EVEREADY

ANNUAL REPORT 2010 - 2011

Dear Shareholders,

I write to you at a time when the overall economic environment is somewhat clouded by the uncertainties in its outlook. The difficulties faced by the advanced economies have again pulled those countries towards recessionary conditions. This may impact India's progress in the coming months. Already a comparative slow-down in certain key sectors seems to have surfaced. Inflationary tendencies in the economy and the measures to control it, both seem to be putting pressure on the economy.

However, the positives continue to be our country's strong internal demand fuelled by a young population, and relatively a low dependence on exports. India came out of the recessionary situation 3 years back much stronger than most other countries. I am quite certain we will display the same resilience even this time around.

Perhaps in reflection of the overall situation, your Company faced challenges in its operations in the year under review. Adverse impact from input costs and inflationary trends in other costs have been putting significant pressure on margins. On the other hand, in a scenario where food inflation is restricting common people's spending power, this impact on margins could not be recovered from the market fully.

Batteries continued on the path of gradual recovery with a very modest growth - after the decline faced by the category over 3 years prior to last year. Flashlights actually showed a slight decline after a period of 3 years when it had shown robust growth. The other products – lamps and packet tea - had their usual contribution to the Company's turnover. Overall, the Company's turnover remained stagnant.

This flat turnover with the adverse cost impacts resulted in the operating profits being lower than last year.

However, every dark cloud has a silver lining. These operational challenges gave us an opportunity to look within ourselves and see what it was that we could do better. It provided us with an opportunity to question ourselves and every facet of our operations. This introspection and critique helped us set a path to improve ourselves. The current trends already indicate a superior level of operations. I am certain that this early indication will translate into tangible results in not too distant a future.

As for the various functions of the Company, new initiatives were taken in the areas of branding and distribution. Some of our current branding visibility is an outcome of this work. Manufacturing and outsourcing groups played meaningful roles for an efficient supply chain. IT got significant focus to keep up with the changing business requirements. Finance and Accounts functions contributed in enhancing business value. HR continued to play a business enabling role.

I wish to end this note by mentioning a few groups of people who provide the foundation to this Company. I would like to mention the Company's employees who are continuously endeavouring to make it a more valuable one. I also wish to thank all our customers and vendors who have stood by us. Lastly, very special thanks to all shareholders for their faith and spirit.

With warm regards

B.M.Khaitan
Chairman

Corporate Information

Board of Directors

Mr. B. M. Khaitan
Chairman (Non-Executive)

Mr. D. Khaitan
Executive Vice Chairman & Managing Director (upto August 10, 2011)
Vice Chairman (Non-Executive) (effective August 10, 2011)

Mr. V. Bhandari
Mr. S. R. Dasgupta
Mr. S. Goenka
Mr. A. Khaitan
Mr. B. Mitter
Mr. D. A. Nanda
Mr. P. H. Ravikumar
Mr. S. Sarkar
Non-Executive Directors

Mr. A. Saraf
Nominee of ICICI Bank Limited

Mr. S. Saha
Mr. Amritanshu Khaitan
Wholetime Directors

Sr. General Manager – Legal & Company Secretary
Mrs. T. Punwani

Auditors
Deloitte Haskins & Sells

Registered Office
1, Middleton Street
Kolkata - 700 071
West Bengal, India
Phone : 91-33-22883950
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Report of the Directors

For the financial year ended March 31, 2011

Your Directors are pleased to present the Annual Report, together with the audited Accounts of your Company for the financial year ended March 31, 2011.

Review of Performance

Financial results are summarized below : (₹ in Crores)

	2010-11	2009-10
Net Sales	**950.42**	968.73
Other Operating Income	**8.58**	1.42
Profit / (Loss) from sale of real estate	**–**	7.03
Total Income	**959.00**	977.18
Total Expenditure adjusted for increase/decrease of stocks	**858.72**	853.41
Provision no longer required	**(1.91)**	(1.25)
Total Expenditure	**856.81**	852.16
Profit/(Loss) before Depreciation, Interest, Exceptional Items and Taxation	**102.19**	125.02
Depreciation	**24.53**	24.13
Interest and Finance Cost	**31.28**	34.38
Profit/(Loss) before Exceptional Items and Taxation	**46.38**	66.51
Exceptional Items	**0.29**	(97.37)
Profit/(Loss) before Taxation	**46.09**	163.88
Provision for Taxation	**6.72**	21.67
Profit/(Loss) after Taxation	**39.37**	142.21
Balance of Profit/ (Loss)brought forward from previous year	**38.06**	0.08
Amount available for Appropriation	**77.43**	142.29
Which the Directors recommend for appropriation as under :		
- Proposed Dividend	**3.63**	3.63
- Tax on Proposed Dividend	**0.59**	0.60
- General Reserve	**40.00**	100.00
Balance carried forward to Balance Sheet	**33.21**	38.06

Net sales for the year were lower by 2 % over the previous financial year. Profit before Depreciation, Interest and Taxation (PBDIT) before exceptional items was accordingly lower by 18 % at ₹ 102.19 crores as compared to ₹ 125.02 crores in the previous year. With depreciation of ₹ 24.53 crores (previous year ₹ 24.13 crores) and a lower interest charges of ₹ 31.28 crores (previous year ₹ 34.38 crores), Profit before Exceptional Items and Taxation came to ₹ 46.38 crores (previous year ₹ 66.51 crores). There being a minor charge of ₹ 0.29 crores in exceptional items this year - against a net gain of ₹ 97.37 crores in such items in the previous year, Profit after Taxation stood at ₹ 39.37 crores for the year against the corresponding figure of ₹ 142.21 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

Despite the operating results being lower than the previous years, your Directors recommend a dividend of ₹ 0.50 per equity share on 7,26,87,260 fully paid up equity shares of ₹ 5/-each being 10% on the paid up value of the equity shares of the Company for the year ended 31st March, 2011 (same as in previous year), which if approved at the ensuing Annual General Meeting will be paid to all eligible members whose names appear in the register of members on September 23, 2011 or appear as beneficial owners as per particulars furnished by the Depositories on September 12, 2011.

Operational Review

Batteries and Flashlights

Batteries went through a chequered history over the last 5 years, triggered by significant price increases to offset material cost push. There was stiff consumer resistance to these increases and demand became erratic with a tendency of slow down. The sluggishness in the general economy did not help matters.

The segment which suffered the maximum brunt from this impact was the 'D' size segment, which was then the major product segment in batteries and was relatively more expensive than other cylindrical batteries. In fact, the consumer resistance manifested itself in, them refraining from use of appliances powered by 'D' size batteries. This virtually obliterated 'D' size incandescent flashlights, which were hitherto 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 16%. Despite this, batteries grew in the overall - albeit at a modest rate of 2.3%. This was due to growth in other battery 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 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 & colour, 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 3 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 during the current year and sales volumes suffered a decline of 6.6% - albeit on a much broader base. This somewhat unexpected reversal took place mainly on account of sudden influx of look-alike gray market products in the market. Counter measures have been put in place to reverse this trend.

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 impact came not only from zinc, but also other major materials used for manufacture. The adverse impact was to some extent neutralized by an overall stronger Rupee. Part of the net adverse impact was recovered from the market, yet it left a dent in the margin of about 1.5% 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.

Operations at the manufacturing facilities at Cossipore - Kolkata and Hyderabad continued to remain suspended. This had no impact on the operations of the Company, as supplies to the market were met by other units. Separations with workmen were fully completed at both these facilities subsequent to completion of the year under review. Hence, both these facilities are now closed.

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 ₹ 91.38 crores - at the same level as the previous year at ₹ 91.54 crores.

This can be ascribed to 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 accepted 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 hereafter.

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 ₹ 73.34 crores - at a marginal decline against that of the previous year at ₹ 75.94 crores.

Subsidiaries & Consolidated Financial Statements

Your Company has 80% of the controlling stake in Novener SAS, France which in turn controls Uniross SA, a French Company, which along with its subsidiaries, is engaged in the manufacturing and 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 2 years back with a view to gain access to other geographies, where the Company has no presence – in particular, Europe, South East Asia and parts of Africa. Uniross was facing serious financial difficulties at that time and it was thought that it could be quickly nursed back to sustainable profitability.

During the year under review, Uniross SA continued to fare poorly. Unfortunately, the continuing dim economic situation prevailing in Europe and overall sluggish demand of the rechargeable category world over, has not allowed the quick turn around that was expected. It currently continues to be loss making. However, through a major restructuring exercise, significant elements of costs have now been pared. It is now expected that with the revised cost structure, Uniross should be able to return to modest profitability during the next 1 – 2 years. Original aspiration of growth can be pursued only after that is achieved.

Uniross' operations to your Company meant an addition of ₹ 129.45 crores in net sales (previous year ₹ 135.43 crores) and adding a net loss of ₹ 52.36 crores (previous year ₹ 14.98 crores), including exceptional costs of ₹ 18.05 crores (previous year – nil). The effect of this is available in the Consolidated Accounts attached to this Report.

The consolidated financial statements have been prepared in accordance with Accounting Standard 21 (AS-21) issued by the Institute of Chartered Accountants of India and include the financial numbers of your Company's subsidiaries, for the year under review. As required by Clause 32 of the Listing Agreement with the Stock Exchanges, the Audited Financial Statements together with the Auditor's 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 are 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 more than 70 % 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 is 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.

Flashlights recorded very significant growth in the previous 2 years – but cooled down during the current year with a moderate slow-down, albeit on a significantly larger base. The market is susceptible to gray 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.

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 cost structure is sensitive to zinc and exchange rate of the Indian Rupee and overall inflationary trends. At the present moment, zinc remains stable at current levels – barring some very recent softness. Predictions on Rupee seem to indicate that it will appreciate against the dollar. So it appears that the impact of these 2 factors may off-set each other on the cost of the Company. There is no sign yet of the inflationary trend decelerating. Also, other commodities used as input materials are also showing increasing trends. These may continue to impact margins negatively. Efforts are being made to recover a part of the adverse impact from the market - to the extent practicable.

Finance

Tight control was kept over the finances of your Company, with emphasis on reduction of debt. This along with strict management of working capital helped your Company save interest charges.

Your Company met its financial commitments in servicing debt and repayments thereof in a timely manner. Capital expenditure programme was fully met.

A transfer of ₹ 40 crores was made to the General Reserves out of the amount available for appropriation. After providing for the proposed dividend and Dividend Distribution Tax, profits left to be carried forward was at ₹ 33.21 crores.

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.

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.

Update

Consequent to the trial proceedings before the Chief Judicial Magistrate, Bhopal, on the modified criminal charges framed under the directions of the Supreme Court that commenced in September 1997, having been concluded, a curative petition filed by the Union of India, against the said directions of the Supreme Court had been filed and been dismissed. The State of Madhya Pradesh and the Union of India have filed necessary revisions of the criminal charges framed and have also filed appeals against the order of the Chief Judicial Magistrate, Bhopal, in the Sessions Court, Bhopal. The Company has also filed its appeal. As per the views and advice of the legal counsel, it is believed that the findings against the Company are likely to fail ultimately.

The Union of India has also filed a curative petition against the Company amongst others including the erstwhile foreign holding company, with regard to enhancement of compensation, claimed earlier by the Union of India from the foreign holding company as well as certain rehabilitation costs. As per the views and advice of the legal counsel it is believed that the said petition is devoid of any merit.

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, 2010 was September 27, 2010 and the same was filed on the said due date. The Board, has upon the recommendation of the Audit Committee reappointed 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, for the financial year ending 31st March, 2012, 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. ₹ 0.72 Lakhs as claimed and paid, however, remain un-encashed by the depositors as on March 31, 2011.

Exports and Foreign Exchange Earnings and Outgo

During the year under review, your Company exported batteries totaling to a value of ₹ 2,494.07 Lakhs (2009-10 : ₹ 2553.54 Lakhs) and flashlights totaling to a value of ₹ 643.10 Lakhs (2009-10 : ₹ 471.81 Lakhs).

₹ Lakhs

	31.03.2011	31.03.2010
Foreign Exchange Earnings	1,728.18	1792.56
Foreign Exchange Outgo	13,918.81	13,836.18

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, 2011, 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, however, will continue as the Vice Chairman of the Board.

Mr. D. Khaitan had been re-appointed as Executive Vice Chairman & Managing Director for a further period of three years effective June 1, 2011. Consequent to his stepping down and acceptance of the same by the Board, Mr. D. Khaitan's re-appointment for the period June 1, 2011 to August 10, 2011, only, is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Mr. Amritanshu Khaitan was appointed as Additional Director by the Board effective August 10, 2011. In terms of Article 116(1) of the Articles of Association of the Company, Mr. Amritanshu Khaitan holds office until the forthcoming Annual General Meeting. Notice in writing under Section 257(1) of the Companies Act, 1956 has been received from a Member signifying his intention to propose Mr. Amritanshu Khaitan for election to the office of Director. The above re-appointment of Mr. Amritanshu Khaitan is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Mr. S. Saha has been re-appointed as Wholetime Director for a further period of three years effective March 22, 2011.

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

The above appointment and re-appointments of the executive directors are subject to the approval of the shareholders at the forthcoming Annual General Meeting.

In accordance with the Articles of Association, Mr.B. M. Khaitan, Mr. B. Mitter, Mr. D. Khaitan and Mr. V. Bhandari 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.

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 **B. M. Khaitan**

August 10, 2011 *Chairman*

Management Discussion & Analysis

The Business

Eveready Industries India Limited (EIIL) is one of India's leading FMCG companies, with its products and brand being household names for the past century. Over the decades, it has strengthened its position as the leader of the dry cell batteries and flashlights markets in the second most populous country in the world.

The Company's contemporary product portfolio in the domestic market comprises 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', '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 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 possesses one of the widest and deepest distribution networks among FMCG companies in India, reflected in its premium brand equity and customer loyalty. To leverage the growth of 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 distribution 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

The off-take of the Company's products is naturally influenced by the health of the Indian economy.

According to reports, the country's economy was estimated to have grown at 8.5 percent during the year under review. This was better than growth recorded in the previous year. However, the year was also marked by high inflationary trends - especially in food prices, leading to a squeeze on people's spending abilities.

The country faced the challenges of down turn like the rest of the world. However, the process of recovery is not yet over. Moreover, the possibility of a double-dip recession in advanced economies can have long-term adverse impact on India. The obvious advantages in India's favor area strong domestic demand and a relatively lower dependence on exports. Given the usual positives and negatives - in the overall -the economy may prove itself to be resilient - as seen during the recent recessionary years.

Given the country's status as an emerging economy, Indians will continue to experience the power of higher income levels and affluence. The Government is focusing 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 FMCG sector is set to take full advantage of this.

FMCG Industry In India

The past proved to be challenging for India's FMCG sector on account of volatility in agricultural incomes, increased competition, price discounts and the growing affordability of lifestyle and durable products. This led to concerns on retaining the share of consumer wallet for FMCG goods.

However, this trend has significantly changed during recent times, with many FMCG categories showing healthy growth. The sectoral outlook continues to be positive on account of the projected increase in per capita income. It is now firmly believed that the resilience and health of the economy will finally have its impact on per capita consumption pattern. All parameters seem to indicate that this trend is 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 from the last year - albeit at a very slow pace. The trend of decline in demand has been arrested. During the last year and the year 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	20.0
C	0.4
AA	71.6
AAA	8.0
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 zinc carbon batteries virtually possessing 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 growth in the off-take of its applications. A growing need for portable power and the advent of a number of battery-operated gadgets catalyze consumption. Since these address everyday use, batteries have enjoyed a non-cyclical demand. The phenomenon of consumption reducing on account of increases in the recent past is somewhat unique – perhaps determined by the significant extent 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 increased by a modest 2.3 per cent. 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 23 per cent, and 'AA' at 69 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 7.3million 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, clocks 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.

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.

Given the overall positive scenario, a tangible threat to battery consumption lies in making the product unaffordable to poorer segments of the economy, as was seen in the recent past - a trend which got reversed during the last year and this year under review.

Risks and concerns

Raw material prices have once again shown tendency of hardening. Apart from that, the overall inflationary trends have been putting pressure on other operating costs. These represent areas of concern.

However, with the experience of the previous commodity boom, when input costs sky-rocketed, EIIL is now in a much better position to tackle this risk. It may also be noted that this will be a general phenomenon, 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 routine in nature and none of which present any significant impact. 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 4 years.

As a mitigation measure and with a view to giving consumers a value-for-money option, the year under review saw the advent of 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 previous 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 will be more frequent. As a result, these factors will also provide boost to battery demand.

After the robust growth of the last 2 years, the year under review saw a quiet period with a decline in volumes for the organized players. This somewhat unexpected reversal took place mainly on account of sudden influx of look-alike gray market products in the market.

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 and no new trend seems to be emerging in this respect.

Performance review

During 2010-11, EIIL's flashlights volume declined by 6.6 per cent, in line with trend of this product segment in the organized market. This business segment continues to be profitable.

Opportunities and threats

There was a temporary setback for this product category in the recent past caused by assignable 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 use 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 periodic power cuts and flashlights provide a lighting solution in those times.

The threat remains that of the market being susceptible to gray 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.

Risks and concerns

Volumes which grew at a significant pace over the previous 2 years 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 actually saw a modest decline in volumes. However, current trends seem to indicate that such decline is to be short-lived and the market ready to bounce back to encouraging growth.

There remains a vast potential in terms of numbers who do not yet own flashlights. This needs to be tapped through 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 Rs.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 the previous year.

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 ₹ 91.38 crores against ₹ 91.54 crores in the previous year - thus remaining stagnant.

This flat turnover can be ascribed to 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 accepted 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 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 such 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 full fledged Internal Audit Department manned by trained 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 2010-11.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 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 is 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.

Flashlights recorded very significant growth in the previous 2 years - but cooled down during the current year with a moderate slow-down, albeit on a significantly larger base. The market is susceptible to gray 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.

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 cost structure is sensitive to zinc and exchange rate of the Indian Rupee and overall inflationary trends. At the present moment, zinc remains stable at current levels - barring some very recent softness. Predictions on Rupee seem to indicate that it will appreciate against the dollar. So it appears that the impact of these 2 factors may off-set each other on the cost of the Company. There is no sign yet of the inflationary trend decelerating. Also, other commodities used as input materials are also showing increasing trends. These may continue to impact margins negatively. Efforts are being made to recover a part 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, 2011

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	Vice-Chairman & Managing Director	7	–	1
3.	Mr. A. Khaitan	Non-Executive Director	7	1	1
4.	Mr. V. Bhandari	Independent Director	7	2	4
5.	Mr. S.R. Dasgupta	Non-Executive Director	3	–	2
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	5	2	2
9.	Mr. P. H. Ravikumar	Independent Director	7	2	5
10.	Mr. S. Saha	Wholetime Director	–	–	–
11.	Mr. A. Saraf (Nominee of ICICI Bank Ltd.)	Independent Director	1	–	1
12.	Mr. S. Sarkar	Independent Director	8	–-	5

** 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, 2011, 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 (the Act) except Mr. B.M. Khaitan, Mr. D. Khaitan and Mr. A. Khaitan, who are father and brothers respectively.

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

Mr. D. Khaitan stepped down as Executive Vice Chairman & Managing Director effective close of working hours of August 10, 2011 and remains as Vice Chairman of the Board, effective the same date.

Mr. Amritanshu Khaitan was inducted in the Board as Additional Director and appointed as Wholetime Director effective August 10, 2011.

(Mr. Amritanshu Khaitan is related to Mr. B.M. Khaitan and Mr. D. Khaitan in terms of the definition of 'relative' given under the Companies Act, 1956.)

(iii) **Meetings and Attendance of Directors during financial year 2010-11**

	Dates of Board Meetings				Date of AGM
	30.4.10	30.7.10	1.11.10	7.2.11	24.9.10
Mr. B. M. Khaitan	P	P	P	A	A
Mr. D. Khaitan	Participated through video conference	P	Participated through video conference	P	P
Mr. A. Khaitan	P	P	P	P	P
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	P	P
Mr. P. H. Ravikumar	P	P	P	P	P
Mr. S. Saha	P	P	P	P	P
Mr. A. Saraf	A	P	P	A	P
Mr. S. Sarkar	P	A	P	A	A

P : Attended

A : Leave of absence granted

(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 Vice Chairman & Managing Director, that all Board Members and senior management personnel have duly complied with the Code of Conduct for the financial year ended March 31, 2011 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, debentureholders, 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 (wholetime finance director or person heading finance function).

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

a. As on March 31, 2011, the Audit Committee comprised of Mr. P. H. Ravikumar 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. Sarkar has been nominated as a Member of the Committee at the Board Meeting held on April 30, 2010.

(iii) The Annual Accounts for the year ended March 31, 2011 were duly reviewed by the Audit Committee at its Meeting held on August 10, 2011, prior to adoption by the Board.

(iv) During the year ended March 31, 2011, 4 Meetings of the Audit Committee were held, the dates being 30.4.2010, 30.7.2010, 1.11.2010 & 7.2.2011.

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

Members	No. of Meetings attended
Mr. P. H. Ravikumar	4
Mr. B. Mitter	4
Mr. S. Goenka	–
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, 2011, comprises of Mr. B. Mitter, an Independent Director, as the Chairman, Mr. P. H. Ravikumar and Mr. S. Goenka, all Independent Directors as Members.

(iii) During the year ended March 31, 2011, two Meetings of the Remuneration Committee were held, the dates Being 30.4.2010 & 7.2.2011.

(iv) As at March 31, 2011, attendance of Members was as follows :

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

(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, 2011 are as under (Note below) :

Name of Director	Salary (Rs.)	Value of Perquisite & Allowance (Rs.)	Contribution to Retiral Funds (Rs.)#	Tenure as per service contract	Notice Period
Mr. D. Khaitan	1,20,00,000	1,67,95,375	32,40,000	31.05.2014 *	3 months
Mr. S. Saha	72,00,000	93,66,900	19,44,000	21.03.2014	1 month

\# Excluding contribution to Gratuity Fund.

* Mr. D. Khaitan stepped down as Executive Vice Chairman & Managing Director effective close of working hours of August 10, 2011.

(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 31.3.11 are as follows :-

Name of Director	Sitting Fees paid for Board Meetings (Rs.)	Sitting Fees paid for Committee Meetings (Rs.)	Commission (Rs.)	Number of Shares Held as on 31.3.11
Mr. B. M. Khaitan	60,000	Nil	1,20,000	35,897
Mr. A. Khaitan	80,000	Nil	1,20,000	7,266
Mr. V. Bhandari	60,000	Nil	1,20,000	Nil
Mr. S. R. Dasgupta	80,000	Nil	1,20,000	1,000
Mr. S. Goenka	60,000	20,000	1,20,000	Nil
Mr. B. Mitter	80,000	1,60,000	1,20,000	Nil
Mr. D. A. Nanda	40,000	Nil	1,20,000	Nil
Mr. P. H. Ravikumar	80,000	1,20,000	1,20,000	500
Mr. A. Saraf*	40,000	Nil	1,20,000	Nil
Mr. S. Sarkar	40,000	20,000	1,20,000	Nil
TOTAL :	**6,20,000**	**3,20,000**	**12,00,000**	**43,663**

* 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, 2011, 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, 2011, 2 meetings of the Committee were held on 8.4.2010 and 25.10.2010.

(iv) As at March 31, 2011, attendance of 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 31.3.2011 :

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	8	Nil	Nil	Nil	7	2	17
Complaints Attended to/ Redressed	8	Nil	Nil	Nil	7	2	17

(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	Seeking re-appointment	Seeking appointment
Name of Director	Mr. B. M. Khaitan	Mr. B. Mitter	Mr. V. Bhandari	Mr. D. Khaitan	Mr. S. Saha	Mr. Amritanshu Khaitan
Date of appointment	23.11.1994	23.02.1967	01.02.2006	23.11.1994	22.03.2005	10.08.2011
Expertise in specific functional area	Given in the Notice of the AGM	Given in the Notice of the AGM	Given in the Notice of the AGM	Given in the Notice of the AGM	Given in the Notice of the AGM	Given in the Notice of the AGM
List of other Directorships held	-Do-	-Do-	-Do-	-Do-	-Do-	-Do-
Chairman/Member of the Committees of the Board of Companies in which he is a Director	-Do-	-Do-	-Do-	-Do-	-Do-	-Do-
Shareholding in the Company in case of non-executive director	Nil	35,897	Nil	1,19,300	NA	NA

H. General Body Meetings

(i) Details of Annual General Meetings (AGMs)

AGMs	Date of AGMs	Location	Time	Special Resolutions Passed
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
AGM (73rd)	30.07.2008	Rang Manch, Swabhumi, Kolkata	10.30 a.m.	Yes

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

(iii) In the Notice of the forthcoming 76th 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 in Schedule 17 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) 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 Company is duly placing a certificate to the Board from the CEO and CFO in accordance with the provisions of Clause 49(V) of the Listing Agreement. The aforesaid certificate duly signed by the CEO and CFO in respect of the financial year ended 31st March, 2011 has been placed before the Board in the meeting held on August 10, 2011.

L. General Shareholders' Information

1. **Annual General Meeting :**

Date	**Time**	**Venue**
September 23, 2011	10.30 a.m.	Rang Manch, Swabhumi, The Heritage Plaza 89C, Moulana Abul Kalam Azad Sarani, Kolkata-700 054

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

Publication of :

Unaudited results for the quarter ending June 2011	:	July/August 2011
Unaudited results for the half-year ending September 2011	:	October/November 2011
Unaudited results for the quarter ending December 2011	:	January/February 2012
Unaudited/audited results for the year ending March 2012	:	April 2012/as approved
Annual General Meeting for the year ending March 2012	:	July to September 2012

3. **Dates of Book Closure** : The Register of Members of the Company will remain closed from September 13, 2011 to September 23, 2011 (both days inclusive) for the purpose of the Annual General Meeting of the Company and Dividend.

4. **Date of Dividend Payment** : On or before October 21, 2011.

5. **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.
   - 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 2010-2011 have been paid to all the three Stock Exchanges within the scheduled dates.

6. **Stock Code** :

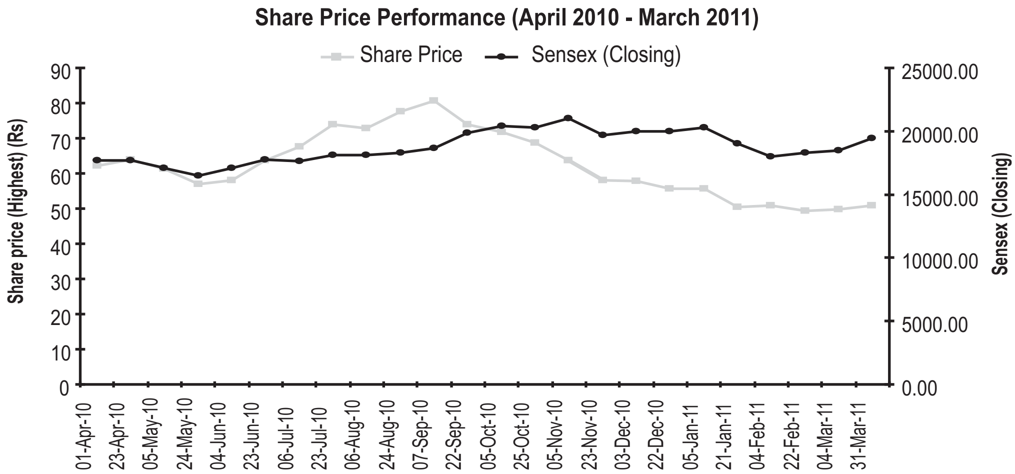
The Calcutta Stock Exchange Association Ltd.	:	10000029
Bombay Stock Exchange Ltd.	:	531508
National Stock Exchange of India Ltd.	:	EVEREADY

7. **Stock Market Price Data :**

Amount (₹)

Month		Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
2010	April	67.35	59.50	67.25	59.75
	May	66.60	51.55	66.80	52.50
	June	68.00	54.05	67.90	54.00
	July	76.00	63.05	76.10	60.00
	August	79.35	69.00	79.45	68.30
	September	81.80	68.50	81.80	68.25
	October	72.90	66.75	72.80	63.70
	November	69.65	51.90	69.50	52.25
	December	60.70	48.50	61.00	49.40
2011	January	56.20	47.00	55.95	43.30
	February	52.50	42.20	53.00	42.40
	March	61.00	47.00	61.00	48.25

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



9. **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

10. **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.

11. **Distribution of Shareholding as on March 31, 2011 :**

According to category of Holding :

Category	No. of Shares held	Percentage of shareholding
A. Promoters Holding	2,96,85,687	40.84
Sub-Total	**2,96,85,687**	**40.84**
B. Non-Promoters Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	57,77,517	7.95
b. Banks, FIs, Insurance Companies etc. (Central/State Government Institutions / Non-government Institutions)	37,03,365	5.10
c. FIIs	1,22,26,729	16.82
Sub-Total	**2,17,07,611**	**29.87**
2. Others		
a. Private Corporate Bodies	43,70,741	6.01
b. Indian Public	1,60,69,381	22.11
c. NRIs/OCBs	7,79,451	1.07
d. Trust	15,895	0.02
e. Clearing Member	58,494	0.08
Sub-Total	**2,12,93,962**	**29.29**
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	4,28,744	21,524	36.86
51 to100	12,35,046	14,219	24.35
101 to 150	6,14,582	4,680	8.02
151 to 250	12,94,213	6,379	10.92
251 to 500	24,09,141	6,248	10.70
501 to 5000	66,73,750	4,902	8.40
5001 and above	6,00,31,784	436	0.75
TOTAL	**7,26,87,260**	**58,388**	**100.00**

12. **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 97.04%of the total shares of the Company has since been dematerialised.

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

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

Nil

14. **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.

15. **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.

* as on date of the report.

16. **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.
    Jeevan Deep, 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 and Mr. S. Goenka 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 :**
Nil.

(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
B. M. Khaitan
Chairman

Kolkata
August 10, 2011

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, 2011, 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

Hyderabad
August 10, 2011

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, 2011.

Kolkata
August 10, 2011

D. Khaitan
Vice Chairman & Managing Director

CERTIFICATE AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

As required by Clause 49 of the Listing Agreement with the Stock Exchange we hereby certify that:

1. We have reviewed the financial statement and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief :
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
   (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief no transaction entered into by the Company during the year ended March 31, 2011 which are fraudulent, illegal, or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Wherever there are deficiencies in the design or operations of such internal controls of which we are aware, the same is disclosed to the auditors and the audit committee and steps have been taken or proposed to be taken to rectify the deficiencies.

D. Khaitan
Vice Chairman & Managing Director

Kolkata
August 10, 2011

S. Saha
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, 2011.

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 2.3 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) Advanced "Perkin Elmer" Atomic absorption spectroscopy testing equipment installed in Noida unit for checking metallic impurities in all incoming raw materials for ensuring better quality products.
   b) A cost effective alternate material grade for ammonium chloride was developed and approved.
   c) Successful completion of NABL re-certification audit in-order to use NABL logo on the entire export test certificate.
   d) Fully computerized and advanced battery testing facility was installed in all battery manufacturing locations for conformity of quality product.
   e) New battery sealant was developed for improved operations and shelf life of batteries.
   f) Performance improvement of AA batteries by addition of water was proved-in and this concept will be incorporated shortly.
2. Benefits derived as a result of above R&D :
   a) Atomic absorption spectroscopy testing equipment and advanced battery testing facility further enhance defective free product in the markets.
   b) Reduction in manufacturing costs.
3. Expenditure on R&D :

₹ Lakhs

	Year ended 31.03.2011	Year ended 31.03.2010
a. Capital	–	–
b. Recurring	217.52	191.09
c. Total	217.52	191.09
as % of Turnover	0.23%	0.20%

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, 2011, the Profit and Loss Account 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 :
   (a) Note 3 of Schedule 17 forming part of the financial statements regarding amortization of brand over a period of 40 years on the basis of an expert opinion.
   (b) Note 33 of Schedule 17 of the financial statements regarding the status of the Company's investments of ₹ 4,110 Lakhs in and advances of ₹ 1,731.73 Lakhs to its subsidiary Novener SAS and in respect of which no provision has been made for reasons explained therein.
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 Profit and Loss Account 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 Profit and Loss Account 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, 2011;
      (ii) in the case of the Profit and Loss Account, of the profit 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, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 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

Hyderabad, August 10, 2011

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 (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) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) At the year-end, the outstanding balances of such loans aggregated ₹ 1,751.43 lakhs and the maximum amount involved during the year was ₹ 1,753.74 lakhs.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.

(c) The receipts of principal amounts and interest have been regular.

(d) There is no overdue amount outstanding at the year end.

(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate 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.

(vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹ 5 lakhs in respect of any party, the transactions (excluding loans reported in paragraph (iv) above) have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vii) 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.

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

(ix) 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.

(x) 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, Employees 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 were 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, 2011 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, 2011 on account of disputes are given below :

Name of Statute	Nature of Dues	Amount (in lacs)	Period to which amount Pertains	Forum where Disputes is Pending
Sales Tax Act	**Sales Tax**	16.57	1995-1996 & 2007-08	Commissioner of Sales Tax
		0.35	1998-1999	Additional Commissioner of Sales Tax
		0.56	2001-02	Deputy Commissioner of Commercial Tax Appeals
		32.31	1999-2000 to 2002-03 & 2005-2007	Assistant Commissioner of Sales Tax
		3.02	2006-07	Joint Commissioners of Commercial Tax Appeals
Central Excise Act	**Excise Duty *#**	1496.53	1996-97 to 2002-03 & 2003-04	High Court
		201.62	1996-98	Commissioner of Central Excise
		549.15	1987-88 to 1991-92, 1999-00 to 2006-07	Customs Excise & Service Tax Appellate Tribunal
		80.13	1991-92 to 1998-1999, 2000-01, 2004-05 to 2005-06 & 2007-10	Commissioner of Central Excise (Appeals)
		31.99	1996-98	Additional Commissioner of Central Excise
		56.43	1996-1997 to 98-99 & 2001-02 to 2008-2009	Assistant Commissioner of Central Excise
		132.73	2001-02 to 2004-05, 2009-10 to2010-11	Deputy Commissioner of Central Excise
	Service Tax *#	46.48	2004-05 to 2008-09	Customs Excise & Service Tax Appellate Tribunal
		27.49	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.
Customs Act	**Customs Duty ***	31.31	2005-06	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act	**Income Tax**	71.59	1974-75 to 1985-86	High Court & Income Tax Appellate Tribunal
		599.70	1991-92 to 1994-95	High Court
		125.48	1983-84 to 1990-91	Deputy Commissioner of Income Tax & High Court

* Excludes interest mentioned in a few cases of the relevant orders / show cause notices by respective Authorities but amount not quantified.

\# Excludes penalty mentioned in a few cases of the relevant orders / show cause notices by respective Authorities but amount not quantified.

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

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

(xiii) 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.

(xiv) 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.

(xv) 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

Hyderabad, August 10, 2011

Profit and Loss Account

For the year ended March 31, 2011

₹ Lakhs

	Schedule		2010-11		2009-10
Income					
Sales	1	1,00,226.00		1,01,142.92	
Less : Excise Duty		5,183.68	95,042.32	4,270.16	96,872.76
Net Profit on Sale of Real Estate			–		703.23
Other Operating Income	2		857.71		141.70
Provision no longer required written back			190.90		124.68
			96,090.93		**97,842.37**
Expenditure					
Operating Expenses	3		84,043.48		87,862.43
(Increase) / Decrease in inventories of Finished Goods and Work-in-progress			1,758.13		(2,628.56)
Provision - Others			69.89		107.36
Depreciation		4,223.70		4,186.68	
Less : Transferred from Revaluation Reserve		(1,770.52)	2,453.18	(1,774.00)	2,412.68
Interest and Finance Cost	4		3,127.66		3,437.82
			91,452.34		**91,191.72**
Net Profit Before Taxation & Exceptional Items			**4,638.59**		**6,650.65**
Exceptional Items					
- Profit on Surrender of Leasehold Rights & Other Related Assets			–		10,645.87
- Workmen Separation Cost			29.27		715.28
- Expenditure relating to Investment in Subsidiary			–		193.01
Net Profit Before Taxation			**4,609.32**		**16,388.22**
Provision for Taxation					
- Current Tax		932.42		2,788.61	
- Excess FBT provision relating to earlier year written back		(13.21)		–	
- Deferred Tax		(247.10)	672.11	(621.60)	2,167.01
Net Profit After Taxation			**3,937.21**		**14,221.21**
Balance of Profit brought forward from Previous Year			3,805.78		8.37
Amount Available for Appropriations			**7,742.99**		**14,229.58**
- Proposed Dividend			363.44		363.44
- Tax on Proposed Dividend			58.96		60.36
- Transferred to General Reserve			4,000.00		10,000.00
Balance carried forward to Balance Sheet			**3,320.59**		**3,805.78**
Earnings Per Share (Face Value ₹ 5 each)					
- Basic			5.42		19.56
- Diluted			5.42		19.56
Significant Accounting Policies and Notes	17				
The Schedules referred to above form an integral part of the Profit and Loss Account.					

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

K. Rajasekhar
Partner

Hyderabad, August 10, 2011

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, August 10, 2011

Balance Sheet

As at March 31, 2011

₹ Lakhs

	Schedule	31.03.2011		31.03.2010	
Funds Employed					
Fixed Assets					
Fixed Assets	5	80,237.10		83,514.74	
Capital Expenditure in Progress		2,079.91	82,317.01	1,294.77	84,809.51
Investments	6		4,110.00		4,110.00
Current Assets					
Inventories	7	18,979.94		20,211.55	
Sundry Debtors	8	4,230.92		3,675.64	
Cash & Bank Balances	9	584.50		863.48	
Loans and Advances	10	7,890.48		7,006.06	
		31,685.84		31,756.73	
Less : Current Liabilities	11	20,739.20		20,461.46	
Provisions	12	1,952.75		3,927.31	
		22,691.95		24,388.77	
Net Current Assets			8,993.89		7,367.96
			95,420.90		**96,287.47**
Financed by					
Share Capital and Reserves					
Share Capital	13	3,634.36		3,634.36	
Reserves and Surplus	14	64,890.64	68,525.00	63,085.71	66,720.07
Loan Funds					
Secured Loans	15	23,257.16		25,047.00	
Unsecured Loans	16	2,790.91	26,048.07	3,425.47	28,472.47
Deferred Tax Liability (Net)			847.83		1,094.93
			95,420.90		**96,287.47**
Significant Accounting Policies & Notes	17				
The Schedules referred to above form an integral part of the Balance Sheet.					

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

K. Rajasekhar
Partner

Hyderabad, August 10, 2011

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

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T. Punwani
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Kolkata, August 10, 2011

Cash Flow Statement For the year ended March 31, 2011

₹ Lakhs

		2010-11	2009-10
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before tax	4,609.32	16,388.22
	Adjustments for :		
	Doubtful Debts & Advances (Net)	69.17	20.27
	Provision no longer required written back	(190.90)	(124.68)
	Provision - Others	69.89	107.36
	Provision for Wealth Tax	11.00	11.00
	Depreciation	2,453.18	2,412.68
	Write off of Fixed Asset	–	3.65
	Unrealised Net Exchange (Gain)/Loss	(0.85)	(81.81)
	Investment / Interest Income	(633.63)	(64.58)
	Interest (Net)	3,130.30	3,326.89
	Profit / (Loss) on Sale / Disposal of Real Estate / Fixed Assets	(121.91)	(11,340.11)
		9,395.57	**10,658.89**
	Misc expenditure charged to P&L	29.27	1,015.55
	Operating Profit Before Working Capital Changes	**9,424.84**	**11,674.44**
	Adjustments for :		
	Trade and Other Receivables	(1,098.41)	(1,261.00)
	Inventories	1,231.61	(2,933.18)
	Trade Payables and Other Liabilities	173.97	3,561.48
	Cash Generated from Operations	**9,732.01**	**11,041.74**
	Direct Taxes Paid (net of Refunds)	(2,128.15)	(648.95)
	Interest on Income Tax Refund	592.40	31.01
	Employee Separation Compensation paid	(29.27)	(717.48)
	Net Cash Flow from Operating Activities	**8,166.99**	**9,706.32**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(1,740.98)	(2,217.06)
	Sale of Real Estate/ Fixed Assets	131.73	716.68
	Investment in Subsidiary	–	(4,110.00)
	Loan to Subsidiary	(1,029.12)	(626.50)
	Interest Received	25.76	33.57
	Net Cash Flow from Investing Activities	**(2,612.61)**	**(6,203.31)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long-Term Borrowings	763.80	4,000.00
	Proceeds from Short-Term Borrowings	13,523.57	6,848.75
	Repayment of Long-Term Borrowings	(4,961.77)	(6,456.28)
	Repayment of Short-Term Borrowings	(11,750.00)	(4,817.36)
	Interest Paid	(2,991.02)	(3,440.11)
	Dividend Paid (including Dividend tax)	(417.94)	(0.04)
	Net Cash Flow from Financing Activities	**(5,833.36)**	**(3,865.04)**
	Net (Decrease)/ Increase in Cash and Cash-Equivalents (A+B+C)	**(278.98)**	**(362.03)**
	Cash and Cash-Equivalents on Opening Date	**863.48**	**1,225.51**
	Cash and Cash-Equivalents on Closing Date*	**584.50**	**863.48**
		(278.98)	**(362.03)**

Notes : i) Figures in brackets represent outflows.
ii) Previous year figures have been recast/restated wherever necessary.
iii) Cashflow of 2009-10 excludes profits on surrender of leasehold Rights and other related assets for the premises at Navi Mumbai for a consideration of ₹ 11,500 Lakhs against which the company had received the full transaction value before financial year 2009-10 and thereby this being a non-cash transaction does not have a direct impact on Cash Flow of 2009-10.
* Includes restricted balance ₹ 38.22 Lakhs.[31.03.2010 : ₹ 32.36 Lakhs].

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

K. Rajasekhar
Partner

Hyderabad, August 10, 2011

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

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Kolkata, August 10, 2011

Schedules to Accounts

	Unit	2010-11 Qty.	2010-11 ₹ Lakhs	2009-10 Qty.	2009-10 ₹ Lakhs
1. Sales					
Class of Goods					
Batteries	Million Pcs.	1,210.01	61,413.37	1,181.79	59,403.48
Flashlights	Million Pcs.	25.25	21,732.12	27.03	23,770.72
Packet Tea	Tonne	4,615.16	7,334.00	4,904.87	7,594.50
Lighting Products	Million Pcs.	35.17	9,138.46	32.79	9,154.12
Others			75.10		90.22
Purchased Products (excludes Batteries, Flashlights and Lighting Products)			532.95		1,129.88
			1,00,226.00		**1,01,142.92**

2. Other Operating Income

	2010-11 ₹ Lakhs	2009-10 ₹ Lakhs
Interest Income :		
Interest on Loan to Novener	15.47	–
Interest on bank and other accounts (Tax deducted at source ₹ 2.28 Lakhs, 2009-10 : ₹ 1.40 Lakhs)	25.76	33.57
Interest on Income Tax Refund / Advance Tax	592.40	31.01
Miscellaneous Income	102.17	86.11
Net Profit / (Loss) on Sale / Retirement of Assets other than Real Estate	121.91	(8.99)
	857.71	**141.70**

3. Operating Expenses

	2010-11 ₹ Lakhs	2009-10 ₹ Lakhs
Salaries, Wages and Bonus (includes debit towards Employee Benefits ₹ 16.49 Lakhs, 2009-10 : credit ₹ 29.37 Lakhs)	6,814.76	5,999.95
Contribution to Provident Fund, Gratuity Fund, Pension Fund and State Insurance	959.03	514.33
Workmen and Staff Welfare Expenses (includes debit towards Employee Benefits ₹ 24.98 Lakhs, 2009-10 : ₹ 46.92 Lakhs)	1,001.17	989.43
Raw Materials consumed	44,038.21	46,603.40
Stores and Spares consumed	266.62	281.71
Purchase of Finished Goods for resale	14,208.27	15,053.52
Excise Duty	(75.01)	160.97
Power and Fuel	1,115.02	1,157.79
Travelling and Conveyance	1,679.36	1,563.02
Advertisement, Sales Promotion and Market Research	4,087.72	6,555.11
Freight, Shipping and Selling Expenses	5,533.99	4,914.66
Repairs & Maintenance - Machinery	864.04	884.90
- Buildings	145.87	171.52
Software Maintenance	55.99	60.90
Rent	522.03	471.05
Rates and Taxes	442.63	398.99
Insurance	116.52	95.45
Postage, Stationery & Communication	329.90	337.53
Commission	48.48	45.14
Consultancy Charges	216.50	152.26
Bank Charges	197.29	187.73
Doubtful Debts / Advances (net)	69.17	20.27
Donations	49.01	15.63
Deferred Revenue Expenditure written off	–	300.27
Miscellaneous Expenses	1,382.97	994.07
Less : Amount transferred to Capital & Other Accounts	(26.06)	(67.17)
	84,043.48	**87,862.43**

Schedules to Accounts

₹ Lakhs

	2010-11	2009-10
4. Interest and Finance Cost		
Interest Charges		
On Fixed Loans	1,831.46	2,377.26
Others	1,298.84	949.63
Net Exchange (Gain)/Loss in Foreign Currency	(2.64)	110.93
Interest and Finance Cost	**3,127.66**	**3,437.82**

5. Fixed Assets

₹ Lakhs

PARTICULARS	GROSS BLOCK AT COST / REVALUATION				DEPRECIATION				NET BLOCK
	Cost/ Valuation as at April 1, 2010	Additions/ Adjustments during the year	Sales/ Retirements/ Adjustments during the year	Cost/ Valuation as at March 31, 2011	As at April1, 2010	For the year	On assets Sold/Retired/ Adjusted during the year	Total As at March 31, 2011	Written down value as at March 31, 2011
Intangibles :									
Software & License	139.25	–	–	139.25	104.42	23.20	–	127.62	11.63
Brand	67,600.00	–	–	67,600.00	10,860.00	1,810.00	–	12,670.00	54,930.00
Patent/Trade Mark	15.00	–	–	15.00	15.00	–	–	15.00	–
Tangibles :									
Land-freehold	7,349.10	–	–	7,349.10	255.38	19.80	–	275.18	7,073.92
Leasehold Land	1,306.26	–	–	1,306.26	117.02	19.72	–	136.74	1,169.52
Buildings	14,738.15	115.79	–	14,853.94	6,450.21	507.95	–	6,958.16	7,895.78
Plant, Machinery Equipment etc.	36,290.74	489.61	140.69	36,639.66	26,994.96	1,557.44	134.85	28,417.55	8,222.11
Furniture & Fixture and Office Appliances	3,347.86	328.83	84.33	3,592.36	2,585.99	222.11	81.51	2,726.59	865.77
Motor Vehicles	356.26	21.61	47.09	330.78	244.90	63.48	45.97	262.41	68.37
Total	**1,31,142.62**	**955.84**	**272.11**	**1,31,826.35**	**47,627.88**	**4,223.70**	**262.33**	**51,589.25**	**80,237.10**
March 31, 2010	1,35,351.92	2,094.03	6,303.33	1,31,142.62	48,073.48	4,186.68	4,632.28	47,627.88	83,514.74

Notes : 1 . Revaluation of Freehold Land, Leasehold Land (other than those on short lease), owned Buildings, Plant and Machinery and Equipment was carried out as on March 31,1995 by an approved valuer on current cost basis. The resultant increase in the net book value of ₹ 19,596.92 Lakhs was credited to Revaluation Reserve in that year.

2. Revaluation of Freehold Land, Leasehold Land (other than those on short lease) and owned Buildings was carried out as on March 31, 2004 by an approved valuer on current cost basis and adjusted for depreciation element as applicable. The resultant increase in the net book value on revaluation amounting to ₹ 10,968.72 Lakhs was transferred to Revaluation Reserve in that year.

Schedules to Accounts

₹ Lakhs

		31.03.2011		31.03.2010
6. Investments				
Long Term				
A. Subsidiary – Unquoted				
– Novener SAS		4,110.00		4,110.00
B. Trade Investments				
Quoted				
McLeod Russel India Limited				
40 Equity Shares of ₹ 5/- each* [₹ 200/-]		*		*
		4,110.00		4,110.00
Aggregate book value of : Quoted Investments		–		–
Unquoted Investments		4,110.00		4,110.00
		4,110.00		**4,110.00**
Market Value of Quoted Investments		0.10		0.11
7. Inventories				
Stores & Spares		447.92		504.67
Raw Materials		7,549.50		6,966.22
Work-in-Progress		2,679.35		3,803.31
Finished Goods		8,303.17		8,937.35
(including Purchased Products : ₹ 2,372.01 Lakhs; 2009-10 : ₹ 2,123.77 Lakhs)				
		18,979.94		**20,211.55**
8. Sundry Debtors				
Unsecured				
Over Six Months :				
- Considered Good		29.06		2.46
- Considered Doubtful	176.60		177.62	
Less : Provision for Doubtful Debts	176.60	–	177.62	–
Less than Six Months :				
- Considered Good		4,201.86		3,673.18
- Considered Doubtful	68.80		24.15	
Less : Provision for Doubtful Debts	68.80	–	24.15	–
		4,230.92		**3,675.64**
9. Cash and Bank Balances				
Cash in hand		33.57		31.10
Cheques in hand		187.83		19.62
With Scheduled Banks :				
- in Current Accounts		335.30		619.99
- in Deposit Accounts *		1.38		172.03
- in Dividend Accounts		23.92		18.06
With Others :				
- in Current Account with HSBC, Singapore #		2.50		2.68
		584.50		**863.48**

* pledged with banks as LC margin money

maximum amount outstanding ₹ 11.83 Lakhs (2009-10 : ₹ 16.10 Lakhs)

Schedules to Accounts

₹ Lakhs

		31.03.2011		31.03.2010
10. Loans and Advances				
Unsecured, Considered Good				
Loan to Subsidiary Novener SAS (Max. amount due ₹ 1,731.73 Lakhs 2009-10 : ₹ 626.50 Lakhs)		1,731.73		626.50
Advances recoverable in cash or in kind or for value to be received		4,677.13		4,237.77
Balance with Excise Authorities, Customs and Port Trust		386.87		408.41
Deposits		485.46		483.33
Advance Income Tax (Net of Provision for Taxation : ₹ 3,747.47 Lakhs; 2009-10 : ₹ 26.44 Lakhs)		597.38		1,249.39
Other Current Assets - Fixed Assets Retired from Active Use and held for sale		11.91		0.66
		7,890.48		**7,006.06**
11. Current Liabilities				
Acceptances		4,763.63		4,826.77
Sundry Creditors				
– Total outstanding dues of Micro, Small & Medium enterprises	–		–	
– Total outstanding dues of creditors other than Micro, Small & Medium enterprises	12,657.00	12,657.00	12,215.10	12,215.10
Due to Subsidiaries		182.27		–
Interest accrued but not due on loans		338.19		230.72
Advances Received		202.60		37.49
Advances Received from customers		212.74		233.56
BPL Escrow Liability		14.30		14.30
Other Liabilities		2,308.11		2,848.27
Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956				
Due				
– Unpaid Dividends		3.02		3.02
Not Due				
– Unpaid Dividends		53.96		48.10
– Unclaimed Matured Deposits		0.72		1.47
– Unclaimed Interest on Public Deposits		2.66		2.66
		20,739.20		**20,461.46**

No amounts are due for deposit at the Balance Sheet date to the Investor Education and Protection Fund except for ₹ 3.02 Lakhs in respect of unpaid dividend which is subject to a restraint order from a competent court.

	31.03.2011	31.03.2010
12. Provisions		
Proposed Dividend	363.44	363.44
Tax on Proposed Dividend	58.96	60.36
Income Tax (Net of Advance Tax of ₹ 62.40 lakhs; 2009-10 : ₹ 975.46 lakhs)	143.48	2,004.35
Long Term Employee Benefits	581.28	572.56
Excise	324.66	495.92
Sales Tax	100.39	76.38
Others (Refer Note 30 of Schedule 17)	380.54	354.30
	1,952.75	**3,927.31**

Schedules to Accounts

₹ Lakhs

	31.03.2011	31.03.2010
13. Share Capital		
Authorised		
21,15,60,000 Equity Shares of ₹ 5 each (31.03.10 : 21,15,60,000 Equity Shares of ₹ 5 each)	10,578.00	10,578.00
Issued and Subscribed		
7,26,87,260 Equity Shares of ₹ 5 each, fully paid up (31.03.10 : 7,26,87,260 Equity Shares of ₹ 5 each, fully paid up)	3,634.36	3,634.36

Of the above :

(i) 5,76,514 shares were allotted as fully paid up pursuant to a contract without payment being received in cash.

(ii) 2,13,29,782 shares were allotted as fully paid up Bonus Shares by Capitalisation of General Reserves and 28,92,700 shares were issued out of Share Premium Account.

(iii) 2,31,96,002 shares were allotted as fully paid up other than in cash pursuant to Scheme of Amalgamation.

(iv) 1,59,68,258 shares represent 1,59,68,258 Global Depository Receipts.

(v) 9,40,000 shares represent warrants converted into equity shares.

14. Reserves & Surplus

	31.03.2011	31.03.2011	31.03.2010	31.03.2010
General Reserves				
At the commencement of the year	25,867.46		15,867.46	
Profit and Loss Account	4,000.00	29,867.46	10,000.00	25,867.46
Securities Premium		16,412.11		16,412.11
Revaluation Reserve				
Balance at the commencement of the year	4,339.84		6,872.05	
Less : Adjustments relating to Fixed Assets sold / retired during the year	–		(758.21)	
Less: Depreciation / Amortisation on revalued portion of Fixed Assets	(1,770.52)	2,569.32	(1,774.00)	4,339.84
Amalgamation Reserve		300.42		300.42
Foreign Currency Translation Reserve		60.64		–
Development Allowance Reserve		3.50		3.50
Capital Reserve		12,356.60		12,356.60
Profit and Loss Account Balance Carried Forward		3,320.59		3,805.78
		64,890.64		**63,085.71**

Schedules to Accounts

₹ Lakhs

	31.03.2011	31.03.2010
15. Secured Loans		
Banks –		
Cash Credit and Working Capital Demand Loans – Secured by hypothecation of stocks, stores and book debts relating to businesses of the Company and ranking parri 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	7,634.59	5,261.01
Term Loans from ICICI Bank Limited		
- External Commercial Borrowing denominated in Foreign Currency (US$ 16.67 million; 31.03.10 : US$ 22.22 million) Secured / to be secured by exclusive mortgage on movable and immovable properties and by deposit of title deed of the plant located at Haridwar, Uttaranchal	7,712.50	10,283.33
- Rupee Loan Secured / to be secured by a parri passu first charge by way of equitable mortgage over certain movable and immovable properties of the Company	4,000.00	4,000.00
Term Loans from HDFC Bank	750.00	–
Term Loan from IDBI Bank Limited Secured / to be secured by a parri passu first charge by way of equitable mortgage over certain movable and immovable properties of the Company and exclusive charge on certain brand belonging to the Company	3,160.07	5,502.66
	23,257.16	**25,047.00**

	31.03.2011	31.03.2010
16. Unsecured Loans		
Short Term Loans	2,750.00	3,350.00
Car Loan	40.91	75.47
	2,790.91	**3,425.47**
Repayable within one year	2,750.00	3,350.00

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011

1. **Significant Accounting Policies**

1.1 **Basis of 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.

1.2 **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.

1.3 **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).

1.4 **Depreciation / 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.

1.5 **Investments**

Long term investments are carried at cost less provision for permanent diminution, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

1.6 **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.

1.7 **Sales**

Sales comprise sale of goods less discounts as applicable and include excise duty but exclude Central Sales Tax / VAT.

1.8 **Foreign Exchange Transactions**

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/ contracts.

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.

1.9 **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 :

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

1.9.2 **Gratuity** - The Company has an obligation towards gratuity, a defined benefit retiring 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.

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

1.9.3 **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.

1.9.4 Other employee benefits include Post Retirement Medical Benefits and encashment of leave 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".

1.10 **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.

1.11 **Voluntary Retirement Schemes**

The cost of Voluntary Retirement Scheme which comprises lump sum payments to employees who opt for the same and in respect of which the Company has no further obligation is charged to the Profit and Loss Account.

1.12 **Deferred Tax**

Deferred Tax is the tax effect of timing differences i.e. the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.13 **Derivatives**

Risks associated with purchase of Zinc are covered by entering in derivative contracts in the form of FUTURES and OPTIONS in accordance with risk management policy adopted in the Board. Losses on such derivative contracts outstanding at the reporting date are provided on mark to market (MTM) basis in terms of announcement dated 29 March, 2008 made by The Institute of Chartered Accountants of India.

2. Based on valuation made by professional valuers, Brand "Eveready" was valued at ₹ 66,000 Lakhs and was taken into the books in 2004-05.

3. 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.

4. Brand included as Intangibles in Fixed Assets (Schedule 5) includes purchased brand [Gross block: ₹ 1,600 Lakhs (31.3.2010 : ₹ 1,600 Lakhs) and Net Block : ₹ 480 Lakhs (31.3.2010 : ₹ 640 Lakhs)].

5. **Contingent Liabilities**

5.1. Claims against the Company not acknowledged as debts :

- Excise & Customs : ₹ 1,781.91 Lakhs (31.3.2010 : ₹ 1,773.55 Lakhs).*
- Sales tax : ₹ 133.56 Lakhs (31.3.2010 : ₹ 34.75 Lakhs).
- Income tax :
  - The Department is in appeal in regard to matters decided in favour of the Company, the tax effect whereof is ₹ 71.59 Lakhs (31.3.2010 : ₹ 71.59 Lakhs).
  - The Company is in appeal in regard to assessments made, the tax effect whereof is ₹ 599.70 Lakhs (31.3.2010 : ₹ 599.70 Lakhs).
  - In respect of matters relating to erstwhile The Bishnauth Tea Company Limited (BTCL) [amalgamated with the Company effective 1 April, 2000: ₹ 125.48 Lakhs (31.3.2010 : ₹ 125.48 Lakhs)].

*Excludes interest claimed in a few cases by respective Authorities but amount not quantified.

5.2 Others : ₹ 207.39 Lakhs (31.3.2010 : ₹ 207.39 Lakhs).

5.3 Bank Guarantees : ₹ 824.70 Lakhs (31.3.2010 : ₹ 134.06 Lakhs).

6. Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹ 2,977.81 Lakhs (31.3.2010: ₹ 1,110.72 Lakhs).

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

7. **Deferred Tax Liability**

The major component of deferred tax liability is as follows :-

₹ Lakhs

Particulars		Deferred Tax Asset/ (Liability) as at April 1, 2010	Current year debit / (credit)	Deferred Tax Asset/ (Liability) as at March 31, 2011
Deferred Tax Liability				
Difference between book and tax depreciation	(A)	**(1,553.07)**	**157.05**	**(1,396.02)**
Deferred Tax Assets				
Disallowance under Section 43B		95.00	(17.05)	77.95
Provision for Doubtful Debts and advances		67.02	12.60	79.62
Others		296.12	94.50	390.62
	(B)	**458.14**	**90.05**	**548.19**
Deferred Tax Liability (Net)	(A)+(B)	**(1,094.93)**	**247.10**	**(847.83)**

8. **Managerial Remuneration**

₹ Lakhs

	2010-11	2009-10
1. **Wholetime Directors**		
(a) Salary and Others	358.20	253.80
(b) Contribution to Provident Fund, Pension & Superannuation Funds	51.84	35.64
(c) Monetary Value of Perquisites & Allowances	95.42	70.87
	505.46	**360.31**
2. **Non Wholetime Directors**		
(a) Commission	12.00	0.00
(b) Sitting Fees	9.40	7.40
	526.86	**367.71**
3. **Computation of Net Profit under Section 309(5) of the Companies Act, 1956 :**		
Profit Before Taxes	4,609.32	16,388.22
Add :		
(a) Managerial Remuneration	526.86	367.71
(b) Provision for Bad & Doubtful Debts and Advances	69.17	20.27
(c) Provision for Wealth Tax	11.00	11.00
	5,216.35	**16,787.20**
Less :		
(a) Bad Debts written off (Net of recoveries)	10.53	(8.22)
(b) Capital Profit on sale of Fixed Assets	121.91	11,349.10
Net Profit as per Section 309(5)	**5,083.91**	**5,446.32**
Commission :		
Non Wholetime Directors	12.00	–

Note : The above excludes contribution to Gratuity Fund and provision for Leave liability as separate figures are not available.

9. The Profit and Loss Account includes net exchange Gain of ₹ 19.25 Lakhs (2009-10 : Loss of ₹ 47.27 Lakhs).

10. Loans and Advances (Schedule 10) include due from directors of the Company ₹ 19.70 Lakhs (31.3.2010 : ₹ 22.01 Lakhs). The maximum amount due from directors during the year was ₹ 22.01 Lakhs (2009-10 :₹ 24.21 Lakhs).

11. Revenue Expenditure on Research & Development ₹ 217.52 Lakhs (2009-10 : ₹ 191.09 Lakhs) is included in Operating Expenses (Schedule 3).

12. Capital Work-in-Progress is inclusive of Capital Advances ₹ 712.01 Lakhs (31.3.2010 : ₹ 358.51 Lakhs).

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

₹ Lakhs

13.

Miscellaneous Expenses includes Auditors' Remuneration in respect of :	2010-11	2009-10
Audit Fees	20.00	17.40
Tax Audit	5.10	5.10
Limited Reviews Fee	15.33	15.33
Other Services	6.86	1.80
	47.29	**39.63**

14. **Consumption of Raw Materials**

Particulars	Unit	2010-11		2009-10	
		Qty	₹ Lakhs	Qty	₹ Lakhs
Zinc Spelter	Tonne	7,056.71	7,974.66	8,346.91	8,068.59
Acetylene Black	Tonne	1,496.73	1,450.36	1,721.94	1,377.07
Brass	Tonne	605.86	2,079.34	493.88	1,284.79
Manganese Ore	Tonne	6,899.66	1,736.98	8,665.85	2,065.80
Black Tea for Packet Tea	Tonne	5,098.91	4,994.60	5,387.51	5,515.64
Others			25,802.27		28,291.51
			44,038.21		**46,603.40**

15. **Finished Goods Stocks**

Class of Goods	Unit	Opening		Closing	
		Qty	₹ Lakhs	Qty	₹ Lakhs
Batteries	Million Pcs	118.39	4,226.90	115.12	4,194.47
		(89.26)	(3,179.24)	(118.39)	(4,226.90)
Flashlights	Million Pcs	3.56	2,717.03	4.10	2,616.99
		(4.09)	(2,159.19)	(3.56)	(2,717.03)
Packet Tea	Tonne	657.54	783.92	492.40	592.60
		(511.43)	(504.49)	(657.54)	(783.92)
Carbon Electrodes	Million Pcs	1.04	2.51	1.04	2.51
		(1.04)	(2.45)	(1.04)	(2.51)
Castings, Hard Facing & Tube Rods	Tonne	0.10	2.95	0.09	2.05
		(0.11)	(2.54)	(0.10)	(2.95)
Purchased Products (1)			1,047.49		737.39
			(587.22)		(1,047.49)
Others			156.55		157.16
			(58.14)		(156.55)
			8,937.35		**8,303.17**
			(6,493.27)		(8,937.35)

Notes : 1) Excludes Batteries and Flashlights.

2) Figures in brackets represent particulars for 2009-10.

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

16. Quantitative information disclosed in Schedule 1 excludes products supplied free of charge as trade or consumer promotion schemes or batteries supplied in combination packs of flashlights as detailed below :

Class of Goods	Unit	2010-11	2009-10
Batteries	Million Pcs	75.45	70.94
Flashlights	Million Pcs	1.16	0.89
Tea	Tonne	605.93	451.27
Others	Million Pcs	3.70	1.96

17. The following finished products were written off / adjusted due to obsolescence and other reasons :

Class of Goods	Unit	2010-11	2009-10
Batteries	Million Pcs	1.39	1.14
Flashlights	Million Pcs	0.03	0.04
Tea	Tonne	–	(153.62)
Others	Million Pcs	0.15	–

18. Purchase of finished goods for resale appearing in Schedule 3 include ₹ 1,916.18 Lakhs (2009-10 : ₹ 228.69 Lakhs) towards purchase of 11.30 million pieces of Batteries (2009-10 : 9.04 million pieces), ₹ 5,964.11 Lakhs (2009-10 : ₹ 5,979.83 Lakhs) towards purchase of 16.59 million pieces of Flashlights (2009-10 : 16.25 million pieces) and ₹ 6,095.75 Lakhs (2009-10 : ₹ 7,943.29 Lakhs) towards purchases of 37.62 million pieces of General Lights (2009-10 : 35.68 million pieces).

19. **Capacities and Production**

Class of Goods	Units	Licensed/Regd. Capacity (1)	Installed Capacity (1)	Actual Production
Batteries (2)	Million Pcs	2,923.50 *2,664.50*	1,872.00 *2,132.00*	1,272.28 *1,273.96*
Flashlights (2)	Million Pcs	23.00 *23.00*	12.50 (3) *12.50 (3)*	10.39 *11.18*
Zinc Calots	Tonne	25,464.00 *25,464.00*	22,464.00 *22,464.00*	8,355.82 *9,988.46*
Carbon Electrodes (2) & (4)	Million Pcs	– *470.00*	– *580.00*	– –
Castings, Hard Facing & Tube Rods	Tonne	150.00 *150.00*	150.00 *150.00*	0.84 *0.69*
Machinery (2)	Nos.	50.00 *50.00*	50.00 *50.00*	– –
Machinery Parts (2)	Nos.	500.00 *500.00*	500.00 *500.00*	– –
Moulded Plastic Components (2) & (4)	Tonne	1500.00 *1500.00*	375.00 *375.00*	88.34 *76.35*
Packet Tea	Tonne	NA *NA*	9,000.00 *9,000.00*	5,055.95 *5,348.63*

Notes :

(1) As certified by the management.

(2) Licensed / Registered Capacity for Batteries, Flashlights, Carbon Electrodes, Machinery, Machinery Parts and Moulded Plastic Components include additional/ new capacities for which Memorandum have been filed with the appropriate authority and which have been duly acknowledged by them under the Scheme of delicensing notified by the Government vide Notification No. 477 (E) dated 25.7.1991.

(3) On single shift basis.

(4) Includes production for captive consumption.

(5) Figures in italics represent data for the previous year.

(6) The Cossipore and Hyderabad manufacturing facilities have been discontinued during the year.

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

20. **Details of Imports on CIF Basis**

₹ Lakhs

	2010-11	2009-10
Raw Materials	10,958.83	9765.00
Finished Goods	1,931.38	3,099.81
Components & Spare parts	13.96	31.13
Capital Goods	525.05	304.03

21. **Consumption of Imported and Indigenous Raw Materials, Spare Parts & Components**

₹ Lakhs

	2010-11		2009-10	
Imported	9,964.05	22.49%	9,173.26	19.57%
Indigenous	34,340.78	77.51%	37,711.85	80.43%
	44,304.83	**100.00%**	**46,885.11**	**100.00%**

22. **Expenditure in Foreign Currency**

₹ Lakhs

	2010-11	2009-10
Travel & Others	476.93	623.58
Interest	12.66	21.25

23. **Earnings in Foreign Currency**
Export of goods calculated on FOB basis : ₹ 1,728.18 Lakhs (2009-10 : ₹ 1,792.56 Lakhs).

24. Unpaid dividend represents dividend of earlier years on shares allotted to certain non-resident shareholders of the erstwhile The Bishnauth Tea Company Limited (BTCL) pursuant to the Scheme of Amalgamation of BTCL with the Company and whose present whereabouts are not known. The number of shares attributable to such dividend is 63,037 (2009-10 : 63,037) equity shares.

25. **Related Party Disclosures**

List of Related Parties

a) **Subsidiaries - The Ownership, directly or indirectly through Subsidiary (ies)**

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
Rechargeable Online SAS
Celltex Limited
Lognes Batteries Corp.
Uniross Batteries Corp.
North American Battery Corp.
Multiplier Industries Corp.
Everspark Hong Kong Private Limited

b) **Key Management Personnel**

Executive Vice Chairman & Managing Director – Mr. D. Khaitan
Wholetime Director – Mr. S. Saha

c) **Relatives of Key Management Personnel with whom the Company had transactions during the year**

Mrs. Neena Saha – Wife of Mr. S. Saha
Mr. A. Khaitan – Son of Mr. D. Khaitan

d) **Entity having significant influence** – Williamson Magor & Company Limited

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

(e) **Related Parties with whom the Company had transactions during the year**

₹ Lakhs

Transactions	Subsidiary	Entity having significant influence	Key Management Personnel	Relatives
Rent Paid	– –	3.00 *3.00*	4.56 *4.56*	– –
Remuneration				
– Mr. D. Khaitan	– –	– –	320.35 *231.77*	– –
– Mr. S. Saha	– –	– –	185.11 *128.54*	– –
– Mr. A. Khaitan	– –	– –	– –	14.48 *14.48*
Car Rental Charges – Refer Note 2 below	– –	– –	– –	5.67 *5.18*
Services Received	– –	180.00 *180.00*	– –	– –
Forfeiture of Advance received against Covertible Warrants	– –	– *261.00*	– –	– –
Sale of Goods				
— Idea Power Limited	7.79 –	– –	– –	– –
— Uniross Batteries SAS	17.73 –	– –	– –	– –
Purchase of Goods				
— Idea Power Limited	654.74 *39.36*	– –	– –	– –
Outstanding Receivables				
— Uniross Batteries SAS	17.73 –	– –	– –	– –
Outstanding Payables				
— Idea Power Limited	182.27 –	– –	– –	– –
Loans Outstanding (including interest)	1,731.73* *626.50*	– –	19.70 *22.01*	– –
Loans given to Novener SAS*	1,029.12 *626.50*	– –	– –	– –
Equity Contribution to Novener SAS	– *4,110.00*	– –	– –	– –
Guarantee given to Novener SAS	582.97 –	– –	– –	– –
Guarantee Outstanding	582.97 –	– –	– –	– –

Notes : 1. Figures in italics are for the previous year.
2. In accordance with Company's scheme.

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

26. **Earnings Per Share**

	2010-11	2009-10
Basic EPS		
Profit / (loss) after taxes - ₹ Lakhs	3,937.21	14,221.21
Weighted Average Number of Equity Shares outstanding	7,26,87,260	7,26,87,260
Nominal Value of Equity Share - ₹	5.00	5.00
Basic Earnings Per Share - ₹	5.42	19.56
Diluted EPS		
Profit / (loss) after taxes – ₹ Lakhs	3,937.21	14,221.20
Weighted average number of equity shares outstanding	7,26,87,260	7,26,87,260
Nominal Value of Equity Shares – ₹	5.00	5.00
Diluted Earning per Share – ₹	5.42	19.56

27. **Disclosure as per clause 32 of the Listing Agreement**

Loans and Advances in the nature of Loans given to Subsidiaries where there is no repayment schedule :

Name of the Company	Relationship	Amount outstanding as at 31.3.2011 (₹ Lakhs)	Maximum balance outstanding during the year (₹ Lakhs)	Investment in Shares of the Company (₹ Lakhs)
Novener SAS	Subsidiary	1,731.73 *626.50*	1,731.73 *626.50*	4,110.00 *4,110.00*

Note : Figures in italics are for the previous year.

28. **Segment Reporting**

(1) The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea, general lighting products, insect repellants and other homecare products which come under **a single business segment known as Fast Moving Consumer Goods (FMCG)**.

(2) **Geographical Segment –**

Sales within India	₹ 97,088.83 Lakhs (2009-10 : ₹ 98,117.57 Lakhs)
Sales outside India	₹ 3,137.17 Lakh (2009-10 : ₹ 3,025.35 Lakhs)

29. **Disclosures in accordance with Accounting Standard (AS) 15**

Details of the post retirement defined benefit plans are as follows :

The company has recognised in the Profit & Loss Account for the year ended 31st March 2011, an amount of ₹ 470.67 Lakhs (2009-10 : ₹ 346.74 Lakhs) expenses under defined contribution plans :

₹ Lakhs

	2010-11	2009-10
Contribution to :		
Provident Fund	265.85	195.85
Pension	204.82	150.89
Total	**470.67**	**346.74**

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

29. **Disclosures in accordance with Accounting Standard (AS) 15** *(Contd.)*

₹ Lakhs

	Pension	Gratuity	P R M B	Leave Benefits
Components of Employer's Expense				
Current Service Cost	– *–*	81.42 *84.35*	– *–*	15.23 *15.91*
Interest Cost	52.52 *45.19*	84.78 *84.33*	27.73 *26.17*	16.26 *14.01*
Expected Return on Plan Assets	(58.08) *(57.25)*	(115.02) *(94.87)*	NA *NA*	NA *NA*
Past Service Cost	– *–*	15.82 *–*	NA *–*	NA *–*
Actuarial losses / (gains)	41.34 *27.78*	193.04 *(71.71)*	(2.79) *20.67*	30.84 *69.39*
Expense recognised in the Statement of Profit and Loss	35.78 *15.72*	260.04 *2.10*	24.94 *46.84*	62.33 *99.31*
Net Asset / (Liability) recognised in the Balance Sheet				
Present Value of Defined Benefit Obligations	658.97 *667.12*	1,293.83 *1,121.44*	342.11 *355.03*	239.17 *217.53*
Fair Value of Plan Assets	690.60 *734.53*	1,506.17 *1,382.29*	NA *NA*	NA *NA*
Net Asset / (Liability) recognised	31.63 *67.41*	212.34 *260.85*	(342.11) *(355.03)*	(239.17) *(217.53)*
Change in Defined Benefit Obligations (DBO)				
Present Value of DBO at commencement	667.12 *646.50*	1,121.44 *1,203.92*	355.03 *345.99*	217.53 *232.00*
Current Service Cost	– *–*	81.42 *84.35*	– *–*	15.23 *15.91*
Interest Cost	52.52 *45.19*	84.78 *84.33*	27.73 *26.17*	16.26 *14.01*
Plan Amendment	– *–*	15.82 *–*	– *–*	– *–*
Actuarial Losses / (Gains)	0.34 *138.74*	178.08 *48.41*	(2.79) *20.67*	30.84 *69.39*
Benefits Paid	(61.01) *(163.31)*	(187.71) *(299.57)*	(37.86) *(37.80)*	(40.69) *(113.78)*
Present Value of DBO at year end	**658.97** *667.12*	**1,293.83** *1,121.44*	**342.11** *355.03*	**239.17** *217.53*

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

29. **Disclosures in accordance with Accounting Standard (AS) 15** *(Contd.)*

₹ Lakhs

	Pension	Gratuity	P R M B	Leave Benefits
Changes in Fair Value of Plan Assets				
Plan Assets at commencement	734.53	1,382.29	NA	NA
	864.99	*1,204.32*	*NA*	*NA*
Expected Return on Plan Assets	58.08	115.02	NA	NA
	57.25	*94.87*	*NA*	*NA*
Actuarial losses / (gains)	41.00	14.96	NA	NA
	(110.96)	*(120.12)*	*NA*	*NA*
Actual Contribution by Company	–	211.53	37.86	40.69
	(135.36)	*262.55*	*37.80*	*113.78*
Benefits Paid	(61.01)	(187.71)	(37.86)	(40.69)
	(163.31)	*(299.57)*	*(37.80)*	*(113.78)*
Plan Assets at year-end	**690.60**	**1,506.17**	**NA**	**NA**
	734.53	*1,382.29*	*NA*	*NA*
Actuarial Assumptions				
Discount Rate %	8.50	8.50	8.50	8.50
	8.25	*8.25*	*8.25*	*8.25*
Expected Return on Plan Assets %	8.50	8.50	NA	NA
	8.25	*8.25*	*NA*	*NA*
Salary Escalation %	Nil	5.00	NA	5.00
	Nil	*5.00*	*NA*	*5.00*

Notes :

1. PRMB represents Post Retiral Medical Benefits.
2. Pension and Gratuity Plans are funded while PRMB and leave liability are unfunded.
3. Figures in italics are in respect of the previous year.
4. Investment details of Gratuity fund in respect of certain employees are not available whose contribution is deposited and managed by Life Insurance Corporation of India.
5. **Investment details :**

	Pension		Employee Gratuity		Managerial Gratuity	
	% invested 31.03.2011	**% invested 31.03.2010**	**% invested 31.03.2011**	**% invested 31.03.2010**	**% invested 31.03.2011**	**% invested 31.03.2010**
Govt. Securities	9.87	13.51	21.54	21.78	1.30	1.59
Special deposits with RBI	3.33	3.71	–	–	–	–
Corporate Bonds	4.94	8.71	9.20	1.78	–	–
Insurance Companies	81.42	73.66	67.81	74.83	98.54	97.56
Cash and Cash Equivalents	0.44	0.41	1.45	1.61	0.16	0.85
	100.00	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

6. **Other Disclosures :**

₹ Lakhs

Benefits	2010-11	2009-10	2008-09	2007-08	2006-07
Gratuity					
Defined Benefit Obligation	1,293.83	1,121.44	1,203.92	1,222.41	1,471.07
Plan Assets	1,506.17	1,382.29	1,204.32	1,386.60	1,525.86
Surplus / (Deficit)	212.34	260.85	0.40	164.19	54.79
Experience adjustments on plan liabilities - loss / (gain)	178.08	48.41	144.98	8.37	38.79
Experience adjustments on plan assets - gain / (loss)	(14.96)	120.12	(100.05)	(22.63)	(11.10)
PRMB					
Defined Benefit Obligation	342.11	355.03	345.99	376.01	412.88
Plan Assets	NA	NA	NA	NA	NA
Surplus / (Deficit)	(342.11)	(355.03)	(345.99)	(376.01)	(412.88)
Experience adjustments on plan liabilities - loss / (gain)	(2.79)	20.67	(21.30)	(32.08)	(6.69)
Experience adjustments on plan assets - gain / (loss)	NA	NA	NA	NA	NA
Pension					
Defined Benefit Obligation	658.97	667.12	646.50	722.03	903.35
Plan Assets	690.60	734.53	864.99	1,066.06	1,128.12
Surplus / (Deficit)	31.63	67.41	218.49	344.03	224.77
Experience adjustments on plan liabilities - loss / (gain)	0.34	138.74	27.48	(63.19)	(139.60)
Experience adjustments on plan assets - gain / (loss)	(41.00)	110.96	18.19	37.52	(12.29)
Leave Benefits					
Defined Benefit Obligation	239.17	238.32	232.00	199.91	274.69
Plan Assets	NA	NA	NA	NA	NA
Surplus / (Deficit)	(239.17)	(238.32)	(232.00)	(199.91)	(274.69)
Experience adjustments on plan liabilities - loss / (gain)	30.84	90.18	52.70	(43.04)	16.21
Experience adjustments on plan assets - gain / (loss)	NA	NA	NA	NA	NA

30. **Disclosure in accordance with Accounting Standard (AS) 29**

The Company has made provisions towards Sales Tax, Excise and Others in view of the following and details of which are set out below :

(a) The Company has a present obligation as a result of past events;

(b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) A reliable estimate can be made of the amount of obligation.

₹ Lakhs

Particulars	Sales Tax	Excise	Others	Total
Carrying amount at year beginning	76.38	495.92	354.30	926.60
Carrying amount at year end	100.39	324.66	380.54	805.59
Provisions made in the year	24.01	17.60	28.28	69.89
Amount used during the year	–	–	–	–
Unused amount reversed during the year	–	188.86	2.04	190.90
Nature of Obligation	Disputes with respective authorities at different forum.			
Expected timing of resulting outflow	One to two years.			
Indication of uncertainity about outflows	Management estimates the outcome of the disputes to be unfavourable.			
Major assumptions concerning future event	Demands / disputes may not be settled in higher forum.			
Amount of any expected reimbursement	Nil			

Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

31. **Convertible Warrants**
The Company had on 17 October, 2007, issued and allotted 45,00,000 Convertible Warrants on preferential basis which were convertible at the sole option of the warrant holders within a period of 18 months from the date of allotment. During the year, an amount of ₹ Nil (2009-10 : ₹ 261 Lakhs) representing the initial amount paid on the allotment of such warrants has been forfeited on the expiry of the time frame to opt for conversion. The amount forfeited has been transferred to Capital Reserve.

32. The Company has entered into derivative instruments by way of foreign currency forward contracts to hedge the risk associated with fluctuations in exchange rates. Details of outstanding forward contract at the year end are as follows :

As at	No. of Contracts	US$ Equivalent (Million)	INR Equivalent (₹ Lakhs)
On Account of Receivables			
31.03.2011	3	0.18	84.97
31.03.2010	6	0.31	147.75
On Account of Payables			
31.03.2011	7	1.70	760.74
31.03.2010	20	2.93	1,347.83

Unhedged exposure with respect to receivables as at 31st March 2011 was ₹ 1,865.34 Lakhs (US$ 0.30 million & Euro 2.74 million) [31.03.10 - ₹ 692.72 Lakhs (US$ 0.15 million & Euro 1.00 million)] and with respect to amounts payable on account of import of Goods and Services ₹ 1,332.73 Lakhs (US$ 2.98 million & JPY 0.32 million) [31.03.10 - ₹ 525.84 Lakhs (US$ 1.13 million & JPY 3.87 million)].

33. The company acquired a controlling stake in Novener SAS in July 2009 and as at March 31, 2011, has an investment of ₹ 4,110 lakhs and has advanced amounts aggregating to ₹ 1,731.73 lakhs. Novener SAS incurred a loss of ₹ 5,236.19 lakhs for the year ended March 31, 2011 and as at that date its accumulated losses of ₹ 6,724.48 lakhs is in excess of its networth. The operations and the organization structure of Novener SAS are currently in the process of restructuring of which substantial part has been completed during the year ended March 31, 2011 and that the benefits and results of such restructuring would be forthcoming in the following years. Management is of the view that on account of its long-term involvement in Novener SAS, no provision is required on this account at this stage.

34. The company has agreed to provide contingent support upto a maximum amount of ₹ 2 million Euro to its subsidiary Novener SAS as and when necessary depending on the cash flow requirement.

35. Information pursuant to the Provisions of Para IV of Schedule VI to the Companies Act, 1956, is attached.

36. Previous year's figures have been recast/restated wherever necessary.

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, August 10, 2011

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. 7 9 9 3 — **State Code** 2 1

Balance Sheet Date 3 1 (Date) 0 3 (Month) 2 0 1 1 (Year)

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue
NIL	NIL
Bonus Issue	**Private Placement**
NIL	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities (including Shareholders' Fund)	Total Assets (including Miscellaneous Expenditure)
11812885	11812885

Sources of Funds

Paid-Up Capital	Reserves & Surplus
363436	6489064
Secured Loans	**Unsecured Loans**
2325716	279091

Application of Funds

Net Fixed Assets		Investments
8231701		411000
Net Current Assets	**Accumulated Losses**	**Misc. Expenditure**
899389	000	00000

IV. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Income	Total Expenditure
10127461	9663602
Exceptional Income	**Exceptional Expenditure**
NIL	2927
+ – Profit/Loss Before Tax	**+ – Profit/Loss After Tax**
+ ✓ 460932	+ ✓ 393721
(Please tick appropriate box (+) for Profit / (–) for Loss)	(Please tick appropriate box (+) for Profit / (–) for Loss)
+ – Earning per share (Basic) in Rs.	**Dividend Rate %**
+ ✓ 05.42	10
+ – Earning per share (Diluted) in Rs.	
+ ✓ 05.42	

V. Generic Name of Three Principal Products/Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
850610.00	PRIMARY BATTERIES
851310.01	FLASH LIGHTS
090230.02	TEA BLACK IN PACKET

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, August 10, 2011

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	3.16	3,787.25	303.94	303.94	-	663.80	(17,871.46)	-	(17,871.46)	-
2.	Uniross SA ^	France	Euro	3,877.51	-	1,126.77	1,126.77	-	(80.47)	(5,393.74)	-	(5,393.74)	-
3.	Uniross Batteries SAS ^	France	Euro	4,468.47	226.12	17,787.91	17,787.91	-	7,082.56	(457.70)	-	(457.70)	-
4.	Industrial - Uniross Batteries (PTY) Ltd. ^^	South Africa	ZAR	0.01	-	931.22	931.22	-	1,796.61	164.38	14.95	149.43	-
5.	Uniross Batteries GmbH ^	Germany	Euro	15.79	-	2,097.77	2,097.77	-	10.72	(132.27)	-	(132.27)	-
6.	Uniross Batteries Limited **	UK	GBP	215.79	-	2,060.03	2,060.03	-	115.24	(422.38)	-	(422.38)	-
7.	Zhongshan Uniross Industry Co. Limited #	China	CNY	237.06	132.92	4,387.59	4,387.59	-	1,261.59	(711.44)	(49.63)	(661.81)	-
8.	Everfast Rechargeables Limited ##	Hong Kong	HKD	5.74	535.06	698.01	698.01	-	2,319.65	61.31	7.90	53.42	-
9.	Idea Power Limited ##	Hong Kong	HKD	0.06	(87.06)	546.99	546.99	-	1,438.86	10.62	-	10.62	-
10.	Celltex Limited ##	France	Euro	-	-	1,803.11	1,803.11	-	1,594.34	29.75	-	29.75	-
11.	Lognes Batteries Corp.*	Hong Kong	HKD	-	-	-	-	-	-	-	-	-	-
12.	Uniross Batteries Corp.*	USA	USD	-	-	-	-	-	-	-	-	-	-
13.	North American Battery Corp.*	USA	USD	-	-	-	-	-	-	-	-	-	-
14.	Multiplier Industries Corp.*	USA	USD	-	-	-	-	-	-	-	-	-	-
15.	Everspark Hong Kong Private Limited*	Hong Kong	HKD	-	-	-	-	-	-	-	-	-	-

^ Converted into Indian Rupees at the Exchange rate, 1 EURO = ₹ 63.16
# Converted into Indian Rupees at the Exchange rate, 1 CNY = ₹ 6.82
^^ Converted into Indian Rupees at the Exchange rate, 1 ZAR = ₹ 6.55
Converted into Indian Rupees at the Exchange rate, 1 HKD = ₹ 5.74
** Converted into Indian Rupees at the Exchange rate, 1 GBP = ₹ 71.91

As at 31.03.2011

* not operational

Rechargeable Online SAS ceased to be an indirect subsidiary during the year under review.

Litez India Ltd. was incorporated as a subsidiary during the year under review.

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 31st March, 2011, the Consolidated Profit and Loss Account 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. We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of ₹ 14,801.02 Lakhs as at 31st March, 2011, total revenues of ₹ 13,041.68 Lakhs and net cash flows amounting to ₹ 930.98 Lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
4. 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.
5. Attention is invited to Note 6 of Schedule 17 forming part of the financial statements regarding amortization of brand over a period of 40 years on the basis of an expert opinion.
6. Attention is invited to Note 24 of Schedule 17 of the financial statements regarding the status of the Company's investments of ₹ 4,110 Lakhs in and advances of ₹ 1,731.73 Lakhs to its subsidiary Novener SAS and in respect of which no provision has been made for reasons explained therein.
7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and 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 31st March, 2011;
   (ii) in the case of the Consolidated Profit and Loss Account, 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

Hyderabad, August 10, 2011

Consolidated Profit and Loss Account

For the year ended March 31, 2011

₹ Lakhs

	Schedule	2010-11		2009-10	
Income					
Sales	1	1,12,468.86		1,14,686.30	
Less : Excise Duty		5,183.68	1,07,285.18	4,270.16	1,10,416.14
Net Profit on Sale of Real Estate			-		703.23
Other Operating Income	2		939.10		152.05
Provision no longer required written back			190.90		124.68
			1,08,415.18		**1,11,396.10**
Expenditure					
Operating Expenses	3		97,615.50		104,781.74
(Increase) / Decrease in inventories of Finished Goods and Work-in-progress			2,964.94		(4,530.72)
Provision - Others			69.89		107.36
Depreciation		5,096.44		4,375.36	
Less : Transferred from Revaluation Reserve		(1,770.52)	3,325.92	(1,774.00)	2,601.36
Interest and Finance Cost	4		3,264.58		3,176.47
			107,240.83		**106,136.21**
Net Profit Before Taxation & Exceptional Items			**1,174.35**		**5,259.89**
Exceptional Items					
- Profit on Surrender of Leasehold Rights & Other Related Assets			-		10,645.87
- Employee Separation Cost			1,151.23		715.28
- Expenditure relating to Investment in Subsidiary			-		193.01
- Provision for safeguard related repayment			683.21		-
Net (Loss)/Profit Before Taxation			**(660.09)**		**14,997.47**
Provision for Taxation					
- Current Income Tax		996.29		2,963.70	
- Excess FBT provision relating to earlier year written back		(13.21)		-	
- Deferred Tax		(247.05)	736.03	(688.52)	2,275.18
Net (Loss)/Profit After Taxation before Minority Interest			**(1,396.12)**		**12,722.29**
Minority Interest			0.69		0.61
Net (Loss)/Profit After Taxation After Minority Interest			**(1,395.43)**		**12,722.90**
Balance brought forward from Previous Year			2,307.47		8.37
Amount Available for Appropriations			**912.04**		**12,731.27**
- Proposed Dividend			363.44		363.44
- Tax on Proposed Dividend			58.96		60.36
- Transferred to General Reserve			4,000.00		10,000.00
Balance carried forward to Balance Sheet			**(3,510.36)**		**2,307.47**
Earning Per Share (Face Value ₹ 5 each)					
- Basic			(1.92)		17.50
- Diluted			(1.92)		17.50
Significant Accounting Policies and Notes	17				
The Schedules referred to above form an integral part of the Profit and Loss Account.					

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

K. Rajasekhar
Partner

Hyderabad, August 10, 2011

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, August 10, 2011

Consolidated Balance Sheet

As at March 31, 2011

₹ Lakhs

	Schedule	31.03.2011		31.03.2010	
Funds Employed					
Goodwill		6,444.92		6,765.54	
Fixed Assets	5	80,629.71		84,073.15	
Capital Expenditure in Progress		2,079.91	89,154.54	1,294.77	92,133.46
Investments	6		–		–
Current Assets					
Inventories	7	21,105.53		23,717.12	
Sundry Debtors	8	6,826.09		6,538.49	
Cash & Bank Balances	9	1,326.21		2,536.18	
Loans and Advances	10	8,325.22		9,937.15	
		37,583.05		42,728.94	
Less : Current Liabilities	11	29,527.16		31,033.14	
Provisions	12	2,777.80		4,115.56	
		32,304.96		35,148.70	
Net Curent Assets			5,278.09		7,580.24
Profit and Loss Account			3,510.36		–
			97,942.99		**99,713.70**
Financed by					
Share Capital and Reserves					
Share Capital	13	3,634.36		3,634.36	
Reserves and Surplus	14	60,910.58	64,544.94	61,173.24	64,807.60
Minority Interest (Foreign Currency Translation Reserve)			(164.87)		(103.54)
Loan Funds					
Secured Loans	15	27,833.49		28,357.68	
Unsecured Loans	16	4,949.03	32,782.52	5,621.74	33,979.42
Deferred Tax Liability (Net)			780.40		1,030.22
			97,942.99		**99,713.70**
Significant Accounting Policies and Notes	17				
The Schedules referred to above form an integral part of the Balance Sheet					

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

K. Rajasekhar
Partner
Hyderabad, August 10, 2011

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary
Kolkata, August 10, 2011

Consolidated Cash Flow Statement

For the year ended March 31, 2011

₹ Lakhs

		2010-11	2009-10
A.	**Cash Flow from Operating Activities**		
	Net Profit before tax	(660.09)	14, 997.47
	Adjustments for :		
	Doubtful Debts & Advances (Net)	(432.85)	81.54
	Provision for Contingencies written back	(190.90)	(124.68)
	Provision - Others	69.89	107.36
	Depreciation	3,325.92	2,601.37
	Prov for wealth Tax	11.00	11.00
	Write off of Fixed Asset	-	3.65
	Unrealised Net Exchange (Gain)/Loss	(26.54)	(438.10)
	Investment/Interest Income	(636.87)	(74.93)
	Interest(Net)	3,292.91	3,421.84
	Profit/(Loss) on Sale/Disposal of Real Estate / Fixed Assets	(121.91)	(11,340.11)
		4,630.56	**9,246.41**
	Misc expenditure charged to P&L	1,834.44	1,015.55
	Operating Profit Before Working Capital Changes	**6,465.00**	**10,261.96**
	Adjustments for :		
	Trade and Other Receivables	1,384.35	1,039.03
	Inventories	2,705.18	(4,988.75)
	Trade Payables and Other Liabilities	(1,797.41)	1,008.04
	Adjustment for Transfer of Assets and Liabilities as at 1st July 2009 of Idea Power Ltd.to the Group	-	(163.41)
	Cash Generated from Operations	**8,757.12**	**7,156.87**
	Direct Taxes paid (Net of Refunds)	(2,255.54)	(706.13)
	Employee Separation Compensation paid	(760.87)	(717.48)
	Interest on Income Tax Refund	592.40	31.01
	Net Cash Flow from Operating Acitivities	**6,333.11**	**5,764.27**
B.	**Cash Flow from Investing Activities :**		
	Purchase of Fixed Assets	(1,849.95)	(2,285.79)
	Sale of Real Estate/ Fixed Assets	131.73	716.68
	Interest Received	44.47	43.92
	Net Cash Flow from Investing Activities	**(1,673.75)**	**(1,525.19)**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Issue of Shares	-	95.82
	Proceeds from Long-Term Borrowings	763.80	4,000.00
	Proceeds from Short-Term Borrowings	14,010.69	6,848.75
	Repayment of Long-Term Borrowings	(5,112.76)	(6,456.28)
	Repayment of Short-Term Borrowings	(11,824.12)	(4,869.30)
	Interest Paid	(3,153.62)	(3,535.06)
	Dividend Paid	(417.94)	(0.04)
	Net Cash Flow from Financing Activities	**(5,733.95)**	**(3,916.11)**
	Effect of Foreign Exchange Fluctuations	(135.38)	(370.70)
	Net (Decrease)/ Increase in Cash and Cash-Equivalents (A+B+C)	**(1,209.97)**	**(47.73)**
	Cash and Cash-Equivalents on Opening Date	2,536.18	2,525.08
	Add : Cash and Cash-Equivalents taken over from Idea Power Ltd.	-	58.83
	Cash and Cash-Equivalents on Closing Date*	1,326.21	2,536.18
		(1,209.97)	**(47.73)**

Notes : i) Figures in brackets represent outflows.
ii) Previous year figures have been recast/restated wherever necessary.
iii) Cashflow of 2009-10 excludes profits on surrender of leasehold Rights and other related assets for the premises at Navi Mumbai for a consideration of ₹ 11,500 Lakhs against which the company had received the full transaction value before financial year 2009-10 and thereby this being a non-cash transaction does not have a direct impact on Cash Flow of 2009-10.
* Includes restricted balance ₹ 38.22 Lakhs.[31.03.2010 : ₹ 32.36 Lakhs].

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

K. Rajasekhar
Partner

Hyderabad, August 10, 2011

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, August 10, 2011

Consolidated Schedules to Accounts

	Unit	2010-11 Qty.	2010-11 ₹ Lakhs	2009-10 Qty.	2009-10 ₹ Lakhs
1. Sales					
Class of Goods					
Batteries	Million Pcs.	1,219.16	73,212.30	1,191.05	72,414.36
Flashlights	Million Pcs.	25.42	22,022.38	27.04	23,819.62
Packet Tea	Tonne	4,615.16	7,334.00	4,904.87	7,594.50
Lighting Products	Million Pcs.	35.17	9,138.46	32.79	9,154.12
Purchased Products			532.95		1,129.88
(excludes Batteries, Flashlights and Lighting Products)					
Others			228.77		573.82
			1,12,468.86		**1,14,686.30**

2. Income from Other Sources

	2010-11 ₹ Lakhs	2009-10 ₹ Lakhs
Interest on bank and other accounts	44.47	43.92
(Tax deducted at source ₹ 2.28 Lakhs, 2009-10 ₹ 1.40 Lakhs)		
Interest on Income Tax Refund / Advance Tax	592.40	31.01
Miscellaneous Income	180.32	86.11
Net Profit on Sale/Retirement of Assets other than Real Estate	121.91	(8.99)
	939.10	**152.05**

3. Operating Expenses

	2010-11 ₹ Lakhs	2009-10 ₹ Lakhs
Salaries & Wages (includes debit towards Employee Benefits ₹ 16.49 Lakhs, 2009-10, credit ₹ 29.37 Lakhs)	9,048.63	8,040.85
Contribution to Provident Fund, Gratuity Fund, Pension Fund and State Insurance	1,581.85	1,158.32
Workmen and Staff Welfare Expenses (includes debit towards Employee Benefits ₹ 24.98 Lakhs, 2009-10 ₹ 46.92 Lakhs)	1,001.17	989.43
Raw Materials consumed	45,068.60	47,612.63
Stores and Spares consumed	266.62	281.71
Purchase of Finished Goods for resale	21,293.14	24,703.43
Excise Duty	(75.01)	160.97
Power and Fuel	1,158.59	1,194.12
Travelling and Conveyance	1,924.20	2,086.99
Advertisement,Sales Promotion and Market Research	4,453.38	6,942.67
Freight, Shipping and Selling Expenses	6,117.00	5,693.79
Repairs & Maintenance - Machinery	864.04	884.90
- Buildings	301.24	256.14
Software Maintenance	205.60	231.53
Rent	959.66	817.38
Rates and Taxes	569.89	572.78
Insurance	213.49	199.86
Postage, Stationery & Communication	539.63	499.98
Commission	48.48	45.14
Consultancy Charges	697.65	570.11
Bank Charges	252.99	273.57
Doubtful Debts / Advances (net)	(432.84)	81.55
Donations	49.01	15.63
Deferred Revenue Expenditure written off	-	300.27
Miscellaneous Expenses	1,534.55	1,235.16
Less : Amount transferred to Capital & Other Accounts	(26.06)	(67.17)
	97,615.50	**1,04,781.74**

Consolidated Schedules to Accounts

₹ Lakhs

	2010-11	2009-10
4. Interest and Exchange Fluctuation (net)		
Interest Charge		
On Fixed Loans	1,831.46	2,377.26
Others	1,461.45	1,044.58
Net Exchange gain in Foreign Currency	(28.33)	(245.37)
Interest and Finance Cost	**3,264.58**	**3,176.47**

5. Fixed Assets

₹ Lakhs

PARTICULARS	GROSS BLOCK AT COST / REVALUATION				DEPRECIATION				NET BLOCK
	Cost/ Valuation as at April 1, 2010	Additions/ Adjustments during the year	Sales/ Retirements/ Adjustments during the year	Cost/ Valuation as at March 31, 2011	As at April 1, 2010	For the year	On assets Sold/Retired/ Adjusted during the year	Total as at March 31, 2011	Written down value as at March 31, 2011
INTANGIBLES :									
GOODWILL	8,500.79	-	(364.94)	8,865.73	1,735.25	582.79	(102.77)	2,420.81	6,444.92
SOFTWARE & LICENSE	1,458.22	31.12	(58.13)	1,547.47	1,401.01	38.38	(56.39)	1,495.78	51.69
BRAND	67,600.00	-	-	67,600.00	10,860.00	1,810.00	-	12,670.00	54,930.00
PATENT/TRADE MARK	15.00	-	-	15.00	15.00	-	-	15.00	-
TANGIBLES :									
LAND - FREEHOLD	7,349.10	-	-	7,349.10	255.38	19.80	-	275.18	7,073.92
LEASEHOLD LAND	1,306.26	-	-	1,306.26	117.02	19.72	-	136.74	1,169.52
BUILDINGS	14,738.15	115.79	-	14,853.94	6,450.21	507.95	-	6,958.16	7,895.78
PLANT, MACHINERY EQUIPMENT ETC	36,867.43	489.61	115.93	37,241.11	27,370.87	1,757.14	109.01	29,019.00	8,222.11
FURNITURE & FIXTURE AND OFFICE APPLIANCES	4,846.04	406.69	16.23	5,236.50	3,748.92	297.18	27.92	4,018.18	1,218.32
MOTOR VEHICLES	356.26	21.61	47.09	330.78	244.90	63.48	45.97	262.41	68.37
Total	**1,43,037.25**	**1,064.82**	**(243.82)**	**1,44,345.89**	**52,198.56**	**5,096.44**	**23.75**	**57,271.26**	**87,074.63**
31st March, 2010	1,38,998.54	2,214.59	6,676.67	1,34,536.46	51,032.17	4,375.36	4,944.22	50,463.31	84,073.15

Notes :

1. Revaluation of Freehold Land, Leasehold Land (other than those on short lease), owned Buildings, Plan and Machinery and Equipment was carried out as on March 31,1995 by an approved valuer on current cost basis. The resultant increase in the net book value of ₹ 19,596.92 Lakhs was credited to Revaluation Reserve in that year.
2. Revaluation of Freehold Land, Leasehold Land (other than those on short lease) and owned Buildings was carried out as on March 31, 2004 by an approved valuer on current cost basis and adjusted for depreciation element as applicable. The resultant increase in the net book value on revaluation amounting to ₹ 10,968.72 Lakhs was transferred to Revaluation Reserve in that year.

Consolidated Schedules to Accounts

₹ Lakhs

		31.3.2011		31.3.2010
6. Investments				
Trade Investments				
Quoted				
Mcleod Russel India Limited		*		*
40 Shares of ₹ 5/- each				
* (₹ 200/-)		–		–
Aggregate book value of : Quoted Investments		–		–
		–		–
Market Value of Quoted Investment		0.10		0.11
7. Inventories				
Stores & Spares		447.92		504.67
Raw Materials		7,783.02		7,372.91
Work-in-progress		2,679.35		3,803.31
Finished Goods		10,195.24		12,036.23
		21,105.53		**23,717.12**
8. Sundry Debtors				
Unsecured				
Over six months :				
- Considered good		29.06		2.46
- Considered doubtful	600.53		764.21	
Less : Provision for doubtful debts	(600.53)	–	(764.21)	–
Less than six months :				
Considered good		6,797.03		6,536.03
Considered doubtful	68.80		24.15	
Less : Provision for doubtful debts	(68.80)	–	(24.15)	–
		6,826.09		**6,538.49**
9. Cash and Bank Balances				
Cash in Hand		34.90		32.28
Cheques in Hand		187.83		19.62
With Scheduled Banks :				
- in Current Accounts		1,075.68		1,988.70
- in Deposit Accounts *		1.38		474.84
- in Dividend Accounts		23.92		18.06
With Others :				
- in Current Accounts with HSBC, Singapore #		2.50		2.68
		1,326.21		**2,536.18**

* pledged with banks as LC margin money

maximum amount outstanding ₹ 11.83 Lakhs (2009-10 : ₹ 16.10 Lakhs)

Consolidated Schedules to Accounts

₹ Lakhs

	31.3.2011	31.3.2010
10. Loans and Advances		
Unsecured, Considered good		
Advances recoverable in cash or in kind or for value to be received	6,198.80	7,180.02
Balance with Excise Authorities, Customs and Port Trust	386.87	408.41
Deposits	915.55	1,034.78
Advance Income Tax		
(Net of Provision for Taxation ₹ 3,747.47 Lakhs; 2009-10 ₹ 26.44 Lakhs)	797.59	1,313.28
Others	26.41	0.66
	8,325.22	**9,937.15**

11. Current Liabilities

	31.3.2011	31.3.2011	31.3.2010	31.3.2010
Acceptances		4,763.63		4,826.77
Sundry Creditors				
- Total outstanding dues of Micro, Small & Medium enterprises	-		-	
- Total outstanding due of creditors other than Micro, Small & Medium enterprises	17,870.55	17,870.55	19,776.36	19,776.36
Interest Accrued but not due on loans		535.98		393.53
Advances Received		263.72		112.57
Advance received from Customers		212.74		233.56
BPL Escrow Liability		14.30		14.30
Other Liabilities		5,805.88		5,620.80
Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act,1956				
Due				
- Unpaid Dividends		3.02		3.02
Not Due				
- Unpaid Dividends		53.96		48.10
- Unclaimed Matured Deposits		0.72		1.47
- Unclaimed Interest on Public Deposit		2.66		2.66
		29,527.16		**31,033.14**

No amounts are due for deposit at the Balance Sheet date to the Investor Education and Protection Fund except for ₹ 3.02 Lakhs in respect of unpaid dividend which is subject to a restraint order from a competent court.

12. Provisions

	31.3.2011	31.3.2010
Proposed Dividend	363.44	363.44
Tax on Proposed Dividend	58.96	60.36
Income Tax (Net of Advance Tax of ₹ 62.40 Lakhs; 2009-10 ₹ 975.46 Lakhs)	374.94	2,162.07
Long Term Employee Benefits	617.47	603.09
Excise	324.66	495.92
Sales Tax	100.39	76.38
Others - (Refer Note 21 of Schedule 17)	937.94	354.30
	2,777.80	**4,115.56**

Consolidated Schedules to Accounts

₹ Lakhs

	31.3.2011	31.3.2010

13. Share Capital

		31.3.2011	31.3.2010
	Authorised		
	21,15,60,000 Equity Shares of ₹ 5/- each (31.03.10-21,15,60,000 Equity Share of ₹ 5/- each)	10,578.00	10,578.00
	Issued and Subscribed		
	7,26,87,260 Equity Shares of ₹ 5/- each, fully paid up (31.03.10 - 7,26,87,260 Equity Shares of ₹ 5/- each, fully paid)	3,634.36	3,634.36
Of the above :			
(i)	5,76,514 shares were allotted as fully paid up pursuant to a contract without payment being received in cash.		
(ii)	2,13,29,782 shares were allotted as fully paid up Bonus Shares by Capitalisation of General Reserves and 28,92,700 shares were issued out of Share Premium Account.		
(iii)	2,31,96,002 Shares were allotted as fully paid up other than in cash pursuant to Scheme of Amalgamation.		
(iv)	1,59,68,258 shares represent 1,59,68,258 Global Depository Receipts.		
(v)	9,40,000 shares represent warrants converted into equity shares.		

14. Reserves & Surplus

	31.3.2011		31.3.2010	
General Reserves				
At the commencement of the year	25,867.46		15,867.46	
Profit and Loss Account	4,000.00	29,867.46	10,000.00	25,867.46
Securities Premium		16,412.11		16,412.11
Revaluation Reserve				
Balance at the commencement of the year	4,339.84		6,872.05	
Less : Adjustment relating to Fixed Assets sold / retired during the year	-		(758.21)	
Less: Depreciation / Amortisation on revalued portion of Fixed Assets	(1,770.52)	2,569.32	(1,774.00)	4,339.84
Amalgamation Reserve		300.42		300.42
Foreign Currency Translation Reserve		(598.83)		(414.16)
Development Allowance Reserve		3.50		3.50
Capital Reserve		12,356.60		12,356.60
Profit and Loss Account Balance Carried Forward		–		2,307.47
		60,910.58		**61,173.24**

Consolidated Schedules to Accounts

₹ Lakhs

	31.3.2011	31.3.2010
15. Secured Loans		
Banks –		
Cash Credits and Working Capital Demand Loans – Secured by hypothecation of stocks, stores and book debts relating to businesses of the Company and ranking parri 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.	8,145.33	5,261.01
Term Loans from ICICI Bank Limited	7,712.50	10,283.33
- External Commercial Borrowing denominated in Foreign Currency (US$ 16.67 million, 31-03-10 - US$ 22.22 million). Secured / to be secured by exclusive mortgage on movable and immovable properties and by deposit of title deed of the plant located at Haridwar, Uttaranchal.		
- Rupee Loan Secured / to be secured by a parri passu first charge by way of equitable mortgage over certain movable & immovable properties of the Company.	4,000.00	4,000.00
Term Loans from HDFC Bank	750.00	-
Term Loans from IDBI Bank Ltd. Secured / to be secured by a parri 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.	3,160.07	5,502.66
Loans frozen by the safety plan Secured by way of equitable mortgage over Inventories of the Subsidiary Company.	4,065.59	3,310.68
	27,833.49	**28,357.68**

16. Unsecured Loans

	31.3.2011	31.3.2010
Short Term Loans	2,750.00	3,350.00
Car Loan	40.91	75.47
Inter Corporate Loans	-	3.96
Loan from previous Shareholders frozen by safety plan of Subsidiary Company	1,751.51	1,731.89
Loan from Bank – frozen by safety plan of Subsidiary Company	406.61	460.42
	4,949.03	**5,621.74**
Repayable within one year	2,750.00	3,350.00

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011

1. **Significant Accounting Policies**

1.1 **Basis of 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.

1.2 **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.

1.3 **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).

1.4 **Depreciation / 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.

1.5 **Investments**

Long term investments are carried at cost less provision for permanent diminution, if any, in the value of such investments. Current investments are carried at lower of cost and fair value.

1.6 **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.

1.7 **Sales**

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

1.8 **Foreign Exchange Transactions**

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.

1.9 **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. The estimated liability for all employee benefits for subsidiary company is determined as per terms of employment of the geographical segments in which it belongs to. A brief description of the various employee benefits are as follows :

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

1.9.2 **Gratuity -** The Company has an obligation towards gratuity, a defined benefit retiring 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.

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

1.9.3 **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.

1.9.4 Other employee benefits include Post Retirement Medical Benefits and encashment of leave 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".

1.10 **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.

1.11 **Voluntary Retirement Schemes**

The cost of Voluntary Retirement Scheme which comprises lump sum payments to employees who opt for the same and in respect of which the Company has no further obligation is charged to the Profit and Loss Account.

1.12 **Deferred Tax**

Deferred Tax is the tax effect of timing differences i.e. the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.13 **Derivatives**

Risks associated with purchase of Zinc are covered by entering in derivative contracts in the form of FUTURES and OPTIONS in accordance with risk management policy adopted in the Board. Losses on such derivative contracts outstanding at the reporting date are provided on mark to market (MTM) basis in terms of announcement dated 29 March, 2008 made by The Institute of Chartered Accountants of India.

2. **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. 31 March, 2011.

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

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

Name of the Company Subsidiaries	Ownership in % either directly or through Subsidiaries 2010-11	Country of Incorporation
Novener SAS	80%	France
Uniross SA	97.3% (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 & 30% through Everfast Rechargeables Ltd.)	Hong Kong
Rechargeable Online SAS	100% (through Uniross Batteries SAS)	France
Celltex Limited	100% (through Uniross Batteries SAS)	Hong Kong
Lognes Batteries Corp.*	100% (through Uniross Batteries SAS)	USA
Uniross Batteries Corp.*	100% (through Uniross Batteries SAS)	USA
North American Battery Corp.*	100% (through Uniross Batteries Corp.)	USA
Multiplier Industries Corp.*	100% (through Uniross Batteries Corp.)	USA
Everspark Hong Kong Private Limited*	100%	Hong Kong
* not operational		

3. 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 ₹ 1,046.55 Lakhs (2009-10 ₹ 297.05 Lakhs) has been adjusted against the parent's share of Profit and Loss.

4. The financial position & results of the subsidiary companies as included in the Consolidated Financial Statement for the year ended 31 March, 2011 is given below :

₹ Lakhs

Particulars	2010-11	2009-10
Shareholders Fund		
(a) Capital	3.43	3.03
(b) Reserves and Surplus	3,260.61	3,610.12
Loan Funds	8,466.19	6,112.59
Goodwill on consolidation	6,444.92	6,765.54
Fixed Assets	392.61	558.38
Current Assets, Loans and Advances		
(a) Inventories	2,211.04	3,515.58
(b) Sundry Debtors	2,612.90	2,862.85
(c) Cash and Bank balances	741.71	1,672.70
(d) Loans and Advances	2,330.42	3,557.61
Less : Current Liabilities and Provisions		
(a) Liabilities	8,970.23	10,571.68
(b) Provisions	825.05	188.24
Profit and Loss Account	6,724.48	1,488.29
Deferred Tax Assets	67.43	64.70
INCOME		
Sales	12,944.82	13,583.37
Other Operating Income	96.86	10.35
EXPENSES		
Manufacturing and other Expenses	15,383.66	15,046.50
Depreciation	872.74	188.69
Interest and Finance Cost	152.39	(261.34)
Exceptional Item	1,805.16	-
Taxes	63.92	108.16
Profit/(Loss) for the year	**(5,236.19)**	**(1,488.29)**
Balance Carried Forward	(1,488.29)	-
Profit and Loss Account	**(6,724.48)**	**(1,488.29)**

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

5. Based on valuation made by professional valuers, Brand "Eveready" was valued at ₹ 66,000 Lakhs and was taken into the books in 2004-05.

6. 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.

7. Brand included as Intangibles in Fixed Assets (Schedule 5) includes purchased brand [Gross block : ₹ 1,600 Lakhs (31.3.2010 : ₹ 1,600 Lakhs) and Net Block : ₹ 480 Lakhs (31.3.2010 : ₹ 640 Lakhs)].

8. **Contingent Liabilities**

   8.1 Claims against the Company not acknowledged as debts :

   - Excise & Customs : ₹ 1,781.91 Lakhs (31.3.2010 : ₹ 1,773.55 Lakhs).*
   - Sales tax : ₹ 133.56 Lakhs (31.3.2010 : ₹ 34.75 Lakhs).
   - Income tax :
     - The Department is in appeal in regard to matters decided in favour of the Company, the tax effect whereof is ₹ 71.59 Lakhs (31.3.2010 : ₹ 71.59 Lakhs.)
     - The Company is in appeal in regard to assessments made, the tax effect whereof is ₹ 599.70 Lakhs (31.3.2010 : ₹ 599.70 Lakhs).
     - In respect of matters relating to erstwhile The Bishnauth Tea Company Limited (BTCL) [amalgamated with the Company effective 1 April, 2000 : ₹ 125.48 Lakhs (31.3.2010 : ₹ 125.48 Lakhs)].

   * Excludes interest claimed in a few cases by respective Authorities but amount not quantified.

   8.2 Others : ₹ 207.39 Lakhs (31.3.2010 : ₹ 207.39 Lakhs).

   8.3 Bank Guarantees : ₹ 980.74 Lakhs (31.3.2010 : ₹ 842.65 Lakhs).

9. Estimated amount of contracts remaining to be executed on capital account and not provided for : ₹ 2,977.81 Lakhs (31.3.2010 : ₹ 1,110.72 Lakhs).

10. **Deferred Tax Liability**

The major component of deferred tax liability is as follows :

₹ Lakhs

Particulars		Deferred Tax Asset/(Liability) as at March 31, 2011	Deferred Tax Asset/(Liability) as at March 31, 2010
Deferred Tax Liability			
Difference between book and tax depreciation	(A)	**(1,391.63)**	**(1,548.81)**
Deferred Tax Assets			
Disallowance under Section 43B		77.95	95.00
Provision for Doubtful Debts and advances		79.62	67.02
Others		453.66	356.57
	(B)	**611.23**	**518.59**
Deferred Tax Liability (Net)	(A)+(B)	**(780.40)**	**(1,030.22)**

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

11. **Directors Remuneration** ₹ Lakhs

	2010-11	2009-10
1. **Wholetime Directors**		
a. Salary and Others	358.20	253.80
b. Contribution to Provident, Pension & Superannuation Funds	51.84	35.64
c. Monetary value of perquisites and allowances	95.42	70.87
	505.46	**360.31**
2. **Non Wholetime Directors**		
a. Commission	12.00	-
b. Sitting Fees	9.40	7.40
	526.86	**367.71**

Note :

The above excludes contribution to Gratuity Fund and provision for leave liability as separate figures are not available.

12. The Profit and Loss Account includes net exchange gain of ₹ 44.94 Lakhs (2009-2010 : gain of ₹ 309.02 Lakhs).

13. Loans and Advances (Schedule 10) include due from directors of the Company ₹ 19.70 Lakhs (31.3.2010 : ₹ 22.01 Lakhs). The maximum amount due from directors during the year was ₹ 22.01 Lakhs (2009-2010 : ₹ 24.21 Lakhs).

14. Revenue Expenditure on Research & Development ₹ 217.52 Lakhs (2009-2010 : ₹ 191.09 Lakhs) is included in Operating Expenses (Schedule 3).

15. Capital Work-in-Progress is inclusive of Capital Advances : ₹ 712.01 Lakhs (2009-2010 : ₹ 358.51 Lakhs).

16. Unpaid dividend represents dividend of earlier years on shares allotted to certain non-resident shareholders of the erstwhile The Bishnauth Tea Company Limited (BTCL) pursuant to the Scheme of Amalgamation of BTCL with the Company and whose present whereabouts are not known. The number of shares attributable to such dividend is 63,037 (2009-10 : 63,037) equity shares.

17. **Related Party Disclosures**

List of Related Parties

a) **Subsidiaries - The Ownership, directly or indirectly through Subsidiary (ies)**

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
Rechargeable Online SAS
Celltex Limited
Lognes Batteries Corp.
Uniross Batteries Corp.
North American Battery Corp.
Multiplier Industries Corp.
Everspark Hong Kong Private Limited

b) **Key Management Personnel**

Executive Vice Chairman & Managing Director – Mr. D. Khaitan
Wholetime Director – Mr. S. Saha

c) **Relatives of Key Management Personnel with whom the Company had transactions during the year**

Mrs. Neena Saha – Wife of Mr. S. Saha
Mr. A. Khaitan – Son of Mr. D. Khaitan

d) **Entity having significant influence** – Williamson Magor & Company Limited

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

(e) **Related Parties with whom the Company had transactions during the year**

₹ Lakhs

Transactions	Entity having significant influence	Key Management Personnel	Relatives
Rent Paid	3.00 *3.00*	4.56 *4.56*	– –
Remuneration			
– Mr. D. Khaitan	– –	320.35 *231.77*	– –
– Mr. S. Saha	– –	185.11 *128.54*	– –
– Mr. A. Khaitan	– –	– –	14.48 *14.48*
Car Rental Charges – Refer Note 1 below	– –	– –	5.67 *5.18*
Services Received	180.00 *180.00*	– –	– –
Forfeiture of Advance received against Convertible Warrants	– *261.00*	– –	– –
Loans Outstanding	– –	19.70 *22.01*	– –

Notes : 1. Figures in italics are for the previous year.

2. In accordance with Company's scheme.

18. **Earnings per Share**

	2010-11	2009-10
Basic EPS		
Profit / (loss) after taxes - ₹ Lakhs	(1,396.12)	12,722.29
Weighted average number of Equity Shares outstanding	7,26,87,260	7,26,87,260
Nominal Value of Equity Share - ₹	5.00	5.00
Basic Earnings Per Share - ₹	(1.92)	17.50
Diluted EPS		
Profit / (loss) after taxes – ₹ Lakhs	(1,396.12)	12,722.29
Weighted average number of equity shares outstanding	7,26,87,260	7,26,87,260
Nominal Value of Equity Shares – ₹	5.00	5.00
Diluted Earnings per Share – ₹	(1.92)	17.50

19. **Segment Reporting**

(1) The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea, general lighting products, insect repellants and other homecare products which come under **a single business segment known as Fast Moving Consumer Goods (FMCG)**.

(2) **Geographical Segment –**

Sales within India	₹ 97,088.83 Lakhs, (2009-10 : ₹ 98,742.33 Lakhs)
Sales outside India	₹ 15,380.03 Lakhs (2009-10 : ₹ 15,943.97 Lakhs)

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

20. **Disclosures in accordance with Accounting Standard (AS) 15**

Details of the post retirement defined benefit plans are as follows :

The company has recognised in the Profit & Loss Account for the year ended 31 March, 2011, an amount of ₹ 470.67 Lakhs (2009-10 : ₹ 346.74 Lakhs) expenses under defined contribution plans :

₹ Lakhs

Contribution to	2010-11	2009-10
Provident Fund	265.85	195.85
Pension	204.82	150.89
Total	**470.67**	**346.74**

₹ Lakhs

	Pension	Gratuity	P R M B	Leave Benefits
Components of Employer's Expense				
Current Service Cost	–	81.42	–	15.23
	–	*84.35*	*–*	*15.91*
Interest Cost	52.52	84.78	27.73	16.26
	45.19	*84.33*	*26.17*	*14.01*
Expected return on Plan Assets	(58.08)	(115.02)	NA	NA
	(57.25)	*(94.87)*	*NA*	*NA*
Past Service Cost	–	15.82	NA	NA
	–	*–*	*–*	*–*
Actuarial losses / (gains)	41.34	193.04	(2.79)	30.84
	27.78	*(71.71)*	*20.67*	*69.39*
Expense recognised in the Statement of Profit & Loss	35.78	260.04	24.94	62.33
	15.72	*2.10*	*46.84*	*99.31*
Net Asset / (Liability) recognised in the Balance Sheet				
Present Value of Defined Benefit Obligations	658.97	1,293.83	342.11	239.17
	667.12	*1,121.44*	*355.03*	*217.53*
Fair Value of Plan Assets	690.60	1,506.17	NA	NA
	734.53	*1,382.29*	*NA*	*NA*
Net Asset / (Liability) recognised	31.63	212.34	(342.11)	(239.17)
	67.41	*260.85*	*(355.03)*	*(217.53)*
Change in Defined Benefit Obligation (DBO)				
Present value of DBO at commencement	667.12	1,121.44	355.03	217.53
	646.50	*1,203.92*	*345.99*	*232.00*
Current Service Cost	–	81.42	–	15.23
	–	*84.35*	*–*	*15.91*

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

₹ Lakhs

	Pension	Gratuity	P R M B	Leave Benefits
Interest Cost	52.52	84.78	27.73	16.26
	45.19	*84.33*	*26.17*	*14.01*
Plan Amendment	–	15.82	–	–
	–	–	–	–
Actuarial losses / (gains)	0.34	178.08	(2.79)	30.84
	138.74	*48.41*	*20.67*	*69.39*
Benefits paid	(61.01)	(187.71)	(37.86)	(40.69)
	(163.31)	*(299.57)*	*(37.80)*	*(113.78)*
Present value of DBO at year end	**658.97**	**1,293.83**	**342.11**	**239.17**
	667.12	*1,121.44*	*355.03*	*217.53*
Changes in fair value of Plan Assets				
Plan Assets at commencement	734.53	1,382.29	NA	NA
	864.99	*1,204.32*	*NA*	*NA*
Expected Return on Plan Assets	58.08	115.02	NA	NA
	57.25	*94.87*	*NA*	*NA*
Actuarial losses / (gains)	41.00	14.96	NA	NA
	(110.96)	*(120.12)*	*NA*	*NA*
Actual Contribution by Company	–	211.53	37.86	40.69
	(135.36)	*262.55*	*37.80*	*113.78*
Benefits Paid	(61.01)	(187.71)	(37.86)	(40.69)
	(163.31)	*(299.57)*	*(37.80)*	*(113.78)*
Plan Assets at year-end	**690.60**	**1,506.17**	**NA**	**NA**
	734.53	*1,382.29*	*NA*	*NA*
Actuarial Assumptions				
Discount Rate %	8.50	8.50	8.50	8.50
	8.25	*8.25*	*8.25*	*8.25*
Expected Return on Plan Assets %	8.50	8.50	NA	NA
	8.25	*8.25*	*NA*	*NA*
Salary Escalation %	Nil	5.00	NA	5.00
	Nil	*5.00*	*NA*	*5.00*

Notes :

1. PRMB represents Post Retiral Medical Benefits.
2. Pension and Gratuity Plans are funded while PRMB and leave liability are unfunded.
3. Figures in italics are in respect of the previous year.
4. Investment details of Gratuity fund in respect of certain employees are not available whose contribution is deposited and managed by Life Insurance Corporation of India.

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2010 (Contd.)

5. Investment details :

	Pension		Employee Gratuity		Managerial Gratuity	
	% invested 31.03.2011	% invested 31.03.2010	% invested 31.03.2011	% invested 31.03.2010	% invested 31.03.2011	% invested 31.03.2010
Govt. Securities	9.87	13.51	21.54	21.78	1.30	1.59
Special Deposit with RBI	3.33	3.71	-	-	-	-
Corporate Bonds	4.94	8.71	9.20	1.78	-	-
Insurance Companies	81.42	73.66	67.81	74.83	98.54	97.56
Cash and Cash Equivalents	0.44	0.41	1.45	1.61	0.16	0.85
	100.00	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

6. **Other Disclosures :**

₹ Lakhs

Benefits	2010-11	2009-10	2008-09	2007-08	2006-07
Gratuity					
Defined Benefit Obligation	1,293.83	1,121.44	1,203.92	1,222.41	1,471.07
Plan Assets	1,506.17	1,382.29	1,204.32	1,386.60	1,525.86
Surplus / (Deficit)	212.34	260.85	0.40	164.19	54.79
Experience adjustments on plan liabilities - loss / (gain)	178.08	48.41	144.98	8.37	38.79
Experience adjustments on plan assets - gain / (loss)	(14.96)	120.12	(100.05)	(22.63)	(11.10)
PRMB					
Defined Benefit Obligation	342.11	355.03	345.99	376.01	412.88
Plan Assets	NA	NA	NA	NA	NA
Surplus / (Deficit)	(342.11)	(355.03)	(345.99)	(376.01)	(412.88)
Experience adjustments on plan liabilities - loss / (gain)	(2.79)	20.67	(21.30)	(32.08)	(6.69)
Experience adjustments on plan assets - gain / (loss)	NA	NA	NA	NA	NA
Pension					
Defined Benefit Obligation	658.97	667.12	646.50	722.03	903.35
Plan Assets	690.60	734.53	864.99	1,066.06	1,128.12
Surplus / (Deficit)	31.63	67.41	218.49	344.03	224.77
Experience adjustments on plan liabilities - loss / (gain)	0.34	138.74	27.48	(63.19)	(139.60)
Experience adjustments on plan assets - gain / (loss)	(41.00)	110.96	18.19	37.52	(12.29)
Leave Benefits					
Defined Benefit Obligation	239.17	238.32	232.00	199.91	274.69
Plan Assets	NA	NA	NA	NA	NA
Surplus / (Deficit)	(239.17)	(238.32)	(232.00)	(199.91)	(274.69)
Experience adjustments on plan liabilities - loss / (gain)	30.84	90.18	52.70	(43.04)	16.21
Experience adjustments on plan assets - gain / (loss)	NA	NA	NA	NA	NA

21. **Disclosure in accordance with Accounting Standard (AS) 29**

The Company has made provisions towards Sales Tax, Excise and Others in view of the following and details of which are set out below :

(a) The Company has a present obligation as a result of past events;

(b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

Consolidated Schedules to Accounts

17. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2011 (Contd.)

(c) A reliable estimate can be made of the amount of obligation.

₹ Lakhs

Particulars	Sales Tax	Excise	Others	Total
Carrying amount at year beginning	76.38	495.92	354.30	926.60
Carrying amount at year end	100.39	324.66	937.94	1,362.99
Provisions made in the year	24.01	17.60	585.68*	627.29
Amounts used during the year	–	–	–	–
Unused amounts reversed during the year	–	188.86	2.04	190.90
Nature of Obligation	Disputes with respective authorities at different forum.			
Expected timing of resulting outflow	One to two years.			
Indication of uncertainity about outflows	Management estimates the outcome of the disputes to be unfavourable.			
Major assumptions concerning future event	Demands / Disputes may not be settled in higher forum.			
Amount of any expected reimbursement	NIL			

* Out of which ₹ 557.40 Lakhs includes in Operating Expenses (Schedule 3)

22. **Convertible Warrants**
The Company had on 17 October, 2007, issued and allotted 45,00,000 Convertible Warrants on preferential basis which were convertible at the sole option of the warrant holders within a period of 18 months from the date of allotment. During the year, an amount of ₹ Nil (2009-10 : ₹ 261 Lakhs) representing the initial amount paid on the allotment of such warrants has been forfeited on the expiry of the time frame to opt for conversion. The amount forfeited has been transferred to Capital Reserve.

23 The Company has entered into derivative instruments by way of foreign currency forward contracts to hedge the risk associated with fluctuations in exchange rates. Details of outstanding forward contract at the year end are as follows :

As at	No. of Contracts	US$ Equivalent (Million)	INR Equivalent (₹ Lakhs)
On Account of Receivables			
31.03.2011	3	0.18	84.97
31.03.2010	6	0.31	147.75
On Account of Payables			
31.03.2011	7	1.70	760.74
31.03.2010	20	2.93	1,347.83

Unhedged exposure with respect to receivables as at 31 March, 2011 was ₹ 115.88 Lakhs (US$ 0.26 million) [31.03.10 - ₹ 66.22 Lakhs (US$ 0.15 million)] and with respect to amounts payable on account of import of Goods and Services ₹ 1,150.46 Lakhs (US$ 2.58 million & JPY 0.32 million) [31.03.10 - ₹ 525.84 Lakhs (US$ 1.13 million & JPY 3.87 million)].

24. The company acquired a controlling stake in Novener SAS in July 2009 and as at March 31, 2011, has an investment of ₹ 4,110 lakhs and has advanced amounts aggregating to ₹ 1,731.73 lakhs. Novener SAS incurred a loss of ₹ 5,236.19 lakhs for the year ended March 31, 2011 and as at that date its accumulated losses of ₹ 6,724.48 lakhs is in excess of its networth. The operations and the organization structure of Novener SAS are currently in the process of restructuring of which substantial part has been completed during the year ended March 31, 2011 and that the benefits and results of such restructuring would be forthcoming in the following years. Management is of the view that on account of its long-term involvement in Novener SAS, no provision is required on this account at this stage.

25. The company has agreed to provide contingent support upto a maximum amount of ₹ 2 million Euro to its subsidiary Novener SAS as and when necessary depending on the cash flow requirement.

26. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Company's financial statements.

27. Information pursuant to the Provisions of Para IV of Schedule VI to the Companies Act, 1956, is attached.

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice Chairman & Managing Director

S. Saha
Wholetime Director

T. Punwani
Sr. General Manager – Legal & Company Secretary

Kolkata, August 10, 2011


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EVEREADY digiLED technology
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EVEREADY Tez Premium
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700 NiMH EVEREADY ultima
700 EVEREADY GO ultima
2700 NiMH EVEREADY ultima
EVEREADY FLASHLIGHT BATTERY
EVEREADY HEAVY DUTY
EVEREADY EXTRA POWER LEAKPROOF
EVEREADY HEAVY DUTY LEAKPROOF
35 W EVEREADY ENERGY SAVING CFL
PRS
EVEREADY HPF
ELD 15 W
EVEREADY
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