA	8.67	NA
Actuarial assumptions								
Discount rate	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
Expected return on plan assets	8.50%	NA	8.50%	NA	8.25%	NA	8.25%	NA
Salary escalation	5.00%	NA	NIL	5.00%	5.00%	NA	NA	5.00%
Attrition	NA	NA	NA	NA	NA	NA	NA	NA
Medical cost inflation	NA	NA	NA	NA	NA	NA	NA	NA
Mortality tables	LIC (1994-96) Ultimate	LIC (1996-98) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1996-98) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Note :
Contribution during the year excludes ₹ 512.12 Lakhs in respect of subsidiaries.

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Experience adjustments

₹ Lakhs

	2011-2012	2010- 2011	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	1,223.29	1,293.83	1,121.44	1,203.92	1,222.41
Fair value of plan assets	1,637.81	1,506.17	1,382.29	1,204.32	1,386.60
Funded status [Surplus / (Deficit)]	414.52	212.34	260.85	0.40	164.19
Experience gain / (loss) adjustments on plan liabilities	(36.29)	(178.08)	(48.41)	(144.98)	(8.37)
Experience gain / (loss) adjustments on plan assets	2.13	(14.96)	120.12	(100.05)	(22.63)
Post Employment Medical Benefits					
Present value of DBO	348.95	342.11	355.03	345.99	376.01
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status [Surplus / (Deficit)]	(348.95)	(342.11)	(355.03)	(345.99)	(376.01)
Experience gain / (loss) adjustments on plan liabilities	(17.24)	2.79	(20.67)	21.30	32.08
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA
Pension					
Present value of DBO	374.39	658.97	667.12	646.50	722.03
Fair value of plan assets	540.70	690.60	734.53	864.99	1,066.06
Funded status [Surplus / (Deficit)]	166.31	31.63	67.41	218.49	344.03
Experience gain / (loss) adjustments on plan liabilities	31.97	(0.34)	(138.74)	(27.48)	63.19
Experience gain / (loss) adjustments on plan assets	100.02	(41.00)	110.96	18.19	37.52
Leave					
Present value of DBO	232.96	239.17	238.32	232.00	199.91
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status [Surplus / (Deficit)]	(232.96)	(239.17)	(238.32)	(232.00)	(199.91)
Experience gain / (loss) adjustments on plan liabilities	(37.34)	(30.84)	(90.18)	(52.70)	43.04
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA

25.9 Segment information

The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea and general lighting products which come under **a single business segment known as Consumer Goods**.

Geographical Segment

- Sales within India	₹ 99,786.62 Lakhs	(2010-11 : ₹ 97,088.83 Lakhs)
- Sales outside India	₹ 14,832.40 Lakhs	(2010-11 : ₹ 15,380.03 Lakhs)

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.10 Related party transactions

25.10.a Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Novener SAS Uniross SA Uniross Batteries SAS Industrial - Uniross Batteries (PTY) LTD. Uniross Batteries GmbH Uniross Batteries Limited Zhongshan Uniross Industry Co. Limited Everfast Rechargeables Limited Idea Power Limited Celltex Limited Everspark Hong Kong Private Limited * Litez India Limited * not operational
Key Management Personnel (KMP)	Mr. D. Khaitan* Mr. S Saha Mr. A. Khaitan * upto August 10, 2011
Relatives of KMP with whom the company had transactions during the year	Mrs. Neena Saha - Wife of Mr. S. Saha

Note : Related parties have been identified by the Management.

25.10.b Details of related party transactions during the year ended March 31, 2012 and balances outstanding as at March 31, 2012 :

₹ Lakhs

Transactions	KMP	Relatives of KMP	Total
Remuneration :			
- Mr D. Khaitan	114.72 (320.35)	– –	114.72 (320.35)
- Mr S. Saha	184.90 (185.11)	– –	184.90 (185.11)
- Mr A. Khaitan	58.93 –	4.60 (14.48)	63.53 (14.48)
Rent Paid	4.56 (4.56)	– –	4.56 (4.56)
Car Rental Charges – in accordance with Company's scheme	– –	5.67 (5.67)	5.67 (5.67)
Balances outstanding at the end of the year			
Loans and advances	17.28 (19.70)	– –	17.28 (19.70)

Note : Figures in bracket relates to the previous year.

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.11 Earnings per share

Particulars		For the year ended March 31, 2012	For the year ended March 31, 2011
25.11.a	**Basic**		
	Net (loss) for the year ₹ in Lakhs	(8,805.57)	(1,395.42)
	Weighted average number of equity shares	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Basic ₹	(12.11)	(1.92)
25.11.b	**Basic (excluding exceptional items relating to impairment & other commitment charge of subsidiary)**		
	Net (loss) for the year ₹ in Lakhs	(8,805.57)	(1,395.42)
	(Add) / Less : Exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	7,500.00	–
	Net (loss) for the year attributable to the equity shareholders, excluding exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	(1,305.57)	(1,395.42)
	Weighted average number of equity shares	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional items relating to impairment & other commitment charge of subsidiary - Basic ₹	(1.80)	(1.92)
25.11.c	**Diluted**		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares.		
	Net (loss) for the year ₹ in Lakhs	(8,805.57)	(1,395.42)
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Diluted ₹	(12.11)	(1.92)
25.11.d	**Diluted (excluding exceptional items relating to impairment & other commitment charge of subsidiary)**		
	Net (loss) for the year ₹ in Lakhs	(8,805.57)	(1,395.42)
	(Add) / Less : Exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	7,500.00	–
	Net (loss) for the year attributable to the equity shareholders, excluding exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	(1,305.57)	(1,395.42)
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional item relating to impairment & other commitment charge of subsidiary - Diluted ₹	(1.80)	(1.92)

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.12 Deferred tax (liability) / asset

₹ Lakhs

Particulars	As at March 31, 2012	As at March 31, 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,470.25)	(1,391.63)
Tax effect of items constituting deferred tax liability	(1,470.25)	(1,391.63)
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts / advances	87.83	79.62
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	304.13	77.95
Others	240.07	453.66
Tax effect of items constituting deferred tax assets	632.03	611.23
Net deferred tax (liability)	**(838.22)**	**(780.40)**

25.13 Details of research and development expenditure recognised as an expense

₹ Lakhs

Particulars	For the year ended March 31, 2012	For the year ended March 31, 2011
Materials	–	3.38
Employee benefits expense	147.08	122.14
Consumables	44.81	44.43
Travelling expenses	33.66	20.54
Rent	1.82	1.89
Others	30.21	25.14
Total	**257.58**	**217.52**

25.14 Details of provisions

The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below :

₹ Lakhs

Particulars	As at April 1, 2011	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2012
Provision for other contingencies					
Sales Tax	100.39 (76.38)	13.49 (24.01)	– –	11.85 –	102.02 (100.39)
Excise	324.66 (495.92)	52.15 (17.60)	– –	307.66 (188.86)	69.15 (324.66)
Others	937.94 (354.30)	59.36 (585.68)	557.40 –	2.70 (2.04)	437.20 (937.94)
Total	**1,362.99** (926.60)	**125.00** (627.29)	**557.40** –	**322.21** (190.90)	**608.37** (1,362.99)

Notes : (i) Figures in brackets relate to the previous year.

(ii) The expected time of resulting outflow is one to two years.

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars
25.15	**Previous year's figures**
	The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, June 4, 2012