EVEREADY

GIVE ME RED

ANNUAL REPORT
2012 - 2013

Dear Shareholders,

Worldwide macro-economic conditions remain unstable. The developed economies – especially a few Western Europe countries are still showing signs of deep economic stress. The difficulties faced by these advanced economies are pulling other countries towards recessionary conditions. This has already impacted India's economic progress over the past one year. Slow-down in certain key sectors is now established – which led to the slowest growth for our country in several years. Inflationary tendencies in the economy and the measures to control it both seem to be putting pressure on the economy. Hopefully, our country's strong internal demand will eventually pull India out of this trend at a faster pace than what the current gloomy outlook predicts.

Given this overall situation, your Company faced obvious challenges in its operations in the year under review. Consequently, it ended up with just about a near break-even performance. However, it has to be mentioned that this was a significant improvement over the loss situation of the previous year. The steadily depreciating Indian Rupee continues to put pressure on margins. Similar impact is also on account of inflationary trends in input materials and other costs. Your Company has been steadily persevering in passing on these adverse impacts to a reluctant market.

Dry batteries and flashlights – the key product segments of your Company – traditionally show high degree of demand elasticity against price movements. Thus, in a scenario where prices needed to be pulled up, volumes remained stagnant. This lack of growth coupled with the cost impacts already described, resulted in the operations being break-even.

On the brighter side, your Company launched a slew of products during the year, which are complementary to its brand promise of portable power and lighting. Rechargeable fans and lanterns, wall mounted rechargeable lights, tube lights, radio, power bank for mobile phones are a few I name. These products will add scale and profitability in the years to come. The Company is also working on its distribution network to make it more amenable to the electrical trade in line with its focus on making the lighting segment count.

I believe that operations have settled down to the challenges being faced for quite some time. Price increases have been effected in a slow and sustainable manner and much of the lost margins have been recovered – though the depreciating rupee continues to inflict new losses. I am certain that the hard work being put in by the management will soon result in happier results.

On behalf of the Board, I would like to express my sincere appreciation to our shareholders, business partners and customers for their continued support. I would also like to thank our employees for their contribution and dedication during these turbulent times.

With warm regards

B.M.Khaitan
Chairman

Corporate Information

Board of Directors

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

Mr. D. Khaitan
Vice Chairman (Non-Executive)

Mr. S. R. Dasgupta
Mr. S. Goenka
Mr. A. Khaitan
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. Tehnaz Punwani

Auditors
Deloitte Haskins & Sells

Registered Office
1, Middleton Street
Kolkata - 700 071
West Bengal, India
Phone : 91-33-22883950
Fax : 91-33-22884059

Corporate Office
2, Rainey Park
Kolkata - 700 019
West Bengal, India
Phone : 91-33-24559213
Fax : 91-33-24864673

www.evereadyindustries.com

Contents

Report of the Directors

For the financial year ended March 31, 2013

Your Directors are pleased to present the Annual Report, together with the audited Accounts of your Company for the financial year ended March 31, 2013.

Review of Performance

Financial results are summarized below : ₹ Crores

	2012-13	2011-12
Net Sales	**1,034.30**	976.20
Other Income from Operations	**1.03**	4.10
Total Income from Operations	**1,035.33**	980.30
Total Expenditure adjusted for increase/decrease of stocks	**969.95**	929.77
Profit/(Loss) from Operations before Other Income, Depreciation, Finance Costs, Exceptonal Items and Taxation	**65.38**	50.53
Other Income	**9.42**	7.54
Profit/(Loss) from Operations before Depreciation, Finance Costs, Exceptional Items and Taxation	**74.80**	58.07
Depreciation	**35.07**	24.18
Interest and Exchange Fluctuation	**40.49**	36.09
(Loss)/Profit before Exceptional Items and Taxation	**(0.76)**	(2.20)
Exceptional Items	**–**	76.84
(Loss)/Profit before Taxation	**(0.76)**	(79.04)
Provision for Taxation	**(5.84)**	0.81
Profit/(Loss) after Taxation	**5.08**	(79.85)
Balance of Profit/(Loss) brought forward from previous year	**(46.64)**	33.21
Amount available for Appropriation	**–**	–
Which the Directors recommend for appropriation as under :		
- Proposed Dividend	**–**	–
- Tax on Proposed Dividend	**–**	–
- General Reserve	**–**	–
Balance carried forward to Balance Sheet	**(41.56)**	(46.64)

Net sales for the year were higher by 6% over the previous financial year. Profit before Depreciation, Interest and Taxation (PBDIT) before exceptional items was higher by 29% at ₹ 74.80 crores as compared to ₹ 58.07 crores in the previous year. With depreciation of ₹ 35.07 crores (previous year ₹ 24.18 crores), a higher interest / exchange fluctuation charges of ₹ 40.49 crores (previous year ₹ 36.09 crores) and there being no exceptional items (previous year ₹ 76.84 crores), Profit after Taxation stood at ₹ 5.08 crores for the year against a corresponding loss of ₹ 79.85 crores in the previous year.

The year was a challenging one for operations - in terms of market being sluggish and unprecedented depreciation of the rupee. The operating results are indicative of these adversities - albeit with a reasonable improvement over the previous year.

Dividend

Your Directors considered it prudent not to recommend any dividend for the year under review as a measure of conservation.

Operational Review

Batteries and Flashlights

The battery market went through some significant volatility over the last 5 years. Unprecedented cost push necessitated significant price increases. Battery being a functional product, demand bears a very strong elasticity to price. The stiff consumer resistance to the price resulted in significant slow-down in the market. The consumer resistance manifested itself in their lowering usage of appliances powered by 'D' size batteries (the most expensive of all batteries). This virtually obliterated usage of 'D' size incandescent flashlights, which were hitherto very popular. Consumers changed over to flashlights with 'LED' bulbs using 'AA' batteries. The sluggishness in the general economy did not help matters.

This trend of de-growth in 'D' batteries continued in the current year at a rate of 4%. Despite this, battery volume remained flat in overall, thanks to the growth in other segments - led by 'AAA'.

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

As mentioned above, the flashlights market also saw significant product mix changes. Usage of flashlights using incandescent bulb and 'D' size batteries came down very significantly. In addressing this, your Company started introducing a range of value-for-money, smart and efficient flashlights with 'LED' as the light source option - mostly using 'AA' batteries. Initially introduced as a value offer, this segment eventually became the standard and thereafter evolved as life-style products - in multifarious styling & colour, at several price points - both premium and popular.

On a retrospect, the above changes did pose challenges - but the outcome 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 in-use with consumers. The new LED torches are equally profitable and displays much lower in-use period and is also good for battery consumption (mainly 'AA').

These new generation flashlights took the consumers' fancy as these were introduced about 5 years back. The first 2 years saw significant growth of 110 % - taking the user base to a very high level. Thereafter, the market settled down to traditional growth rates. During the year under review flashlights turnover grew by 12.6%.

Your Company's share of the organized flashlights market remained at 76%. However, if the unorganized grey market is considered (which is estimated to be about half the size of the organized market), then market share stands at a little over 50%.

It is also worthwhile to mention that both batteries & flashlights margins continued to be under pressure - due to the depreciating Rupee and also due to overall inflationary trends. Though the demand of these product categories bear strong elasticity to price, your Company persisted with passing on the adverse impacts to the market - which resulted in operating results being better during the year under review as compared to the previous year.

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

Lighting Products

The Company started marketing of compact fluorescent lamps (CFL) and General Lighting Service (GLS) lamps some time back. These products found excellent fit to the Company's brands 'Eveready' and 'Powercell', which are synonymous with portable power and lighting. Your Company is focused on being a serious player in the lighting category. Towards this and to offer a fuller range, your Company launched a few other products during the year - tube lights, wall mounted rechargeable battens and luminaires among others.

The Company has been distributing these products through its existing distribution channel, primarily comprising of groceries and general merchants. This network needs to be enhanced to be made amenable to the electrical trade. Work on this was initiated during the year.

Net sales from this category for the current year stood at ₹ 101.93 crores and it is expected that this category will provide significant turnover growth in the years to come.

New Devices

In keeping with its brand promise of portable energy, the Company launched a few devices during the current year. These are in 3 product segments - rechargeable fan, radio and power bank for mobile phones. These products fall within the existing competencies of your Company.

However, operations are still at a nascent stage and in the process of exploring a viable steady-state business. The size is still too small to attract any risk at this stage. However, if successful, rewards can be lasting.

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. The business continues to be steady and profitable. While relatively small in the overall turnover, it provides an important option to distribution in many areas. Sales turnover for the current year stood at ₹ 74.50 crores - at a modest growth over the previous year.

The packet tea operations currently utilize the Company's tea blending and packaging unit at Chuapara, West Bengal. However, with outsourcing possibilities being available at very competitive prices, it is appearing that the unit may have outlived its utility to this business. In view of this, your Board, vide Resolution passed by Circulation on May 10, 2013, has, subject to the approval of Members of the Company and other approvals as may be necessary, resolved to sell, transfer and dispose of the building and other assets at this unit to any person or entity as the Board may consider appropriate. In terms of Section 293(1)(a) and Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the process for consent / approval of the Members to be obtained by way of Postal Ballot has been initiated to enable your Board to sell and transfer the said undertaking.

Subsidiaries & Consolidated Financial Statements

Your Company had set up a special purpose vehicle, Novener SAS in France (shareholding interest - 82%), for the purpose of acquiring a controlling interest in Uniross SA, a French Company which along with its subsidiaries (the Uniross Group) was 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. At the time of the acquisition, the financial condition of the Uniross Group was already weak, but there was a compelling investment rationale that the situation could be turned around quickly and that the acquisition would provide effective access to markets hitherto not available to your Company.

Unfortunately, the dim economic situation in Europe and onset of sluggish demand of the rechargeable category world-over subsequent to the acquisition, did not allow a turn around and the Uniross Group operations continued to incur losses. With the view that the Company may not be able to recover its investments pertaining to the Uniross operations, the management had, as a measure of prudent accounting and governance, created a provision of ₹ 75 crores covering this investment in the previous financial year. As at March 31, 2013, the Company's exposure towards investments, advances and other obligatory commitments of ₹ 76.19 crores stood fully provided for (inclusive of the provision made in the previous financial year as mentioned above).

During the year under review, the liquidation of the key entities of the Uniross Group was ordered by a French Court judgment and the relevant companies were put under external administration. Consequently, your Company is not in a position to consolidate the accounts of Novener SAS (including its subsidiaries and step down subsidiaries), pertaining to the Uniross Group and is also not in a position to attach the accounts of the said subsidiaries in terms of Section 212 of the Companies Act, 1956. Necessary application has been made and relevant information provided to the Ministry of Corporate Affairs, Government of India (MCA) by your Company in this regard.

In accordance with the General Circular issued by MCA, the accounts and other related detailed information of the other subsidiaries being Everspark Hong Kong Private Limited and Litez India Limited, 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.

As required under the Listing Agreement with the Stock Exchanges, the Annual Report includes the audited Consolidated Financial Statements, prepared in compliance with the applicable Accounting Standards of the applicable subsidiaries.

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

Prospects

Both batteries and flashlights went through some major changes in the recent past as mentioned earlier.

Batteries have now settled down to a stable level which seem sustainable. The market is in a mood to accept adverse impacts of an inflationary economy. This hurdle being over, the outlook appears to be bright.

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 market is susceptible to grey operations of unorganized players bringing copy-cat models to the market - usually without payment of taxes and duties. The only way to sidestep this problem is to keep bringing new models which are creative and innovative. This is a competency that EIIL possesses. Barring this negative - which can be and will be overcome - the outlook for this segment is upbeat.

Prospects are promising in the Lighting Products business. This business has become a key focus area for the Company and an avenue for growth. Fine tuning of distribution systems and a full range of products in the lighting portfolio will fulfill growth aspirations.

Packet tea will continue to be a stable business - both in turnover and profits.

Finance

Tight control was kept over the finances of your Company, with emphasis on reduction of debt. However, due to requirement of additional working capital consequent to introduction of new products as well as hardening of interest rates, the Company incurred higher interest charges.

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

In view of inadequacy of profits during the year under review, there was no transfer to General Reserves.

Employee Relations

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

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

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

Cost Auditors

As per the Order of the Central Government and in pursuance of Section 233B of the Companies Act, 1956, your Company carries out an audit of the cost accounts of the Company relating to dry cell batteries. The due date for filing of the Cost Audit Report with the Ministry of Corporate Affairs for the financial year ended March 31, 2012 was February 28, 2013 and the same was filed on January 30, 2013. The Board, has upon the recommendation of the Audit Committee re-appointed M/s.Mani & Co., Cost Accountants, Registration No. 00004, Ashoka, 111 Southern Avenue, Kolkata 700 029, (being eligible for the re-appointment), to audit the cost accounts of the Company relating to dry cell batteries, as well as other products as recently included for the purpose of cost audit for the financial year ending March 31, 2013, subject to the approval of the Central Government.

Public Deposits

Your Company does not have any public deposit scheme and has repaid all Fixed Deposits that have matured and were claimed by depositors under the earlier scheme. ₹ 0.005 crores as claimed and paid, however, remain un-encashed by the depositors as on March 31, 2013.

Exports and Foreign Exchange Earnings and Outgo

During the year under review, your Company exported batteries totaling to a value of ₹ 30.68 crores (2011-12 : ₹ 23.61 crores) and flashlights totaling to a value of ₹ 8.32 crores (2011-12 : ₹ 7.74 crores).

₹ Crores

	31.03.2013	31.03.2012
Foreign Exchange Earnings	24.56	14.83
Foreign Exchange Outgo	157.08	161.65

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, 2013, 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

In accordance with the Articles of Association, Mr. S. Saha, Mr. S. Goenka and Mr. Amritanshu Khaitan will retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

Mr. B.Mitter, Mr. D.A. Nanda and Mr. V. Bhandari resigned from the Board of Directors of the Company, effective August 1, 2012, December 4, 2012 and December 19, 2012 respectively. The Board records its appreciation of the valuable services rendered by Mr. B. Mitter, Mr. D. A. Nanda and Mr. V. Bhandari during their respective tenures as Directors.

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

Auditors

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

Auditors Report

The Auditors have made an observation in their Report relating to the financial information and consolidation of Novener and its subsidiaries. This matter has already been explained earlier in the Section titled "Subsidiaries & Consolidated Financial Statements".

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**

May 29, 2013 *Chairman*

Management Discussion & Analysis

The Business

Eveready Industries India Limited (EIIL) is one of India's leading consumer goods companies, with its products and brand being household names for the past century. Over the decades, it has been 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 & lanterns under the brands 'Eveready' and 'Powercell'.
- Packet tea under brands 'Tez', 'Jaago', 'Premium Gold' and 'Classic'.
- Lamps & luminaires under the brands 'Eveready' and 'Powercell'
- Devices like mobile power bank, rechargeable fan and radio under the brand 'Eveready'.

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 covering the entire country. Subsequently, this manufacturing presence was integrated forward into the manufacture and marketing of flashlights - a leading device category consuming batteries.

The Company is the largest player in India in both dry batteries and flashlights holding market share exceeding 50 percent in both categories. It has competencies in these product categories equal to the best in the world.

The availability of this wide distribution network led the Company to explore opportunities in extending its product portfolio to newer items like packet tea, lighting products, luminaires and devices over the last few years.

These category extension initiatives led to the conclusions that there is a good fit of the Company's brands with electrical products and devices. The Company's competencies also are complementary to the new product categories. EIIL, thus, plans to persist in its efforts to be a significant player in these products. Some additional efforts will be required to align distribution to the needs of this trade, work on which is already underway.

The platform of the Company today is to provide portable power and lighting - and the products as mentioned above are aligned to that platform.

The Company has been in the packet tea business historically. Its share of the packet tea market is limited - but the product has traditionally played an important role to sustain distribution in certain areas. This product will continue to provide a sustainable turnover thereby adding scale to the Company's operations and profitability.

The above make a robust product portfolio. 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 4.8 percent during the year under review. This was inferior to the recent trend. The year was also marked by high inflationary condition - led by a gradually weakening Rupee. This led to a squeeze on people's spending abilities.

The country faced the challenges of down turn like the rest of the world and recovery is yet to gather speed. Many sectoral deficiencies are weighing heavily on the overall economy. Despite obvious advantages in India's favour like a large consuming young population and a relatively lower dependence on exports, overall economic parameters still look uncertain.

Though the overall sentiment appears gloomy, India's economic engine will perhaps keep going at a pace higher than most of the world powered by a large youthful population. India continues to stand on the anvil of becoming a 'middle income' economy. Its people will continue to experience higher income levels - and a large percentage of its absolute poor will get lifted out of the abyss of poverty. This transition will certainly ignite consumerism. The consumer goods sector in which the Company operates will be able to take full advantage of this.

Consumer Goods Industry in India

The consumer goods sector had mixed experience in the recent past. Advent of an aspirational lifestyle with a bias to luxury or semi-luxury goods has pushed routine and day to day functional products to a back seat. Increased competition - sometimes from lower cost manufacturing geographies - also complicated the market scenario. These are just to name a few - others exist.

However, these are changes that all companies and sectors face and overcome. The consumer goods sector is no exception. With the world's second largest population as the consumer base - a significant part of which comprises of the youth, the sector has an inherent advantage.

It is also believed that the economy will finally turn around - may be sooner than what is indicated by the current data. This turn around should improve income levels and consequentially improve consumption pattern. Given the fundamental strengths, the sector's outlook appears robust 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 percent between Eveready and Powercell brands, 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. 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 and also due to the depreciating Rupee.

The market has stabilized over the last 2 years - but with minimal growth. Latest trends indicate that the market will continue to be stable. Growth in volumes will be small as the sector is likely to be compelled to increase prices further. Consequently, the sector is likely to record higher growth in sales turnover.

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.

Battery category	% of market
D	15.4
C	0.3
AA	74.8
AAA	9.5
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 percent. Rechargeable batteries, which have the balance 1 percent 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 price 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 stable and consolidating.

Performance review

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

EIIL's product mix is quite similar to that of the market. In the year under review, 'D' size had a share of 18 percent, and 'AA' at 72 percent, 'AAA' at 9 percent and 'C' at 1 percent.

Marketing and Distribution

The Company continued to put emphasis in strengthening its distribution network. Of the total FMCG universe of about 7 million outlets, penetration of batteries stocking universe was at 65 percent. Eveready batteries were stocked in 66 percent 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 products will continue to address this segment. Growth in the 'AA' segment will be fuelled by proliferation of remote control devices, toys, clock and growth of newer devices like the new generation 'LED' flashlights across both rural and urban India. The new 'AAA' segment will take higher share of the battery market, with introduction of smaller size devices.

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

Batteries do not face any serious threat because these 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 inherent poor quality. Initially - about 12 years back - these low cost products did invite first-time use on the basis of the price differential but could not garner repeat consumption on account of poor quality. Also, the cause of the domestic industry was supported by an anti-dumping duty against Chinese dumped imports in the ‘AA’ segment.

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 percent 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.

Risks and concerns

Weakening of the rupee continues to put pressure on raw material prices. Also, some of the raw material prices are showing signs of hardening. Apart from that, the overall inflationary trends have also been putting pressure on operating costs. These represent areas of concern.

The market is now used to an inflationary environment, where all producers are having to pass on adverse impacts faced by them. The battery market is no exception. Thus, inflationary impacts will continue to be passed on.

The anti-dumping duty on ‘AA’ batteries has now expired. While the domestic producers have applied for an extension - it is uncertain whether the same will be available. In the event, the duty does not get extended, the market may see some dumped cheap quality imports from China. It is hoped that consumers will not fall prey to these cheap quality offerings.

Flashlights

The flashlight market is shaped by EIIL because of its dominant market share position at over 76 percent in the organized segment. However, it needs to be mentioned that there exists an unorganized segment in this market, which is estimated to be about half the size of the organized one. Thus, if that is taken into account EIIL has a market share of a little over 50 percent.

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

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

As a mitigation measure and with a view to giving consumers a value-for-money option, the Company introduced the new generation 'LED' flashlights, so named popularly due to usage of ‘LED’ bulbs being used as the light source. EIIL was at the forefront of introduction of this new segment and 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 and in turn led to enhanced user-ship. While, this was good for the consumers, it also had a salutary effect on battery manufacturers as it set the process for higher consumption of batteries, leading to stability in battery volumes.

After the robust growth of the initial 2 years from the time of introduction of these new generation flashlights, the last 3 years have seen traditional rate of growth for the organized market. This was an expected consolidation on a higher base and also due to influx of look-alike unorganized grey market products in the market.

'LED' flashlights now occupy more than 95 percent 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 2012-13, EIIL's flashlights turnover grew by nearly 13 percent due to introduction of high-value models and price increases. This business segment continues to be profitable.

Opportunities and threats

A vast dormant population (almost 45 million rural households) of non-users represents a large opportunity for flashlights. This will continue to be tapped by EIIL in the years to come.

Urban areas, where flashlight ownership is quite uncommon - is another specific opportunity area. Vast parts of urban areas now face periodic power cuts and flashlights provide a lighting solution at those times.

The threat remains that of the market being susceptible to grey operations of unorganized players bringing copy-cat models to the market - usually without payment of taxes and duties. The 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

As already mentioned, there is a vast potential of tapping in to convert non-user to users. The risk is that such first time users can take to the grey market look-alike products owing to the cheaper prices. That will deprive the organized players from this growth opportunity. This needs to be tackled through appropriate product offering and 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 percent 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 network 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 superior 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 and profitability to the Company's operations.

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 firm over the last 3 years. Thus threat from unorganized players is not seen in the immediate future.

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 - Lamps & Luminaires

EIIL started distributing compact fluorescent lamps (CFL) through its distribution network from 2007. This decision was taken with an understanding that there is a good fit of Eveready & Powercell brands with lighting products. Moreover, CFL as a product has consistently been on a high growth mode over the past several years.

As a natural progression, the ordinary GLS bulbs were also introduced from 2009. GLS market, while not growing, is still a big market to catch.

While the Company's distribution provides a good fit to these products, further expansion is needed in this area to address the electrical trade fully. Work is already underway in this regard.

In order to make a meaningful range offering to the market, more electrical lighting products have been added in the last few months - like luminaires, tubelights and rechargeable battens.

The current year saw turnover of this category at ₹ 101.93 crores. This is set to grow manifold in the coming times as a more effective distribution system is put in place and also due to the enlarged chain.

In an emerging economy like that of India, volume of products related to lighting will continue to have high growth, due to increasing housing and commercial development. Newer lighting technologies will become more popular with time as these will be more environmentally friendly and also provide higher value to consumers over time. Since EIIL is serious about this business, it will have to be part of such technology changes.

New Devices

In keeping with its brand promise of portable energy, the Company has very recently (during the current year) launched a few devices. These are in 3 product segments - rechargeable fan, radio and power bank for mobile phones. These products fall within the existing competencies to go to market.

However, operations are still at a nascent stage and in the process of exploring a viable steady-state business. The size is still too small to attract any risk at this stage. However, if successful, rewards can be lasting.

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 upgraded its Oracle Business Suite based ERP platform to maintain a stable IT 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.

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.

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 2012-13. Human resource management system at EIIL puts accent on rewarding merit based performance and raising the skill level of employees.

Outlook

Both batteries and flashlights went through some major changes in the recent past as mentioned earlier.

Batteries have now settled down to a stable level which seem sustainable. The market is in a mood to accept adverse impacts of an inflationary economy. This hurdle being over, the outlook appears to be bright.

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 market is susceptible to grey operations of unorganized players bringing copy-cat models to the market - usually without payment of taxes and duties. The only way to sidestep this problem is to keep bringing new models which are creative and innovative. This is a competency that EIIL possesses. Barring this negative - which can be and will be overcome - the outlook for this segment is upbeat.

Prospects are promising in the Lighting Products business. This business has become a key focus area for the Company and an avenue for growth. Fine tuning of distribution systems and a full range of products in the lighting portfolio will fulfill growth aspirations.

Packet tea will continue to be a stable business - both in turnover and profits.

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, 2013**

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

** 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, 2013, Independent Directors comprise one-half of the Board strength.

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

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

*Mr. B.Mitter, Mr. D.A. Nanda and Mr. V. Bhandari resigned as directors effective August 1, 2012, December 4, 2012 and December 19, 2012, respectively.

(iii) **Meetings and Attendance of Directors during financial year 2012-13**

	Dates of Board Meetings					Date of AGM
	14.5.12	4.6.12	27.7.12	9.11.12	13.2.13	27.7.12
Mr. B. M. Khaitan	A	A	P	P	P	A
Mr. D. Khaitan	Participated through video	A	A	P	P	A
Mr. A. Khaitan	P	A	P	A	P	P
Mr. V. Bhandari*	A	A	A	A	NA	A
Mr. S. R. Dasgupta	P	P	P	P	P	P
Mr. S. Goenka	A	A	A	A	P	A
Mr. B. Mitter*	P	P	P	NA	NA	P
Mr. D. A. Nanda*	A	A	A	A	NA	A
Mr. P. H. Ravikumar	P	P	P	P	P	P
Mr. S. Saha	P	P	P	P	P	P
Mr. A. Saraf	A	P	P	P	P	P
Mr. S. Sarkar	A	A	P	P	A	P
Mr. Amritanshu Khaitan	P	P	A	P	P	A

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

(iv) **Code of Conduct**

A Code of Conduct has been formulated for the Directors and senior management of the Company and the same is available on the Company's website. A declaration from the Wholetime Director, that all Board Members and senior management personnel have duly complied with the Code of Conduct for the financial year ended March 31, 2013 forms part of the Annual Report.

C. Audit Committee

(i) **Terms of Reference**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

a. As on March 31, 2013, the Audit Committee comprised of Mr. P.H. Ravikumar, an Independent Director, as the Chairman, Mr. S. Goenka, Mr. S. Sarkar and Mr. S. R. Dasgupta, all Independent Directors as Members.

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

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

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

e. *Mr. B. Mitter ceased to be a Member of the Committee effective August 1, 2012.

(iii) The Annual Accounts for the year ended March 31, 2013 were duly reviewed by the Audit Committee at its Meeting held on May 29, 2013 prior to adoption by the Board.

(iv) During the year ended March 31, 2013, 5 Meetings of the Audit Committee were held, the dates being 14.5.2012, 4.6.2012, 27.7.2012, 9.11.2012 & 13.2.2013.

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

Members	No. of Meetings attended
Mr. P. H. Ravikumar	5
Mr. B. Mitter*	3
Mr. S. Goenka	-
Mr. S. Sarkar	2
Mr. S. R. Dasgupta	4

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, 2013, comprises of Mr. P.H. Ravikumar, Mr. S. Goenka and Mr. A. Saraf, all Independent Directors as Members.Mr. B. Mitter was Chairman of the Committee till August 1, 2012 when he ceased to be a Member of the Committee.

(iii) During the year ended March 31, 2013, no Meeting of the Remuneration Committee was held.

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

Remuneration Policy :

The remuneration of the Executive / 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, 2013 are as under (Note below) :

Name of Director	Salary (₹)	Value of Perquisite & Allowance (₹)	Contribution to Retiral Funds (₹)#	Tenure as per service contract	Notice Period
Mr. S. Saha	72,00,000	92,65,559	19,44,000	21.03.2014	1 month
Mr. Amritanshu Khaitan	36,00,000	47,99,600	9,72,000	9.08.2014	3 months

\# Excluding contribution to Gratuity Fund.

(ii) The details of remuneration paid to Non-Executive Directors during the year and the number of shares held by the Non-Executive Directors for the year ended 31.3.13 are as follows :-

Name of Director	Sitting Fees paid for Board Meetings (₹)	Sitting Fees paid for Committee Meetings (₹)	Number of Shares Held as on 31.3.13
Mr. B. M. Khaitan	60,000	Nil	35,897
Mr. D. Khaitan	40,000	Nil	1,19,300
Mr. A. Khaitan	60,000	Nil	7,266
Mr. V. Bhandari*	Nil	Nil	NA
Mr. S. R. Dasgupta	1,00,000	1,00,000	1,000
Mr. S. Goenka	20,000	Nil	Nil
Mr. B. Mitter*	60,000	80,000	NA
Mr. D. A. Nanda*	Nil	Nil	NA
Mr. P. H. Ravikumar	1,00,000	1,00,000	2,000
Mr. A. Saraf#	80,000	Nil	Nil
Mr. S. Sarkar	40,000	40,000	Nil
TOTAL :	**5,60,000**	**3,20,000**	**1,65,463**

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 ₹ 20,000 from ₹ 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, 2013, comprises of Mr. S. R. Dasgupta, Independent Director as Chairman and Mr. S. Saha, Wholetime Director. *Mr. B. Mitter ceased to be a Member of the Committee effective August 1, 2012.

(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, 2013, 2 meetings of the Committee were held on 9.4.2012 and 10.12.2012.

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

Members	No. of Meetings attended
Mr. B. Mitter*	1
Mr. S. R. Dasgupta	1
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 31.3.2013 :

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	4	Nil	Nil	Nil	Nil	7	11
Complaints Attended to/ Redressed	4	Nil	Nil	Nil	Nil	7	11

(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, weekly/fortnightly.

(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
Name of Director	Mr. S. Saha	Mr. S. Goenka	Mr. Amritanshu Khaitan
Date of appointment	22.03.2005	22.04.2005	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
List of other Directorships held	-Do-	-Do-	-Do-
Chairman/Member of the Committees of the Board of Companies in which he is a Director	-Do-	-Do-	-Do-
Shareholding in the Company in case of non-executive director	NA	Nil	NA

H. General Body Meetings

(i) Details of Annual General Meetings (AGMs)

AGMs	Date of AGMs	Location	Time	Special Resolutions Passed
AGM (77th)	27.07.2012	Rotary Sadan, 94/2, Chowringhee Road, Kolkata	10.15 a.m.	Yes
AGM (76th)	23.09.2011	Rang Manch, Swabhumi, Kolkata	10.30 a.m.	Yes
AGM (75th)	24.09.2010	Royal Bengal Room, City Centre DC Block, Sector-I, Salt Lake, Kolkata	10.30 a.m.	No

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

(iii) In the Notice of the forthcoming 78th Annual General Meeting there are no items of business (Special Resolutions) which require to be conducted through postal ballot.

I. Disclosures

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

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

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

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

J. Means of Communication

(i) **Financial Results**

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

(ii) **Other Information**

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

K. CEO/CFO Certification

The aforesaid certificate duly signed by the CFO (Wholetime Director in charge of Finance) in respect of the financial year ended March 31, 2013 has been placed before the Board in the meeting held on May 29, 2013.

L. General Shareholders' Information

1. **Annual General Meeting :**

Date	Time	Venue
July 26, 2013	10.15 a.m.	Rotary Sadan 94/2, Chowringhee Road, Kolkata - 700 020

2. **Financial Calendar (tentative) for the year 2013-2014**

Publication of :

Unaudited results for the quarter ending June 2013	:	July/August 2013
Unaudited results for the half-year ending September 2013	:	October/November 2013
Unaudited results for the quarter ending December 2013	:	January/February 2014
Unaudited/audited results for the year ending March 2014	:	April/May 2014/as approved
Annual General Meeting for the year ending March 2014	:	July to September 2014

3. **Dates of Book Closure** : The Register of Members of the Company will remain closed from July 16, 2013 to July 26, 2013. (both days inclusive) for the purpose of the Annual General Meeting of the Company.

4. **Listing on Stock Exchanges** :

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

The shares of the Company can be traded on all the recognised Stock Exchanges in India. The Annual Listing Fees for 2013-2014 have been paid to all the three Stock Exchanges within the scheduled dates.

5. **Stock Code** :

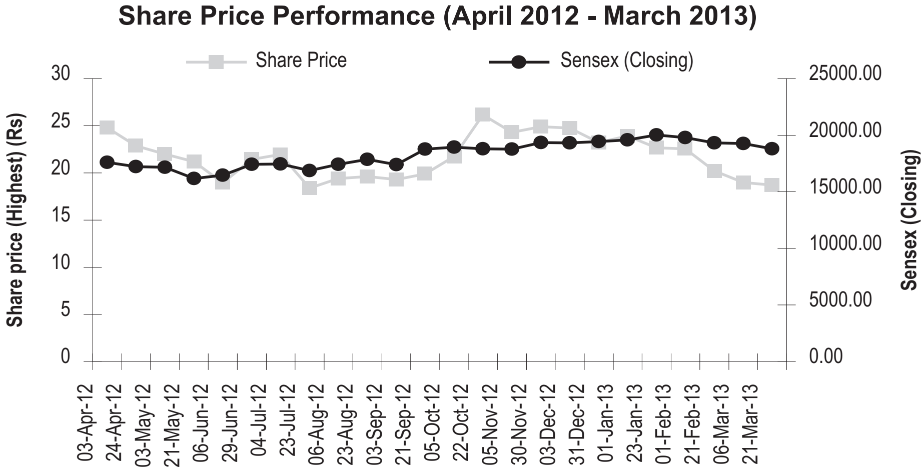
The Calcutta Stock Exchange Association Ltd.	:	10000029
Bombay Stock Exchange Ltd.	:	531508
The National Stock Exchange of India Ltd.	:	EVEREADY

6. **Stock Market Price Data :**

Amount (₹)

Month	Bombay Stock Exchange Ltd.		The National Stock Exchange of India Ltd.	
	High	Low	High	Low
2012 April	24.90	21.65	24.85	21.55
May	22.40	17.50	22.45	17.20
June	21.45	17.20	21.40	17.00
July	21.95	16.80	21.95	16.80
August	20.15	17.05	20.15	16.85
September	19.90	17.75	19.90	18.05
October	26.40	19.05	26.40	18.80
November	24.90	20.50	25.10	21.00
December	24.75	22.00	24.70	22.00
2013 January	24.95	21.00	25.95	21.00
February	22.55	18.25	22.60	18.20
March	19.45	16.10	19.40	16.20

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



8. **Registrar and Transfer Agents :**

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

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

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

The Directors' Share & Debenture Transfer Committee of the Company generally meets weekly/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 15 days. The time taken to process dematerialisation requests is about 12 to 15 days.

10. **Distribution of Shareholding as on March 31, 2013 :**

According to category of Holding :

Category	No. of Shares held	Percentage of shareholding
A. Promoters Holding	2,97,01,537	40.86
Sub-Total	**2,97,01,537**	**40.86**
B. Non-Promoters Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	1,05,041	0.14
b. Banks, FIs, Insurance Companies etc. (Central/State Government Institutions / Non-government Institutions)	37,04,650	5.10
c. FIIs	2,60,000	0.36
Sub-Total	**40,69,691**	**5.60**
2. Others		
a. Private Corporate Bodies	94,01,845	12.93
b. Indian Public	2,85,11,309	39.22
c. NRIs/OCBs	8,56,555	1.18
d. Trust	18,499	0.03
e. Clearing Member	1,27,824	0.18
Sub-Total	**3,89,16,032**	**53.54**
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	4,21,788	21,412	31.88
51 to100	13,09,136	14,902	22.18
101 to 150	6,36,985	4,831	7.19
151 to 250	15,76,399	7,722	11.49
251 to 500	35,54,096	8,912	13.27
501 to 5000	1,23,55,132	8,537	12.71
5001 and above	5,28,33,724	857	1.28
TOTAL	**7,26,87,260**	**67,173**	**100.00**

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

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

Scrips of the Company have been mandated by SEBI for settlement only in dematerialised form by all investors effective March 21, 2000. Mention may be made that 97.29% of the total shares of the Company has since been dematerialised.

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

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

Nil

13. **Insider Trading :**

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

14. **Plant Location :**

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

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

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

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

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

II. Compliance of Non-Mandatory Requirements

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

(ii) **Remuneration Committee :**

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

(iii) **Shareholder Rights :**

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

(iv) **Audit Qualifications :**

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

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

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

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

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

(vii) **Whistle Blower Policy :**

There is no Whistle Blower Policy at present.

For and on behalf of the Board

Kolkata
May 29, 2013

B. M. Khaitan
Chairman

Auditors' Certificate

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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with 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

Abhijit Bandyopadhyay
Partner
Membership No. : 054785

Kolkata, May 29, 2013

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, 2013.

Kolkata
May 29, 2013

S. Saha
Wholetime Director

Annexure to the Directors' Report

Information in accordance with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

A. Conservation of Energy

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

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

B. Technology Absorption / Modernisation

Research & Development (R & D)

1. Specific area in which the Company carried out R&D :
   a. The existing AA sealant material was replaced by new and more sophisticated material. This resulted in improvement of shelf life of battery as well as productivity.
   b. In order to augment testing facility for AA rechargeable battery, new imported and computer controlled testing facility was installed. This resulted in more accuracy and reliability of test data.
   c. Alternate source was developed for battery components which resulted in competitive manufacturing costs.
   d. Installed online testing facility for 100% voltage testing. This has resulted in elimination of low volt batteries in the market.
2. Benefits derived as a result of above R&D :
   a) Quality improvement of the products.
   b) Reduction in manufacturing costs.
3. Expenditure on R&D :

₹ Crores

	Year ended 31.03.2013	Year ended 31.03.2012
a. Capital	–	–
b. Recurring	2.76	2.58
c. Total	2.76	2.58
as % of Turnover	0.27%	0.26%

Technology Absorption, Adaptation & Innovation

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

Independent Auditors' Report

To the Members of
Eveready Industries India Limited

1. **Report on the Financial Statements**

   We have audited the accompanying financial statements of **EVEREADY INDUSTRIES INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Financial Statements**

   The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. **Opinion**

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

   (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

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

5. **Report on Other Legal and Regulatory Requirements**

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

   (ii) As required under provisions of Section 227(3) of the Act, we report that :

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

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

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

   (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act; and

   (e) On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Kolkata, May 29, 2013
Membership No. 054785

Annexure to the Independent Auditors' Report

(Referred to in paragraph 5 (i) of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses (iii), (x), (xii), (xiii), (xiv), (xv), (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 Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

(iii) In respect of its inventories :

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

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

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

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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.

(v) 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 in 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 Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vi) 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.

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

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

(b) There are no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 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 31 March, 2013 on account of disputes are given below :

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which amount Pertains	Forum where Disputes is Pending
Sales Tax Act	**Sales Tax**	2.96	1995-96 and 2007-08	Commissioner of Sales Tax
		0.35	1998-1999	Additional Commissioner of Sales Tax
		20.09	1999-2000 to 2002-03 & 2005-06	Assistant Commissioner of Sales Tax
Central Excise Act	**Excise Duty**	1496.53	1997-98 to 2002-03 and 2003-04	High Court
		672.13	1987-88 to 1991-92, 1999-00 to 2006-07	Customs Excise & Service Tax Appellate Tribunal
		62.38	1991-92 to 1998-1999, 2004-05 to 2011-12	Commissioner of Central Excise (Appeals)
		3.80	2007-08 to 2008-09 and 2009-10 to 2010-11	Deputy Commissioner of Central Excise
		39.13	1998-99, 2001-02 to 2008-09	Assistant Commssioner of Central Excise
	Service Tax	46.91	2004-05 to 2006-07 and 2009-10 to 2010-11	Customs Excise & Service Tax Appellate Tribunal
		17.10	2006-07 to 2010-11	Commissioner of Central Excise & Service Tax (Appeals)
Customs Act	**Customs Duty**	62.71	2005-06, 2008-09	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act	**Income Tax**	599.70	1991-92 to 1994-95	High Court

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

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

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

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

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 054785

Kolkata, May 29, 2013

Balance Sheet

As at March 31, 2013

₹ Lakhs

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,634.36	3,634.36
(b) Reserves and surplus	4	54,784.29	55,241.70
		58,418.65	**58,876.06**
2. Non-current liabilities			
(a) Long-term borrowings	5	8,316.70	9,064.13
(b) Deferred tax liabilities (net)	25.16	834.14	928.78
(c) Other long-term liabilities	6	416.49	428.35
(d) Long-term provisions	7	530.13	517.75
		10,097.46	**10,939.01**
3. Current liabilities			
(a) Short-term borrowings	8	13,498.03	14,559.69
(b) Trade payables	9	19,326.14	18,131.73
(c) Other current liabilities	10	7,516.29	7,214.80
(d) Short-term provisions	7	1,172.02	1,552.47
		41,512.48	**41,458.69**
TOTAL		**1,10,028.59**	**1,11,273.76**
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.A	24,599.89	25,653.31
(ii) Intangible assets	11.B	51,767.49	53,559.37
(iii) Capital work-in-progress		886.32	1,107.39
		77,253.70	**80,320.07**
(b) Non-current investments	12	4.99	4.99
(c) Long-term loans and advances	13	1,694.97	2,035.39
(d) Other non-current assets	14	907.90	697.44
		79,861.56	**83,057.89**
2. Current assets			
(a) Inventories	15	22,181.63	21,314.26
(b) Trade receivables	16	4,416.91	4,340.76
(c) Cash and Bank balances	17	452.22	399.62
(d) Short-term loans and advances	13	2,652.50	1,579.72
(e) Other current assets	14	463.77	581.51
		30,167.03	**28,215.87**
TOTAL		**1,10,028.59**	**1,11,273.76**
See accompanying notes forming part of the financial statements			

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

Abhijit Bandyopadhyay
Partner

Place : Kolkata
Date : May 29, 2013

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

Statement of Profit and Loss

For the year ended March 31, 2013

₹ Lakhs

Particulars		Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
1.	Revenue from operations (gross)	18	1,09,060.09	1,03,331.03
	Less : Excise duty	18	5,527.42	5,300.88
	Revenue from operations (net)		1,03,532.67	98,030.15
2.	Other income	19	942.25	754.47
3.	**Total Revenue (1+2)**		**1,04,474.92**	**98,784.62**
4.	Expenses			
	(a) Cost of materials consumed	20.a	49,702.67	46,482.93
	(b) Purchases of stock-in-trade	20.b	19,280.59	19,369.27
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	135.98	(1,609.09)
	(d) Employee benefit expense	21	9,004.54	8,900.44
	(e) Finance costs	22	4,048.14	3,609.38
	(f) Depreciation and amortisation expense	11.C	3,507.29	2,417.84
	(g) Other expenses	23	18,871.39	19,833.74
	Total Expenses		**1,04,550.60**	**99,004.51**
5.	**(Loss) before exceptional items and tax (3 - 4)**		**(75.68)**	**(219.89)**
6.	Exceptional items	24	–	7,684.22
7.	**(Loss) before tax (5 - 6)**		**(75.68)**	**(7,904.11)**
8.	**Tax expense :**			
	(a) Current tax expense		–	–
	(b) Tax related to past years		(489.39)	–
	(c) Net current tax expense		(489.39)	–
	(d) Deferred tax		(94.64)	80.95
			(584.03)	**80.95**
9.	**Profit / (Loss) for the year (7 - 8)**		**508.35**	**(7,985.06)**
10.	**Earnings Per Share - of ₹ 5 each after tax**			
	– Before Exceptional Item relating to impairment charge of subsidiary			
	(a) Basic	25.15.b	0.70	(0.67)
	(b) Diluted	25.15.d	0.70	(0.67)
	– After Exceptional Item relating to impairment charge of subsidiary			
	(a) Basic	25.15.a	0.70	(10.99)
	(b) Diluted	25.15.c	0.70	(10.99)
	See accompanying notes forming part of the financial statements			

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

Abhijit Bandyopadhyay
Partner

Place : Kolkata
Date : May 29, 2013

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

Cash Flow Statement For the year ended March 31, 2013

₹ Lakhs

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
A. Cash flow from operating activities				
Net (Loss) before tax		(75.68)		(7,904.11)
Adjustments for :				
Depreciation and amortisation	3,507.29		2,417.84	
Loss / (Profit) on sale / write off of assets	34.55		(197.82)	
Interest and other Finance costs	4,048.14		3,609.38	
Interest income	(683.72)		(234.44)	
Provision for indirect taxes	223.44		125.00	
Provision no longer required written back	(152.14)		(322.21)	
Adjustments to the carrying amount of investments	–		4,646.04	
Provision in respect of subsidiary companies	119.31		574.45	
Provision for estimated loss on derivatives	15.80		–	
Provision for Wealth Tax	11.00		11.00	
Net unrealised exchange (gain) / Loss	(20.05)		97.72	
Workmen Seperation Cost	–	7,103.62	184.22	10,911.18
Operating profit before working capital changes		**7,027.94**		**3,007.07**
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(867.37)		(2,334.32)	
Trade receivables	(85.16)		(95.04)	
Short-term loans and advances	(1,083.27)		265.21	
Long-term loans and advances	180.12		2,245.09	
Other current assets	(103.71)		106.12	
Other non-current assets	(210.46)		(319.43)	
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	1,229.62		1,540.55	
Other current liabilities	(389.44)		312.25	
Other long-term liabilities	(11.86)		33.62	
Short-term provisions	(14.83)		(5.68)	
Long-term provisions	12.38	(1,343.98)	7.58	1,755.95
Workmen Separation Cost		–		(184.02)
Cash generated from operations		**5,683.96**		**4,579.00**
Income tax (Net)		761.56		529.83
Net cash flow from operating activities (A)		**6,445.52**		**5,108.83**
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		(1,324.49)		(2,888.50)
Proceeds from sale of fixed assets		311.03		326.96
Investment in Subsidiaries		–		(541.03)
Loan to Subsidiaries		(916.57)		(372.32)
Interest received		680.57		598.40
Net cash used in investing activities (B)		**(1,249.46)**		**(2,876.49)**

Cash Flow Statement For the year ended March 31, 2013

₹ Lakhs

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
C. Cash flow from financing activities				
Proceeds from long-term borrowings	5,054.84		4,885.07	
Repayment of long-term borrowings	(4,975.85)		(6,512.69)	
Net increase in working capital borrowings	454.12		4,234.99	
Proceeds from other short-term borrowings	5,900.00		14,150.00	
Repayment of other short-term borrowings	(7,400.00)		(15,400.00)	
Interest and other Finance cost	(4,173.60)		(3,536.43)	
Dividends paid	(0.98)		(356.85)	
Tax on dividend	–	(5,141.47)	(58.96)	(2,594.87)
Net cash used in financing activities (C)		**(5,141.47)**		**(2,594.87)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**54.59**		**(362.53)**
Cash and cash equivalents at the beginning of the year		350.35		711.13
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.16		1.75
Cash and cash equivalents at the end of the year *		**405.10**		**350.35**
* Comprises:				
(a) Cash in hand		11.16		8.09
(b) Cheques, drafts in hand		3.54		126.73
(c) Balances with banks				
- In current accounts		390.40		215.53
		405.10		**350.35**
See accompanying notes forming part of the financial statements				

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place : Kolkata
Date : May 29, 2013

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

Notes forming part of the financial statements

Note	Particulars

1. Corporate Information

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

2. Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting standards notified under Section 211(3C) of the Companies Act,1956 as adopted consistently by the Company.

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued as under :

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

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

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

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

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

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

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

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

2.7 Revenue recognition

<u>**Sale of goods**</u>

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

2.8 Tangible fixed assets

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

<u>**Capital work-in-progress**</u>

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

Notes forming part of the financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

2.9 Intangible assets

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

2.10 Foreign currency transactions and translations

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

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

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 Statement of Profit and Loss over the period of the contract.

2.11 Government grants, subsidies and export incentives

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

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

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

2.12 Investments

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

2.13 Employee benefits

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

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

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

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

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

2.14 Borrowing costs

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

2.15 Earnings per share

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

Notes forming part of the financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

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

2.16 Impairment of assets

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

2.17 Provisions and contingencies

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

3. Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹ Lakhs	Number of Shares	₹ Lakhs
(a) **Authorised**				
Equity shares of ₹ 5 each with voting rights	21,15,60,000	10,578.00	21,15,60,000	10,578.00
(b) **Issued**				
Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
(c) **Subscribed and fully paid up**				
Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
Total	**7,26,87,260**	**3,634.36**	**7,26,87,260**	**3,634.36**

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

Notes :

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

Particulars	Opening Balance	Additions during the year	Deletions during the year	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2013				
– Number of shares	7,26,87,260	–	–	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	–	–	3,634.36
Year ended March 31, 2012				
– Number of shares	7,26,87,260	–	–	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	–	–	3,634.36

(ii) Terms / rights attached to Equity Shares :

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

Notes forming part of the financial statements

Note	Particulars

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

Class of shares / Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Williamson Magor & Co Ltd.	1,67,56,841	23%	1,67,56,841	23%
Williamson Financial Services Ltd.	51,60,988	7%	51,60,988	7%
Metal Centre Ltd.	41,48,246	6%	41,48,246	6%
HSBC Global Investment Funds Mauritius Ltd.	–	–	44,61,166	6%

4. Reserves and Surplus

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Capital Reserve	12,356.60	12,356.60
(b) Securities Premium Account	16,412.11	16,412.11
(c) Revaluation Reserve		
– Opening Balance	744.88	2,569.32
Less : Depreciation on revalued portion of Fixed Assets	744.88	1,770.53
Adjustment relating to Fixed Assets sold during the year	–	53.91
– Closing Balance	–	744.88
(d) Development Allowance Reserve	3.50	3.50
(e) General Reserve	29,867.46	29,867.46
(f) Foreign Currency Translation Reserve		
– Opening Balance	221.20	60.64
Add : Effect of foreign exchange rate variations during the year	(220.88)	160.56
– Closing Balance	0.32	221.20
(g) Amalgamation Reserve	300.42	300.42
(h) Surplus / (Deficit) in Statement of Profit and Loss		
– Opening Balance	(4,664.47)	3,320.59
Add : Profit / (Loss) for the year	508.35	(7,985.06)
– Closing Balance	(4,156.12)	(4,664.47)
Total	**54,784.29**	**55,241.70**

Notes forming part of the financial statements

Note	Particulars

5. Long-Term Borrowings

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
Term Loans				
From Banks (Secured)				
ICICI Bank Ltd.	5,000.00	3,904.17	3,904.17	3,904.16
HDFC Bank Ltd.	1,583.33	1,000.00	2,583.33	416.67
IDBI Bank Ltd.	–	–	–	604.52
Yes Bank Ltd.	1,666.67	833.33	2,500.00	–
From Banks (Unsecured)				
Car Loans	66.70	60.65	76.63	46.38
Total	**8,316.70**	**5,798.15**	**9,064.13**	**4,971.73**

Notes :

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

₹ Lakhs

Particulars	Terms of repayment and security	As at March 31, 2013		As at March 31, 2012	
		Secured	Unsecured	Secured	Unsecured
Term Loans from Banks :					
i) ICICI Bank Ltd.	Secured by exclusive mortgage on movable and immovable properties and by deposit of title deed of the plant located at Haridwar, Uttaranchal. Rate of Interest : 10.184% p.a. Terms of repayment : 4 half yearly installments of ₹ 1,285.42 Lakhs.	–	–	2,570.84	–
ii) ICICI Bank Ltd.	Secured by first charge over all immovable fixed assets of the company excluding assets over which exclusive charge has already been created in favour of other lenders. Rate of Interest : 13% p.a. Terms of repayment : 36 monthly installments of ₹ 111.11 Lakhs.	–	–	1,333.33	–
iii) ICICI Bank Ltd.	Secured by first pari passu charge on the fixed assets of the company situated at Hyderabad, Chennai, Lucknow, Rustomjee Parsee Road Kolkata, Rainy Park, Kolkata Block- B, Sector No. 80, Ghaziabad, Noida and Plot No. -06, Sector 12, Plant Nagar Industrial Area, Jawalpur, Haridwar. Rate of Interest: 12.25% p.a. Terms of repayment: 36 monthly installments of ₹ 138.89 Lakhs with 24 months moratorium period.	5,000.00	–	–	–

Notes forming part of the financial statements

Note 5 : Long-term Borrowings (contd.)

Note	Particulars

₹ Lakhs

Particulars	Terms of repayment and security	As at March 31, 2013		As at March 31, 2012	
		Secured	Unsecured	Secured	Unsecured
iv) HDFC Bank Ltd.	Secured by first charge on all the assets financed by HDFC Bank, First pari passu charge on all fixed assets other than those financed specifically by any Bank, Second pari passu charge on all assets financed by any Bank or charged specifically to any Bank, wherein assets include all movable Plant & Machinery. Rate of Interest : 12.70% p.a. Terms of repayment : Starting from November 2012 in 36 monthly installments of ₹ 83.33 Lakhs.	1,583.33	–	2,583.33	–
v) Yes Bank Ltd.	Secured by first pari passu charge on entire moveable fixed assets of the company (both present and future) including plant and machinery located at Hyderabad, Kolkata, Lucknow & Tiruvottiyur, providing minimum assets coverage of 1.25 times of the facility amount during the entire tenure of facility. Rate of Interest : 11.80% p.a. Terms of repayment : 24 monthly installments of ₹ 104.17 Lakhs with 18 months moratorium period.	1,666.67	–	2,500.00	–
vi) Car Loans	Terms of repayment : Various; Each repayable in 36 equated instalments.	–	66.70	–	76.63
Total - Term loans from banks		**8,250.00**	**66.70**	**8,987.50**	**76.63**

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

6. Other Long-term Liabilities

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Trade Payables	21.76	33.62
(b) Security deposits received	394.73	394.73
Total	**416.49**	**428.35**

Notes forming part of the financial statements

Note	Particulars

7. Provisions

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Provision for employee benefits :				
(i) Post-employment medical benefits (Refer Note 25.12.b)	310.52	39.80	308.64	40.31
(ii) Compensated absences (Refer Note 25.12.b)	219.61	15.60	209.11	23.85
	530.13	**55.40**	**517.75**	**64.16**
(b) Provision - Others :				
(i) Tax [net of advance tax ₹ 6.77 Lakhs (As at March 31, 2012 ₹ 69.18 Lakhs)]	–	191.58	–	135.85
(ii) In respect of subsidiary - Novener SAS (Refer Note below)	–	–	–	574.45
(iii) Sales Tax, Excise, etc (Refer Note 25.18)	–	638.45	–	608.37
(iv) Provision for estimated loss on derivatives	–	15.80	–	–
(v) Others	–	270.79	–	169.64
	–	**1,116.62**	**–**	**1,488.31**
Total	**530.13**	**1,172.02**	**517.75**	**1,552.47**

Note :

Represents obligatory payment / commitments - Refer Note 25.9

8. Short-term Borrowings

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand		
From Banks		
Secured - Cash credit	10,750.68	12,109.72
Unsecured	2,747.35	2,449.97
Total	**13,498.03**	**14,559.69**

Note :

(i) Details of security :

₹ Lakhs

Particulars	Nature of security	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand from banks :	Secured by hypothecation of stocks, stores & book debts relating to businesses of the Company and ranking pari passu with the charges created and/or to be created in favour of other banks in the consortium and first/second charge on the fixed assets of the company.		
IDBI Bank		299.93	540.11
UCO Bank		4,466.99	4,195.98
United Bank of India		3,630.11	2,583.31
ICICI Bank		827.98	4,385.47
HDFC Bank		1,525.67	404.85
Total - from Banks (Secured)		**10,750.68**	**12,109.72**

Notes forming part of the financial statements

Note	Particulars

9. Trade Payables

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables :		
(i) Acceptances	4,019.77	3,719.42
(ii) Other than Acceptances		
– Dues to Micro, Small & Medium Enterprises (Refer Note 25.2)	111.23	152.80
– Other than Micro, Small & Medium Enterprises	15,185.33	14,249.70
(iii) Due to Subsidiaries	9.81	9.81
Total	**19,326.14**	**18,131.73**

10. Other Current Liabilities

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Current maturities of long-term debt (Refer Note 5)	5,798.15	4,971.73
(b) Interest accrued but not due on borrowings	264.38	346.39
(c) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 :		
(i) Unpaid dividends		
– Due	3.02	3.02
– Not Due	59.57	60.55
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.12
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	369.55	920.32
(ii) Payables on purchase of fixed assets	97.43	139.55
(iii) BPL Escrow Liability	14.30	14.30
(iv) Forward Contract Restatement	50.10	60.47
(v) Advances from customers	238.85	251.79
(vi) Retention Money	292.91	207.02
(vii) Others	324.91	236.54
Total	**7,516.29**	**7,214.80**

Notes forming part of the financial statements

Note	Particulars

11. Fixed Assets

₹ Lakhs

A. Tangible Assets :	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2012	Additions	Disposals	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation/ amortisation expenses for the year	Eliminated on disposal of assets	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
(a) Land – Freehold	7,313.57	–	–	7,313.57	264.47	18.23	–	282.70	7,030.87	7,049.10
	7,349.10	–	*35.53*	*7,313.57*	*275.18*	*19.77*	*30.48*	*264.47*	*7,049.10*	*7,073.92*
– Leasehold	1,306.26	–	–	1,306.26	156.50	19.73	–	176.23	1,130.03	1,149.76
	1,306.26	–	–	*1,306.26*	*136.74*	*19.76*	–	*156.50*	*1,149.76*	*1,169.52*
(b) Buildings	14,279.01	74.07	4.08	14,349.00	7,123.81	495.02	2.24	7,616.59	6,732.41	7,155.20
	14,853.94	*50.11*	*625.04*	*14,279.01*	*6,958.16*	*510.81*	*345.16*	*7,123.81*	*7,155.20*	*7,895.78*
(c) Plant and Equipment	37,174.72	1,131.46	423.69	37,882.49	27,462.44	1,516.18	332.09	28,646.53	9,235.96	9,712.28
[Refer note (i)]	*36,639.66*	*3,102.63*	*2,567.57*	*37,174.72*	*28,417.55*	*1,489.31*	*2,444.42*	*27,462.44*	*9,712.28*	*8,222.11*
(d) Furniture and Fixture	1,061.85	23.05	17.09	1,067.81	884.53	36.00	15.29	905.24	162.57	177.32
	1,039.10	*66.44*	*43.69*	*1,061.85*	*884.61*	*39.84*	*39.92*	*884.53*	*177.32*	*154.49*
(e) Vehicles	395.34	61.20	36.75	419.79	255.00	73.29	36.17	292.12	127.67	140.34
	330.78	*147.97*	*83.41*	*395.34*	*262.41*	*76.00*	*83.41*	*255.00*	*140.34*	*68.37*
(f) Office Equipment	1,985.11	38.49	26.29	1,997.31	1,715.80	126.18	25.05	1,816.93	180.38	269.31
	2,044.62	*25.59*	*85.10*	*1,985.11*	*1,599.25*	*199.68*	*83.13*	*1,715.80*	*269.31*	*445.37*
Total	**63,515.86**	**1,328.27**	**507.90**	**64,336.23**	**37,862.55**	**2,284.63**	**410.84**	**39,736.34**	**24,599.89**	**25,653.31**
	63,563.46	*3,392.74*	*3,440.34*	*63,515.86*	*38,533.90*	*2,355.17*	*3,026.52*	*37,862.55*	*25,653.31*	*25,029.56*

Note : (i) Additions to Plant and Equipments includes borrowing cost capitalised ₹ Nil (2011-12 : ₹ 105.81 Lakhs).
(ii) Figures in *Italics* relate to the previous year.

₹ Lakhs

B. Intangible Assets :	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at April 1, 2012	Additions	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation/ amortisation expenses for the year	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
(a) Brands	67,600.00	–	67,600.00	14,480.00	1,810.00	16,290.00	51,310.00	53,120.00
	67,600.00	–	*67,600.00*	*12,670.00*	*1,810.00*	*14,480.00*	*53,120.00*	*54,930.00*
(b) Computer Software	832.92	175.66	1,008.58	393.55	157.54	551.09	457.49	439.37
	647.89	*185.03*	*832.92*	*370.35*	*23.20*	*393.55*	*439.37*	*277.54*
(c) Patent/Trade Mark	15.00	–	15.00	15.00	–	15.00	–	–
	15.00	–	*15.00*	*15.00*	–	*15.00*	–	–
Total	**68,447.92**	**175.66**	**68,623.58**	**14,888.55**	**1,967.54**	**16,856.09**	**51,767.49**	**53,559.37**
	68,262.89	*185.03*	*68,447.92*	*13,055.35*	*1,833.20*	*14,888.55*	*53,559.37*	*55,207.54*

Note : Figures in *Italics* relate to the previous year.

₹ Lakhs

C. Depreciation and Amortisation :	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation and amortisation for the year on tangible assets as per Note 11 A	2,284.63	2,355.17
Depreciation and amortisation for the year on intangible assets as per Note 11 B	1,967.54	1,833.20
Less : Depreciation on revalued portion of Fixed Assets transferred to Revaluation Reserve	744.88	1,770.53
Total	**3,507.29**	**2,417.84**

Notes forming part of the financial statements

Note	Particulars

12. Non-current Investments

₹ Lakhs

Particulars	As at March 31, 2013			As at March 31, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost less provision for diminution, other than temporary) : **Trade**						
(a) Investment in Equity instruments						
(i) of Subsidiaries						
- Novener SAS 456 Ordinary Shares of € 10 each (31.03.2012 : 456 Ordinary Shares of € 10 each)	–	4,646.04	4,646.04	–	4,646.04	4,646.04
- Litez India Ltd. 49,800 Equity Shares of ₹ 10 each (31.03.2012 : 49,800 Equity Shares of ₹ 10 each)	–	4.98	4.98	–	4.98	4.98
- Everspark HK Pvt. Ltd. 100 Ordinary Shares of HK$ 1 each (31.03.2012 : 100 Ordinary Shares of HK$ 1 each)	–	0.01	0.01	–	0.01	0.01
(ii) Other 40 (As at March 31, 2012 : 40) shares of ₹ 5 each fully paid up in McLeod Russel India Ltd.* [₹ 200]	*	–	*	*	–	*
Total - Trade	*	**4,651.03**	**4,651.03**	*	**4,651.03**	**4,651.03**
Less : Provision for diminution, other than temporary in carrying cost of investments			4,646.04			4,646.04
Total			**4.99**			**4.99**
Aggregate amount of quoted investments			*			*
Aggregate market value of listed and quoted investments			0.14			0.11
Aggregate amount of unquoted investments			4,651.03			4,651.03
Aggregate provision for dimunition other than temporary in value of investment			4,646.04			4,646.04

13. Loans & Advances

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Capital advances				
Unsecured, considered good	233.79	–	233.79	–
(b) Security deposits				
Unsecured, considered good	463.79	69.36	491.84	18.28
(c) Loans and advances to related parties (Refer Note below)				
Unsecured, considered good	11.54	18.49	14.07	16.56
Doubtful	2,973.27	–	2,279.51	–
	2,984.81	18.49	2,293.58	16.56
Less : Provision for doubtful loans and advances	2,973.27	–	2,279.51	–
	11.54	18.49	14.07	16.56
(d) Loans and advances to employees				
Unsecured, considered good	191.61	70.47	206.60	73.07
(e) Prepaid expenses	51.11	188.79	52.63	128.57
(f) Advance income tax [net of provisions ₹ 957.06 Lakhs (As at March 31, 2012 ₹ 3,742.03 Lakhs)]	454.42	–	670.82	–
(g) Balances with government authorities				
Unsecured, considered good				
(i) CENVAT credit receivable	115.33	178.27	210.60	99.88
(ii) VAT credit receivable	172.91	57.51	144.41	63.26
(iii) Service Tax credit receivable	–	504.26	–	320.75
	288.24	740.04	355.01	483.89
(h) Other loans and advances				
Unsecured, considered good				
– Advance to suppliers	0.47	1,565.35	10.63	859.35
Total	**1,694.97**	**2,652.50**	**2,035.39**	**1,579.72**

Notes forming part of the financial statements

Note 13 : Loans & Advances (contd.)

Note	Particulars

Note : Loans and advances include amounts due from :

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
Directors	11.54	3.21	14.07	3.21
Subsidiaries	2,973.27	15.28	2,279.51	13.35
Total	**2,984.81**	**18.49**	**2,293.58**	**16.56**

14. Other Assets

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(i) Insurance claims	7.24	33.03	10.63	14.08
(ii) Receivables on sale of fixed assets	–	7.17	–	230.77
(iii) Other trade claims	42.00	65.92	33.98	209.48
(iv) Others	858.66	357.65	652.83	127.18
Total	**907.90**	**463.77**	**697.44**	**581.51**

15. Inventories

(At lower of cost and net realisable value)

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials	7,323.73	6,677.10
Goods-in-transit	1,949.69	1,593.48
	9,273.42	8,270.58
(b) Work-in-progress (Refer Note below)	3,107.55	3,384.81
(c) Finished goods (other than those acquired for trading)	5,900.16	5,386.58
Goods-in-transit	323.50	531.17
	6,223.66	5,917.75
(d) Stock-in-trade (acquired for trading)	3,043.67	3,230.04
Goods-in-transit	80.75	59.01
	3,124.42	3,289.05
(e) Stores and spares	452.58	452.07
Total	**22,181.63**	**21,314.26**

Note : Details of inventory of work-in-progress

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Batteries	1,856.88	2,172.37
Flashlight	962.67	1,032.18
Other items	288.00	180.26
Total	**3,107.55**	**3,384.81**

Notes forming part of the financial statements

Note	Particulars

16. Trade Receivables

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables not due for payment	2,943.56	2,539.15
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	22.39	24.62
Doubtful	156.74	156.68
	179.13	181.30
Less : Provision for doubtful trade receivables	156.74	156.68
	22.39	24.62
Other Trade receivables		
Unsecured, considered good	1,450.96	1,776.99
Doubtful	32.84	45.01
	1,483.80	1,822.00
Less : Provision for doubtful trade receivables	32.84	45.01
	1,450.96	1,776.99
Total	**4,416.91**	**4,340.76**

17. Cash and Bank Balances

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
(a) Cash in hand	11.16	8.09
(b) Cheques, drafts in hand	3.54	126.73
(c) Balances with banks		
– In current accounts	390.40	215.53
	405.10	**350.35**
Other Bank Balances		
In earmarked accounts		
(i) Unpaid dividend accounts	29.52	30.51
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.12
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments	0.18	1.34
(iv) Others	14.30	14.30
	47.12	**49.27**
Total	**452.22**	**399.62**

Notes forming part of the financial statements

Note	Particulars

18. Revenue from Operations

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Sale of products (Refer Note (i) below)	1,08,957.16	1,02,921.07
(b) Other operating revenues (Refer Note (ii) below)	102.93	409.96
	1,09,060.09	**1,03,331.03**
Less :		
(c) Excise duty	5,527.42	5,300.88
Total	**1,03,532.67**	**98,030.15**

Note :

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) **Sale of products comprises :**		
Manufactured goods		
Batteries	62,769.06	59,792.20
Flashlights	12,231.35	11,210.58
Packet Tea	7,449.64	7,241.80
Others	130.05	84.63
Total - Sale of manufactured goods	**82,580.10**	**78,329.21**
Traded goods		
Batteries	2,266.47	2,852.10
Flashlights	13,864.20	11,487.68
Lighting Products	10,192.88	10,234.28
Others	53.51	17.80
Total - Sale of traded goods	**26,377.06**	**24,591.86**
Total - Sale of products	**1,08,957.16**	**1,02,921.07**
(ii) **Other operating revenues comprise :**		
Sale of scrap	102.93	139.80
VAT incentive	–	270.16
Total - Other operating revenues	**102.93**	**409.96**

19. Other Income

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest income (Refer Note (i) below)	683.72	234.44
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	106.39	–
(c) Other non-operating income (Refer Note (ii) below)	152.14	520.03
Total	**942.25**	**754.47**

Notes forming part of the financial statements

Note 19 : Other Income (contd.)

Note	Particulars

Note :

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) Interest income comprises :		
- On deposits with Banks	23.59	15.99
- On advance to subsidiaries	–	28.25
- On advance payment of Taxes	660.13	190.20
Total - Interest income	**683.72**	**234.44**
(ii) Other non-operating income comprises :		
– Profit on sale of fixed assets	–	197.82
– Provisions no longer required written back	152.14	322.21
Total - Other non-operating income	**152.14**	**520.03**

20.a Cost of Materials Consumed

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening stock	8,270.58	7,549.50
Add : Purchases	50,705.51	47,204.01
	58,976.09	54,753.51
Less : Closing stock	9,273.42	8,270.58
Total Cost of material consumed	**49,702.67**	**46,482.93**
Material consumed comprises :		
Zinc Spelter	8,443.91	8,390.93
Acetylene Black	2,107.69	1,909.77
Brass	1,988.64	2,023.83
Manganese Ore	2,001.98	1,876.52
Black Tea for Packet Tea	5,350.74	4,944.66
Others	29,809.71	27,337.22
Total	**49,702.67**	**46,482.93**

20.b Purchase of Traded Goods

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Batteries	1,430.11	2,419.17
Flashlights	9,661.03	8,135.67
Lighting Products	7,836.92	8,799.74
Others	352.53	14.69
Total	**19,280.59**	**19,369.27**

Notes forming part of the financial statements

Note	Particulars

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

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventories at the end of the year :		
Finished goods	6,223.66	5,917.75
Work-in-progress	3,107.55	3,384.81
Stock-in-trade	3,124.42	3,289.05
	12,455.63	**12,591.61**
Inventories at the beginning of the year :		
Finished goods	5,917.75	5,931.16
Work-in-progress	3,384.81	2,679.35
Stock-in-trade	3,289.05	2,372.01
	12,591.61	**10,982.52**
Net decrease / (increase)	**135.98**	**(1,609.09)**

21. Employee Benefits Expense

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	7,219.21	7,234.91
Contributions to provident and other funds (Refer Note 25.12)	849.39	759.99
Staff welfare expenses	935.94	905.54
Total	**9,004.54**	**8,900.44**

22. Finance Costs

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest expense on borrowings	3,541.44	3,102.36
(b) Other borrowing costs	51.52	31.02
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	244.22	299.43
(d) Bank Charges	210.96	176.57
Total	**4,048.14**	**3,609.38**

Notes forming part of the financial statements

Note	Particulars

23. Other Expenses

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spare parts	310.42	336.22
(Decrease) / Increase in excise duty in inventory of Finished Goods	(21.61)	108.60
Power and fuel	1,401.03	1,293.28
Repairs and maintenance	1,161.70	1,126.75
Insurance	136.81	120.47
Rates and taxes	779.43	497.21
Travelling and conveyance	1,759.09	1,769.02
Freight, Shipping and Selling Expenses	5,986.67	5,843.01
Advertisement, Sales Promotion and Market Research	3,644.97	5,513.51
Payments to auditors (Refer Note below)	47.79	43.70
Bad and doubtful trade receivables	(7.81)	15.51
Net loss on foreign currency transactions and translation (other than considered as finance cost)	–	168.06
Loss on fixed assets sold / scrapped / written off	34.55	–
Provision in respect of subsidiary companies	119.31	–
Provision for estimated loss on derivatives	15.80	–
Provision for indirect taxes (Refer Note 25.18)	223.44	125.00
Miscellaneous expenses	3,279.80	2,873.40
Total	**18,871.39**	**19,833.74**

Note :

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Payments to the auditors comprises fees for (net of service tax input credit, where applicable) :		
Statutory audit (including Consolidated Accounts)	25.00	25.00
Tax Audit	5.10	5.10
Limited Review	11.50	11.50
Certifications, etc.	6.15	1.78
Reimbursement of expenses	0.04	0.32
Total	**47.79**	**43.70**

24. Exceptional Items

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Provision for Diminution in Value of Investment in Subsidiary (Refer Note 25.9)	–	7,500.00
Workmen Separation Cost	–	184.22
Total	**–**	**7,684.22**

Notes forming part of the financial statements

Note	Particulars

25. Additional Information to the financial statements

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

₹ Lakhs

Particulars		As at March 31, 2013	As at March 31, 2012
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debts :		
	- Excise & Customs *	1,769.70	1,825.68
	- Sales tax	84.19	91.14
	- Income tax :		
	The Company is in appeal in regard to assessments made	599.70	599.70
	*Excludes interest claimed in a few cases by respective Authorities but amount not quantified.		
	(b) Others (Includes ESI, Property Tax, Water Tax etc.)	307.79	295.29
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	- Tangible assets	3,076.21	1,234.56
	- Intangible assets	–	18.45

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

₹ Lakhs

Particulars		As at March 31, 2013	As at March 31, 2012
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	111.23	152.80
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.17	0.45
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	–	–
(iv)	The amount of interest due and payable for the year	0.17	0.45
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.62	0.45
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	–	–

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

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

₹ Lakhs

Name of the Subsidiaries	Amount outstanding as at March 31, 2013	Maximum balance outstanding during the year
Novener SAS (Terms of Repayment : payable after December 31, 2015)	2,973.27 *2,279.51*	2,973.27 *2,279.51*

Note : Figures in *italics* relate to the previous year.

Notes forming part of the financial statements

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

Note	Particulars

25.4 Details on derivatives instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at March 31, 2013. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

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

Outstanding forward exchange contracts entered into by the Company as on March 31, 2013

Currency	Amount in Lakhs	Buy / Sell	Cross currency
USD	70.86 *89.89*	Buy *Buy*	Rupees *Rupees*
EURO	– *5.60*	– *Buy*	– *Rupees*
USD	0.45 *5.58*	Sell *Sell*	Rupees *Rupees*
JPY	– *3.36*	– *Buy*	– *Rupees*

Note : Figures in *italics* relate to the previous year.

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

As at March 31, 2013		As at March 31, 2012	
Receivable/ (Payable)	**Receivable/ (Payable) in Foreign currency**	**Receivable/ (Payable)**	**Receivable/ (Payable) in Foreign currency**
₹ Lakhs	**In million**	**₹ Lakhs**	**In million**
3,113.91	US$ 1.21, Euro 3.89 & HKD 0.06	2,287.32	US$ 0.01, Euro 3.33 & HKD 0.03
(3,775.10)	(US$ 6.95)	(1,586.51)	(US$ 3.12)

25.5 Value of imports calculated on CIF basis

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw materials	10,920.41	11,372.28
FG	4,325.10	3,479.86
Components	73.72	23.94
Capital goods	27.98	905.27

25.6 Expenditure in Foreign Currency

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Professional and consultation fees	8.21	0.52
Interest	73.27	53.15
Travel & Others	240.11	375.82

Notes forming part of the financial statements

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

Note	Particulars

25.7 Details of consumption of imported and indigenous items for the year ended March 31, 2013

Particulars	₹ Lakhs	%
Raw materials		
Imported	12,108.62	24.36
	11,004.79	*23.67*
Indigenous	37,594.05	75.64
	35,478.14	*76.33*
Total	**49,702.67**	**100.00**
	46,482.93	*100.00*
Spare parts		
Imported	–	–
	–	–
Indigenous	310.42	100.00
	336.22	*100.00*
Total	**310.42**	**100.00**
	336.22	*100.00*

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

25.8 Earnings in Foreign Exchange

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Export of goods calculated on FOB basis	2,172.03	1,482.84

25.9 Exceptional Items

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Relating to Subsidiary Novener SAS (see below)	–	7,500.00
Workmen Separation Cost	–	184.22
Total	**–**	**7,684.22**

The Company acquired a controlling stake in Novener SAS (Novener) in July 2009, a rechargeable battery conglomerate whose products are marketed under the brand name of "Uniross". As at March 31, 2013, the Company has an investment of ₹ 4,646.04 Lakhs and advances aggregating ₹ 2,973.27 Lakhs. During the year ended March 31, 2012, the Company had created a provision of ₹ 7,500 Lakhs towards (a) diminution in the carrying cost of its investment; (b) amount advanced till March 31, 2012 and (c) certain anticipated obligatory payment commitments and the charge for the same was included under "exceptional items".

By the year ended March 31, 2013, an additional charge of ₹ 119.31 Lakhs was incurred in respect of (c) above and same is shown under the head Other Expenses (Note No. 23)

25.10 Amortisation of brand "Eveready" :

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

25.11 Details of government grants

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
VAT incentive	–	270.16
Total	**–**	**270.16**

Notes forming part of the financial statements

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

Note	Particulars

25.12 Employee Benefit Plans

25.12.a Defined Contribution Plans

The Company makes Provident Fund and Pension Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 210.92 Lakhs (Year ended March 31, 2012 ₹ 212.37 Lakhs) for Provident Fund contributions and ₹ 209.37 Lakhs (Year ended March 31, 2012 ₹ 116.72 Lakhs) for Pension Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Companies Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellanous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust over statutory rate, accordingly contribution by the Company includes a sum of ₹ NIL (Year ended March 31, 2012 ₹ 37.29 Lakhs).

25.12.b Defined Benefit Plans

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

i. Gratuity

ii. Post-employment medical benefits

iii. Pension

iv. Leave Encashment

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

₹ Lakhs

Particulars	Year ended March 31, 2013				Year ended March 31, 2012			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Components of employer's expense								
Current service cost	98.49	–	–	24.70	102.80	–	–	25.74
Interest cost	95.13	28.03	29.27	17.32	96.95	27.47	43.43	16.67
Expected return on plan assets	(144.49)	–	(43.41)	–	(128.09)	–	(46.12)	–
Actuarial losses / (gains)	88.40	11.55	(12.42)	18.64	34.16	17.24	(131.99)	37.34
Total expense recognised in the Statement of Profit and Loss	**137.53**	**39.58**	**(26.56)**	**60.66**	**105.82**	**44.71**	**(134.68)**	**79.75**
Actual contribution and benefit payments for the year								
Actual benefit payments	208.28	38.21	60.06	58.41	306.58	37.87	296.04	85.03
Actual contributions	332.48	38.21	–	58.41	308.00	37.87	–	85.03
Net asset / (liability) recognised in the Balance Sheet								
Present value of defined benefit obligation	1,333.21	350.32	359.73	235.21	1,223.29	348.95	374.39	232.96
Fair value of plan assets	1,939.68	–	552.60	–	1,637.81	–	540.70	–
Funded status [Surplus / (Deficit)]	606.47	(350.32)	192.87	(235.21)	414.52	(348.95)	166.31	(232.96)
Net asset / (liability) recognised in the Balance Sheet	**606.47**	**(350.32)**	**192.87**	**(235.21)**	**414.52**	**(348.95)**	**166.31**	**(232.96)**

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

₹ Lakhs

Particulars	Year ended March 31, 2013				Year ended March 31, 2012			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Change in defined benefit obligations (DBO) during the year								
Present value of DBO at beginning of the year	1,223.29	348.95	374.39	232.96	1,293.83	342.11	658.97	239.17
Current service cost	101.49	–	–	24.70	102.80	–	–	25.74
Interest cost	95.13	27.93	29.27	17.32	96.95	27.47	43.43	16.67
Actuarial losses / (gains)	121.58	11.55	16.13	18.64	36.29	17.24	(31.97)	37.34
Benefits paid	(208.28)	(38.21)	(60.06)	(58.41)	(306.58)	(37.87)	(296.04)	(85.96)
Present value of DBO at the end of the year	**1,333.21**	**350.22**	**359.73**	**235.21**	**1,223.29**	**348.95**	**374.39**	**232.96**
Change in fair value of assets during the year								
Plan assets at beginning of the year	1,637.81	–	540.70	–	1,506.17	–	690.60	–
Expected return on plan assets	144.49	–	43.41	–	128.09	–	46.12	–
Actual company contributions	332.48	38.21	–	58.41	308.00	37.87	–	85.96
Actuarial gains	33.18	–	28.55	–	2.13	–	100.02	–
Benefits paid	(208.28)	(38.21)	(60.06)	(58.41)	(306.58)	(37.87)	(296.04)	(85.96)
Plan assets at the end of the year	**1,939.68**	**–**	**552.60**	**–**	**1,637.81**	**–**	**540.70**	**–**
Actual return on plan assets	177.67	–	71.96	–	130.22	–	146.14	–
Composition of the plan assets is as follows :								
Government bonds	96.48	NA	152.12	NA	98.62	NA	155.49	NA
Special Deposit with SBI	–	NA	65.35	NA	–	NA	65.35	NA
Corporate Bonds	–	NA	89.57	NA	–	NA	90.80	NA
Insurance Companies	1,681.19	NA	1,518.56	NA	1,401.01	NA	1,435.27	NA
Cash and Cash Equivalents	6.64	NA	9.65	NA	21.59	NA	11.62	NA
Actuarial assumptions								
Discount rate	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%
Expected return on plan assets	8.50%	NA	8.50%	NA	8.50%	NA	8.50%	NA
Salary escalation	5.00%	NA	NIL	5.00%	5.00%	NA	NIL	5.00%
Attrition	NA	NA	NA	NA	NA	NA	NA	NA
Medical cost inflation	NA	NA	NA	NA	NA	NA	NA	NA
Mortality tables	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (1994-96) Ultimate	LIC (1996-98) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

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

Experience adjustments

₹ Lakhs

	2012-2013	2011- 2012	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	1,333.21	1,223.29	1,293.83	1,121.44	1,203.92
Fair value of plan assets	1,943.51	1,637.81	1,506.17	1,382.29	1,204.32
Funded status - Surplus	606.47	414.52	212.34	260.85	0.40
Experience gain / (loss) adjustments on plan liabilities	93.57	(36.29)	(178.08)	(48.41)	(144.98)
Experience gain / (loss) adjustments on plan assets	33.18	2.13	(14.96)	120.12	(100.05)
Post Employment Medical Benefits					
Present value of DBO	350.22	348.95	342.11	355.03	345.99
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(350.32)	(348.95)	(342.11)	(355.03)	(345.99)
Experience gain / (loss) adjustments on plan liabilities	5.12	(17.24)	2.79	(20.67)	21.30
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA
Pension					
Present value of DBO	359.73	374.39	658.97	667.12	646.50
Fair value of plan assets	552.60	540.70	690.60	734.53	864.99
Funded status - Surplus	192.87	166.31	31.63	67.41	218.49
Experience gain / (loss) adjustments on plan liabilities	16.13	31.97	(0.34)	(138.74)	(27.48)
Experience gain / (loss) adjustments on plan assets	28.55	100.02	(41.00)	110.96	18.19
Leave					
Present value of DBO	235.21	232.96	239.17	238.32	232.00
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(235.21)	(232.96)	(239.17)	(238.32)	(232.00)
Experience gain / (loss) adjustments on plan liabilities	14.37	(37.34)	(30.84)	(90.18)	(52.70)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA

25.13 Segment information

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

Geographical Segment

- Sales within India ₹ 1,05,054.47 Lakhs (2011-12 : ₹ 99,786.62 Lakhs)
- Sales outside India ₹ 3,902.69 Lakhs (2011-12 : ₹ 3,134.45 Lakhs)

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.14 Related party transactions

25.14.a Details of related parties :

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

Note : Related parties have been identified by the Management.

25.15.b Details of related party transactions during the year ended March 31, 2013 and balances outstanding as at March 31, 2013 :

₹ Lakhs

	Subsidiaries	KMP	Relatives of KMP	Total
Purchase of goods				
- Idea Power Ltd.	-	-	-	-
	340.93	-	-	*340.93*
- Litez India Ltd.	-	-	-	-
	8.65	-	-	*8.65*
Remuneration				
- Mr. D. Khaitan	-	-	-	-
	-	*114.72*	-	*114.72*
- Mr. S. Saha	-	184.10	-	184.10
	-	*184.90*	-	*184.90*
- Mr. A. Khaitan	-	93.72	-	93.72
	-	*58.93*	*4.60*	*63.53*
Rent Paid	-	4.56	-	4.56
	-	*4.56*	-	*4.56*
Car Rental Charges - in accordance with Company's scheme	-	-	6.45	6.45
	-	-	*5.67*	*5.67*
Finance (including loans & equity contributions in cash or in kind)	916.57	-	-	916.57
	959.67	-	-	*959.67*
Guarantees and collaterals	-	-	-	-
	284.42	-	-	*284.42*
Balances outstanding at the end of the year				
Loans and advances	2,988.55	14.75	-	3,003.30
	2,292.86	*17.28*	-	*2,310.14*
Trade payables				
- Litez India Ltd.	9.81	-	-	9.81
	9.81	-	-	*9.81*
Guarantees and collaterals	-	-	-	-
	949.63	-	-	*949.63*
Provision for doubtful receivables, loans and advances	2,973.27	-	-	2,973.27
	2,853.96	-	-	*2,853.96*

Note: Figures in *italics* relate to the previous year

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

25.15 Earnings per share

₹ Lakhs

Note	Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
25.15. a	**Basic**		
	Net profit / (loss) for the year ₹ in Lakhs	508.35	(7,985.06)
	Weighted average number of equity shares	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Basic ₹	0.70	(10.99)
25.15. b	**Basic (excluding exceptional items relating to impairment charge of subsidiary)**		
	Net profit / (loss) for the year ₹ in Lakhs	508.35	(7,985.06)
	(Add) / Less : Exceptional items relating to impairment charge of subsidiary ₹ in Lakhs	–	7,500.00
	Net profit / (loss) for the year attributable to the equity shareholders, excluding exceptional items relating to impairment charge of subsidiary ₹ in Lakhs	508.35	(485.06)
	Weighted average number of equity shares	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional items relating to impairment charge of subsidiary - Basic ₹	0.70	(0.67)
25.15. c	**Diluted**		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares.		
	Net profit / (loss) for the year ₹ in Lakhs	508.35	(7,985.06)
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Diluted ₹	0.70	(10.99)
25.15.d	**Diluted (excluding exceptional items relating to impairment charge of subsidiary)**		
	Net profit / (loss) for the year ₹ in Lakhs	508.35	(7,985.06)
	(Add) / Less : Exceptional items relating to impairment charge of subsidiary ₹ in Lakhs	–	7,500.00
	Net profit / (loss) for the year attributable to the equity shareholders, excluding exceptional items ₹ in Lakhs	508.35	(485.06)
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional items relating to impairment charge of subsidiary - Diluted ₹	0.70	(0.67)

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

25.16 Deferred tax (liability) / asset

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,336.23)	(1,470.25)
Tax effect of items constituting deferred tax liability	(1,336.23)	(1,470.25)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	76.31	75.58
Provision for doubtful debts / advances	61.51	65.44
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	269.15	228.55
Others	95.12	171.90
Tax effect of items constituting deferred tax assets	502.09	541.47
Net deferred tax (liability)	**(834.14)**	**(928.78)**

25.17 Details of research and development expenditure recognised as an expense

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Materials	0.18	–
Employee benefits expense	150.63	147.08
Consumables	36.23	44.81
Travelling expenses	31.63	33.66
Rent	1.62	1.82
Others	55.89	30.21
Total	**276.19**	**257.58**

25.18 Details of provisions

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

₹ Lakhs

Particulars	As at April 1, 2012	Additions	Utilisation	Reversal (with-drawn as no longer required)	As at March 31, 2013
Provision for other contingencies					
Sales Tax	102.02	0.50	-	60.33	42.19
	100.38	*13.49*	-	*11.85*	*102.02*
Excise	69.15	222.53	-	11.32	280.36
	324.66	*52.15*	-	*307.66*	*69.15*
Others	437.20	0.41	41.22	80.49	315.90
	380.54	*59.36*	-	*2.70*	*437.20*
Total	**608.37**	**223.44**	**41.22**	**152.14**	**638.45**
	805.58	*125.00*	-	*322.21*	*608.37*

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

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

Notes forming part of the financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

25.19 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

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	Everspark Hong Kong Private Limited * #	Hong Kong	HKD	0.01	(4.07)	0.29	0.29	–	–	(0.81)	–	(0.81)	–
2	Litez India Ltd.*	India	INR	5.00	(1.12)	15.68	15.68	–	–	0.15	0.05	0.10	–

* not operational

\# Converted into Indian Rupees at the Exchange rate, 1 HKD = ₹ 7.00 (As at 31.03.2013)

CONSOLIDATED FINANCIAL STATEMENTS WITH AUDITORS' REPORT

Auditors' Report

To the Board of Directors of
Eveready Industries India Limited

1. **Report on the Consolidated Financial Statements**

   We have audited the accompanying consolidated financial statements of **EVEREADY INDUSTRIES INDIA LIMITED** (the "Company"), its subsidiaries (the Company, its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. **Management's Responsibility for the Consolidated Financial Statements**

   The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. **Auditors' Responsibility**

   Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

4. **Basis for Qualified Opinion**

   As referred vide Note No. 25.4 of the financial statements in respect of investments in one subsidiary company, namely, Novener SAS, valued at ₹ 1 in the financial statements of the company, have not been considered in the consolidated financial statements as at 31st March 2013 as the financial statements of Novener SAS were not available since the subsidiary and step down subsidiaries of Novener SAS which constitute the Uniross Group are under liquidation and are under external administration as ordered by a competent court in France.

5. **Qualified Opinion**

   In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above,* and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, as noted below under Other Matters, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;

   (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

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

6. **Other Matter**

   (i) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (net) of ₹ 3.88 Lakhs as at 31st March, 2013, total revenues of ₹ NIL and net cash flows amounting to (₹ 0.06) Lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditors.

   (ii) We did not audit the financial statement of an overseas subsidiary, whose financial statements reflect total assets (net) of (₹ 4.06) Lakhs as at 31 March, 2013, total revenues of ₹ NIL and net cash flows amounting to ₹ NIL for the year ended on that date, have been audited by auditors of the country where the subsidiary is situated and whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other auditors.

   Our opinion is not qualified in respect of these matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration No. 302009E
Abhijit Bandyopadhyay
Partner
Membership No. 054785

Kolkata, May 29, 2013

Consolidated Balance Sheet

As at March 31, 2013

₹ Lakhs

Particulars	Note No.	As at March 31, 2013	As at March 31, 2012
A EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	3,634.36	3,634.36
(b) Reserves and surplus	4	54,779.10	47,114.24
		58,413.46	**50,748.60**
2. Minority Interest		**0.02**	**(240.03)**
3. Non-current liabilities			
(a) Long-term borrowings	5	8,316.70	15,084.49
(b) Deferred tax liabilities (net)	25.12	834.14	838.22
(c) Other long-term liabilities	6	416.49	1,962.90
(d) Long-term provisions	7	530.13	667.11
		10,097.46	**18,552.72**
4. Current liabilities			
(a) Short-term borrowings	8	13,498.03	15,808.15
(b) Trade payables	9	19,317.20	20,724.17
(c) Other current liabilities	10	7,516.29	9,771.67
(d) Short-term provisions	7	1,172.02	1,638.62
		41,503.54	**47,942.61**
TOTAL		**110,014.48**	**117,003.90**
B ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11.A	24,599.89	25,969.81
(ii) Intangible assets	11.B	51,767.49	53,576.58
(iii) Capital work-in-progress		886.32	1,107.39
		77,253.70	**80,653.78**
(b) Non-current investments	12	-	-
(c) Long-term loans and advances	13	1,695.03	2,360.41
(d) Other non-current assets	14	907.90	712.16
		79,856.63	**83,726.35**
2 Current assets			
(a) Inventories	15	22,181.63	23,205.32
(b) Trade receivables	16	4,416.91	6,191.10
(c) Cash and Bank balances	17	457.36	719.37
(d) Short-term loans and advances	13	2,637.51	1,726.66
(e) Other current assets	14	464.44	1,435.10
		30,157.85	**33,277.55**
TOTAL		**110,014.48**	**117,003.90**
See accompanying notes forming part of the consolidated financial statements			

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

Abhijit Bandyopadhyay
Partner

Place : Kolkata
Date : May 29, 2013

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

Consolidated Statement of Profit and Loss

For the year ended March 31, 2013

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
1. Revenue from operations (gross)	18	109,060.09	115,306.38
Less: Excise duty	18	5,527.42	5,300.88
Revenue from operations (net)		103,532.67	110,005.50
2. Other income	19	943.03	1,499.07
3. Total revenue (1+2)		**104,475.70**	**111,504.57**
4. Expenses			
(a) Cost of materials consumed	20.a	49,702.67	48,078.78
(b) Purchases of stock-in-trade	20.b	19,280.59	25,014.64
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	135.98	(1,545.97)
(d) Employee benefit expense	21	9,004.54	11,228.90
(e) Finance costs	22	4,048.14	3,829.91
(f) Depreciation and amortisation expense	11.C	3,507.29	2,922.39
(g) Other expenses	23	18,872.83	22,988.18
Total expenses		**104,552.04**	**112,516.83**
5. (Loss) before exceptional items and tax (3 - 4)		**(76.34)**	**(1,012.26)**
6. Exceptional items	24	-	7,727.47
7. (Loss) before tax (5 - 6)		**(76.34)**	**(8,739.73)**
8. Tax expense :			
(a) Current tax expense		0.05	2.59
(b) Tax related to past years		(489.39)	-
(c) Net current tax expense		(489.34)	2.59
(d) Deferred tax		(94.64)	63.95
		(583.98)	**66.54**
9. Profit / (Loss) for the year (7 - 8)		**507.64**	**(8,806.27)**
10. Minority Interest		-	0.70
11. Profit / (Loss) after taxes and minority interest (9 + 10)		**507.64**	**(8,805.57)**
12. Earnings Per Share - of ₹ 5/- each after tax			
– Before Exceptional Item relating to impairment charge of subsidiary			
(a) Basic	25.11.b	0.70	(1.80)
(b) Diluted	25.11.d	0.70	(1.80)
– After Exceptional Item relating to impairment charge of subsidiary			
(a) Basic	25.11.a	0.70	(12.11)
(b) Diluted	25.11.c	0.70	(12.11)

See accompanying notes forming part of the consolidated financial statements

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

Abhijit Bandyopadhyay
Partner

Place : Kolkata
Date : May 29, 2013

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

Consolidated Cash Flow Statement For the year ended March 31, 2013

₹ Lakhs

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
A. Cash flow from operating activities				
Net (Loss) before tax		(76.34)		(8,739.73)
Adjustments for :				
Depreciation and amortisation	3,507.29		2,922.39	
Loss / (Profit) on sale / write off of assets	34.55		(209.85)	
Interest and other Finance costs	4,048.14		3,736.47	
Interest income	(684.50)		(211.33)	
Provision for indirect taxes	223.44		125.00	
Provision in respect of subsidiary companies	119.31		325.31	
Provision no longer required written back	(152.14)		(322.21)	
Impairment of Goodwill arising on consolidation	-		7,174.69	
Provision for estimated loss on derivatives	15.80		-	
Provision for Wealth Tax	11.00		11.00	
Net unrealised exchange (gain)	(20.05)		(363.33)	
Workmen Seperation Cost	-	7,102.84	184.22	13,372.36
Operating profit before working capital changes		**7,026.50**		**4,632.63**
Changes in working capital :				
Adjustments for (increase) / decrease in operating assets :				
Inventories	(867.37)		(1,994.91)	
Trade receivables	(85.16)		1,305.94	
Short-term loans and advances	(1,083.56)		1,150.36	
Long-term loans and advances	180.01		110.82	
Other current assets	(103.71)		15.72	
Other non-current assets	(210.46)		(333.62)	
Adjustments for increase / (decrease) in operating liabilities :				
Trade payables	1,229.43		227.91	
Other current liabilities	(389.44)		(1,130.89)	
Other long-term liabilities	(11.86)		(144.35)	
Short-term provisions	(14.83)		(514.13)	
Long-term provisions	12.38	(1,334.57)	113.80	(1,193.35)
Workmen Seperation Cost		-		(184.02)
Cash generated from operations		**5,681.93**		**3,255.26**
Income tax (Net)		761.56		487.03
Net cash flow from operating activities (A)		**6,443.49**		**3,742.29**
B. Cash flow from investing activities				
Purchase of fixed assets, including capital advances		(1,324.49)		(2,928.65)
Proceeds from sale of fixed assets		311.03		354.21
Bank balances not considered as Cash and cash equivalents		-		(21.26)
Loan to Subsidiaries (Refer Note)		(914.96)		-
Interest received		680.68		603.54
Net cash used in investing activities (B)		**(1,247.74)**		**(1,992.16)**

Consolidated Cash Flow Statement For the year ended March 31, 2013

₹ Lakhs

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		0.02	
Proceeds from long-term borrowings	5,054.84		4,885.07	
Repayment of long-term borrowings	(4,975.85)		(7,163.10)	
Net increase in working capital borrowings	454.12		4,234.99	
Proceeds from other short-term borrowings	5,900.00		14,820.86	
Repayment of other short-term borrowings	(7,400.00)		(15,400.00)	
Interest and other Finance cost	(4,173.60)		(3,672.37)	
Dividends paid	(0.98)		(356.85)	
Tax on dividend	-	(5,141.47)	(58.96)	(2,710.34)
Net cash used in financing activities (C)		**(5,141.47)**		**(2,710.34)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**54.28**		**(960.21)**
Cash and cash equivalents at the beginning of the year		350.44		1,452.84
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.42		155.60
Cash and cash equivalents at the end of the year *		**405.14**		**648.23**
* Comprises :				
(a) Cash in hand		11.16		308.06
(b) Cheques, drafts in hand		3.54		126.73
(c) Balances with banks				
- In current accounts		390.44		213.44
		405.14		**648.23**
See accompanying notes forming part of the consolidated financial statements				

Note : As Financial Statements of a subsidiary, namely, Novener SAS have not been considered for consolidation (refer note 25.4), the loan given to Novener SAS have not been eliminated.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place : Kolkata
Date : May 29, 2013

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013

Notes forming part of the consolidated financial statements

Note	Particulars

1. Corporate information

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

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 1956 and the accounting standards notified under Section 211(3C) of the Companies Act,1956 as adopted consistently by the Company.

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued as under :

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

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

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

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

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

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

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

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

2.7 Revenue recognition

<u>Sale of goods</u>

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

2.8 Tangible fixed assets

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

<u>Capital work-in-progress</u>

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

Notes forming part of the consolidated financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

2.9 Intangible assets

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

2.10 Foreign currency transactions and translations

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

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

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 Statement of Profit and Loss over the period of the contract.

2.11 Government grants, subsidies and export incentives

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

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

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

2.12 Investments

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

2.13 Employee benefits

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

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

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

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

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

2.14 Borrowing costs

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

2.15 Earnings per share

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

Notes forming part of the consolidated financial statements

Note 2 : Significant Accounting Policies (contd.)

Note	Particulars

2.16 Impairment of assets

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

2.17 Provisions and contingencies

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

2.18 Principles of Consolidation

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

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

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

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

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

Minority Interest in the net assets consists of :

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

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

- Minority interest in the net profit in the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting dates as that of the Company i.e. March 31, 2013.

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

Name of the Company	Ownership in % either directly or through Subsidiaries	Country of Incorporation
Everspark Hong Kong Private Limited *	100%	Hong Kong
Litez India Limited *	99.60%	India

* Not operational

Notes forming part of the consolidated financial statements

Note	Particulars

3. Share Capital

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹ Lakhs	Number of Shares	₹ Lakhs
(a) **Authorised**				
Equity shares of ₹ 5 each with voting rights	21,15,60,000	10,578.00	21,15,60,000	10,578.00
(b) **Issued**				
Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
(c) **Subscribed and fully paid up**				
Equity shares of ₹ 5 each with voting rights	7,26,87,260	3,634.36	7,26,87,260	3,634.36
Total	**7,26,87,260**	**3,634.36**	**7,26,87,260**	**3,634.36**

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

Notes :

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

Particulars	Opening Balance	Additions during the year	Deletions during the year	Closing Balance
Equity shares with voting rights				
Year ended March 31, 2013				
– Number of shares	7,26,87,260	–	–	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	–	–	3,634.36
Year ended March 31, 2012				
– Number of shares	7,26,87,260	–	–	7,26,87,260
– Amount (₹ Lakhs)	3,634.36	–	–	3,634.36

(ii) Terms / rights attached to Equity Shares :

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

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

Class of shares / Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Equity shares with voting rights				
Williamson Magor & Co Ltd.	1,67,56,841	23%	1,67,56,841	23%
Williamson Financial Services Ltd.	51,60,988	7%	51,60,988	7%
Metals Centre Ltd.	41,48,246	6%	41,48,246	6%
HSBC Global Investment Funds Mauritius Ltd.	-	-	44,61,166	6%

Notes forming part of the consolidated financial statements

Note	Particulars

4. Reserves and Surplus

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Capital Reserve	12,356.60	12,356.60
(b) Securities Premium Account		
– Opening Balance	16,412.11	16,412.11
Add : Premium on shares issued during the year	–	565.20
– Closing Balance	16,412.11	16,977.31
(c) Revaluation Reserve		
– Opening Balance	744.88	2,569.32
Less : Depreciation on revalued portion of Fixed Assets	744.88	1,770.53
Adjustment relating to Fixed Assets sold during the year	–	53.91
– Closing Balance	–	744.88
(d) Development Allowance Reserve	3.50	3.50
(e) General Reserve	29,867.46	29,867.46
(f) Foreign Currency Translation Reserve		
– Opening balance	221.20	(598.83)
Add : Effect of foreign exchange rate variations during the year	(220.88)	(274.32)
– Closing Balance	0.32	(873.15)
(g) Amalgamation Reserve	300.42	300.42
(h) Surplus / (Deficit) in Statement of Profit and Loss		
– Opening Balance	(4,668.95)	(3,510.35)
Add : Profit / (Loss) for the year	507.64	(8,752.43)
– Closing Balance	(4,161.31)	(12,262.78)
Total	**54,779.10**	**47,114.24**

Notes forming part of the consolidated financial statements

Note	Particulars

5. Long-Term Borrowings

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Term Loans				
From Banks (Secured)	8,250.00	5,737.50	8,987.50	6,258.28
From Banks (Unsecured)				
Car Loans	66.70	60.65	76.63	46.38
(b) Borrowings from Bank on deferred terms of payment				
Secured (frozen by safety plans)	–	–	4,223.23	–
(c) Others	–	–	1,797.13	–
Total	**8,316.70**	**5,798.15**	**15,084.49**	**6,304.66**

6. Other Long-term Liabilities

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Trade Payables	21.76	1,532.90
(b) Security deposits received	394.73	405.32
(c) Others	–	24.68
Total	**416.49**	**1,962.90**

7. Provisions

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Provision for employee benefits :				
(i) Post-employment medical benefits (Refer Note 25.8.b)	310.52	39.80	308.64	40.31
(ii) Compensated absences (Refer Note 25.8.b)	219.61	15.60	358.47	23.85
	530.13	**55.40**	**667.11**	**64.16**
(b) Provision - Others :				
(i) Tax [net of advance tax ₹ 6.77 Lakhs (As at 31 March, 2012 ₹ 69.18 Lakhs)]	–	191.58	–	138.53
(ii) In respect of subsidiary - Novener SAS (Refer Note below)	–	–	–	354.82
(iii) Sales Tax, Excise, etc (Refer Note 25.14)	–	638.45	–	608.37
(iv) Provision for estimated loss on derivatives	–	15.80	–	–
(v) Provision for litigations	–	–	–	303.10
(vi) Others	–	270.79	–	169.64
	–	**1,116.62**	**–**	**1,574.46**
Total	**530.13**	**1,172.02**	**667.11**	**1,638.62**

Note :
Represents obligatory payment / commitments - Refer Note 25.3

Notes forming part of the consolidated financial statements

Note	Particulars

8. Short-term Borrowings

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Loans repayable on demand		
From Banks		
Secured - Cash credit	10,750.68	13,358.18
Unsecured	2,747.35	2,449.97
Total	**13,498.03**	**15,808.15**

9. Trade Payables

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Trade payables :		
(i) Acceptances	4,019.77	3,719.42
(ii) Other than Acceptances		
– Dues to Micro, Small & Medium Enterprises (Refer note 25.2)	111.23	152.80
– Other than Micro, Small & Medium Enterprises	15,186.20	16,851.95
Total	**19,317.20**	**20,724.17**

10. Other Current Liabilities

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Current maturities of long-term debt (Refer Note 5)	5,798.15	6,304.66
(b) Interest accrued but not due on borrowings	264.38	551.10
(c) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956:		
(i) Unpaid dividends		
- Due	3.02	3.02
- Not Due	59.57	60.55
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.12
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	369.55	1,282.24
(ii) Payables on Purchase of Fixed Assets	97.43	139.55
(iii) BPL Escrow Liability	14.30	14.30
(iv) Forward Contract Restatement	50.10	60.47
(v) Advances from customers	238.85	599.99
(vi) Retention Money	292.91	208.02
(vii) Others	324.91	544.65
Total	**7,516.29**	**9,771.67**

Notes forming part of the consolidated financial statements

Note	Particulars

11. Fixed Assets

₹ Lakhs

A. Tangible Assets :	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at April 1, 2012	Additions	Disposals	Other adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation/ amortisation expenses for the year	Eliminated on disposal of assets	Other adjustments	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
(a) Land												
– Freehold	7,313.57	-	-	-	7,313.57	264.47	18.23	-	-	282.70	7,030.87	7,049.10
	7,349.10	-	*35.53*	-	*7,313.57*	*275.18*	*19.77*	*30.48*	-	*264.47*	*7,049.10*	*7,073.92*
– Leasehold	1,306.26	-	-	-	1,306.26	156.50	19.73	-	-	176.23	1,130.03	1,149.76
	1,306.26	-	-	-	*1,306.26*	*136.74*	*19.76*	-	-	*156.50*	*1,149.76*	*1,169.52*
(b) Buildings	14,279.01	74.07	4.08	-	14,349.00	7,123.81	495.02	2.24	-	7,616.59	6,732.41	7,155.20
	14,853.94	*50.11*	*625.04*	-	*14,279.01*	*6,958.16*	*510.81*	*345.16*	-	*7,123.81*	*7,155.20*	*7,895.78*
(c) Plant and Equipment	37,174.72	1,131.46	423.69	-	37,882.49	27,462.44	1,516.18	332.09	-	28,646.53	9,235.96	9,712.28
[Refer Note (i)]	*37,241.11*	*3,102.63*	*2,567.57*	-	*37,776.17*	*29,019.00*	*1,489.31*	*2,444.42*	-	*28,063.89*	*9,712.28*	*8,222.11*
(d) Furniture and Fixtures	1,061.85	23.05	17.09	-	1,067.81	884.53	36.00	15.29	-	905.24	162.57	493.82
	2,683.24	*104.11*	*416.98*	*(62.26)*	*2,308.11*	*2,176.20*	*190.22*	*400.60*	*(151.53)*	*1,814.29*	*493.82*	*507.04*
(e) Vehicles	395.34	61.20	36.75	-	419.79	255.00	73.29	36.17	-	292.12	127.67	140.34
	330.78	*147.97*	*83.41*	-	*395.34*	*262.41*	*76.00*	*83.41*	-	*255.00*	*140.34*	*68.37*
(f) Office equipment	1,985.11	38.49	26.29	-	1,997.31	1,715.80	126.18	25.05	-	1,816.93	180.38	269.31
	2,044.62	*25.59*	*85.10*	-	*1,985.11*	*1,599.25*	*199.68*	*83.13*	-	*1,715.80*	*269.31*	*445.37*
Total	**63,515.86**	**1,328.27**	**507.90**	**-**	**64,336.23**	**37,862.55**	**2,284.63**	**410.84**	**-**	**39,736.34**	**24,599.89**	**25,969.81**
	65,809.05	*3,430.41*	*3,813.63*	*(62.26)*	*65,363.57*	*40,426.94*	*2,505.55*	*3,387.20*	*(151.53)*	*39,393.76*	*25,969.81*	*25,382.11*

Note : (i) Additions to Plant and Equipments includes borrowing cost capitalised ₹ Nil (2011-12 : ₹ 105.81 Lakhs)
(ii) Figures in *Italics* relate to the previous year.

₹ Lakhs

B. Intangible Assets :	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at April 1, 2012	Additions	Disposals	Other adjustments	Balance as at March 31, 2013	Balance as at April 1, 2012	Depreciation/ amortisation expenses for the year	Eliminated on disposal of assets	Other adjustments	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
(a) Brands	67,600.00	–	–	–	67,600.00	14,480.00	1,810.00	–	–	16,290.00	51,310.00	53,120.00
	67,600.00	–	–	–	*67,600.00*	*12,670.00*	*1,810.00*	–	–	*14,480.00*	*53,120.00*	*54,930.00*
(b) Computer Software	832.92	175.66	–	–	1,008.58	393.55	157.54	–	–	551.09	457.49	456.58
	2,056.12	*187.53*	*105.16*	*53.22*	*2,191.71*	*1,738.52*	*30.17*	*102.53*	*68.97*	*1,735.13*	*456.58*	*317.60*
(c) Patent / Trademark	15.00	–	–	–	15.00	15.00	–	–	–	15.00	–	–
	15.00	–	–	–	*15.00*	*15.00*	–	–	–	*15.00*	–	–
Total	**68,447.92**	**175.66**	**–**	**–**	**68,623.58**	**14,888.55**	**1,967.54**	**–**	**–**	**16,856.09**	**51,767.49**	**53,576.58**
	69,671.12	*187.53*	*105.16*	*53.22*	*69,806.71*	*14,423.52*	*1,840.17*	*102.53*	*68.97*	*16,230.12*	*53,576.58*	*55,247.60*

Note : Figures in *Italics* relate to the previous year.

₹ Lakhs

C. Depreciation and Amortisation :	For the year ended March 31, 2013	For the year ended March 31, 2012
Depreciation and amortisation for the year on tangible assets as per Note 11 A	2,284.63	2,505.55
Depreciation and amortisation for the year on intangible assets as per Note 11 B	1,967.54	1,840.17
Amortisation of Goodwill for the year	–	347.20
Less : Depreciation on revalued portion of Fixed Assets transfered to Revaluation Reserve	744.88	1,770.53
Total	**3,507.29**	**2,922.39**

Notes forming part of the consolidated financial statements

Note	Particulars

12. Non-current Investments

₹ Lakhs

Particulars	As at March 31, 2013			As at March 31, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost) :						
Trade						
Investment in equity instruments – of other entities						
40 (As at 31 March, 2012 : 40) shares of ₹ 5 each fully paid up in						
McLeod Russel India Ltd.* [₹ 200/-]	*	–	*	*	–	*
Total - Trade	*	–	*	*	–	*
Aggregate market value of listed and quoted investments			0.14			0.11

13. Loans & Advances

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(a) Capital advances				
Unsecured, considered good	233.79	–	233.79	–
(b) Security deposits				
Unsecured, considered good	463.79	69.36	314.40	18.28
Secured, considered good	–	–	491.84	–
	463.79	69.36	806.24	18.28
(c) Loans and advances to related parties (due from Director)				
Unsecured, considered good	11.54	3.21	14.07	3.21
(d) Loans and advances to employees				
Unsecured, considered good	191.61	70.47	206.60	73.07
(e) Prepaid expenses	51.11	188.79	52.63	128.57
(f) Advance income tax [net of provisions ₹ 957.06 Lakhs (As at March 31, 2012 ₹ 3,742.03 Lakhs)]	454.48	–	681.44	–
(g) Balances with government authorities				
Unsecured, considered good				
(i) CENVAT credit receivable	115.33	178.27	210.60	99.88
(ii) VAT credit receivable	172.91	57.51	144.41	63.26
(iii) Service Tax credit receivable	–	504.26	–	320.75
(iv) Other receivable	–	–	–	160.29
	288.24	740.04	355.01	644.18
(h) Other loans and advances				
Unsecured, considered good				
– Advance to suppliers	0.47	1,565.64	10.63	859.35
Total	**1,695.03**	**2,637.51**	**2,360.41**	**1,726.66**

Notes forming part of the consolidated financial statements

Note	Particulars

14. Other Assets

₹ Lakhs

Particulars	As at March 31, 2013		As at March 31, 2012	
	Non-Current	Current	Non-Current	Current
(i) Insurance claims	7.24	33.03	10.63	14.08
(ii) Receivables on sale of fixed assets	–	7.17	–	230.77
(iii) Other trade claims	42.00	66.59	33.98	209.48
(iv) Others	858.66	357.65	667.55	980.77
Total	**907.90**	**464.44**	**712.16**	**1,435.10**

15. Inventories

(At lower of cost and net realisable value)

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(a) Raw materials	7,323.73	6,739.21
Goods-in-transit	1,949.69	1,593.48
	9,273.42	8,332.69
(b) Work-in-progress (Refer Note below)	3,107.55	3,384.81
(c) Finished goods (other than those acquired for trading)	5,900.16	5,335.26
Goods-in-transit	323.50	531.17
	6,223.66	5,866.43
(d) Stock-in-trade (acquired for trading)	3,043.67	5,110.31
Goods-in-transit	80.75	59.01
	3,124.42	5,169.32
(e) Stores and spares	452.58	452.07
Total	**22,181.63**	**23,205.32**

Note : Details of inventory of work-in-progress

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Batteries	1,856.88	2,172.37
Flashlight	962.67	1,032.18
Other items	288.00	180.26
Total	**3,107.55**	**3,384.81**

Notes forming part of the consolidated financial statements

Note	Particulars

16. Trade Receivables

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Trade Receivables not due for payment	2,943.56	2,539.15
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	22.39	24.62
Doubtful	156.74	156.68
	179.13	181.30
Less : Provision for doubtful trade receivables	156.74	156.68
	22.39	24.62
Other Trade receivables		
Unsecured, considered good	1,450.96	3,627.33
Doubtful	32.84	45.01
	1,483.80	3,672.34
Less : Provision for doubtful trade receivables	32.84	45.01
	1,450.96	3,627.33
Total	**4,416.91**	**6,191.10**

17. Cash and Bank Balances

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
(a) Cash in hand	11.16	308.06
(b) Cheques, drafts in hand	3.54	126.73
(c) Balances with banks		
– In current accounts	390.44	213.44
	405.14	**648.23**
Other Bank Balances		
(a) In earmarked accounts		
(i) Unpaid dividend accounts	29.52	30.51
(ii) Unpaid matured deposits and interest accrued thereon	3.12	3.12
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments	0.18	1.34
(iv) Others	14.30	14.30
(b) Deposit Accounts with maturity of more than three months	5.10	21.87
	52.22	**71.14**
Total	**457.36**	**719.37**

Notes forming part of the consolidated financial statements

Note	Particulars

18. Revenue from Operations

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Sale of products (Refer Note (i) below)	1,08,957.16	1,14,619.18
(b) Sale of services	–	206.58
(c) Other operating revenues (Refer Note (ii) below)	102.93	480.62
	1,09,060.09	**1,15,306.38**
Less :		
(d) Excise duty	5,527.42	5,300.88
Total	**1,03,532.67**	**1,10,005.50**

Notes :

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) **Sale of products comprises :**		
Manufactured goods		
Batteries	62,769.06	59,792.20
Flashlights	12,231.35	11,210.58
Packet Tea	7,449.64	7,241.80
Others	130.05	198.13
Total - Sale of manufactured goods	**82,580.10**	**78,442.71**
Traded goods		
Batteries	2,266.47	13,755.06
Flashlights	13,864.20	11,708.35
Lighting Products	10,192.88	10,234.28
Others	53.51	478.78
Total - Sale of traded goods	**26,377.06**	**36,176.47**
Total - Sale of products	**1,08,957.16**	**1,14,619.18**
(ii) **Other operating revenues comprise :**		
Sale of scrap	102.93	139.80
VAT incentive	–	270.16
Others	–	70.66
Total - Other operating revenues	**102.93**	**480.62**

19. Other Income

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest income (Refer Note (i) below)	684.50	211.33
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	106.39	485.82
(c) Other non-operating income (Refer Note (ii) below)	152.14	801.92
Total	**943.03**	**1,499.07**

Notes forming part of the consolidated financial statements

Note 19 : Other Income (contd.)

Note	Particulars

Notes : ₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(i) Interest income comprises :		
- On deposits with Banks	24.37	21.13
- On advance payment of Taxes	660.13	190.20
Total - Interest income	**684.50**	**211.33**
(ii) Other non-operating income comprises :		
- Profit on sale of fixed assets	–	209.85
- Provisions no longer required written back	152.14	322.21
- Others	–	269.86
Total - Other non-operating income	**152.14**	**801.92**

20.a Cost of Materials Consumed

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening stock	8,270.58	7,783.02
Add : Purchases	50,705.51	48,628.45
	58,976.09	56,411.47
Less : Closing stock	9,273.42	8,332.69
Total Cost of material consumed	**49,702.67**	**48,078.78**

20.b Purchase of Traded Goods

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Batteries	1,430.11	8,064.54
Flashlights	9,661.03	8,135.67
Lighting Products	7,836.92	8,799.74
Others	352.53	14.69
Total	**19,280.59**	**25,014.64**

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

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Inventories at the end of the year :		
Finished goods	6,223.66	5,866.43
Work-in-progress	3,107.55	3,384.81
Stock-in-trade	3,124.42	5,169.32
	12,455.63	**14,420.56**
Inventories at the beginning of the year :		
Finished goods	5,917.75	5,879.84
Work-in-progress	3,384.81	2,679.35
Stock-in-trade	3,289.05	4,315.40
	12,591.61	**12,874.59**
Net Decrease / (increase)	**135.98**	**(1,545.97)**

Notes forming part of the consolidated financial statements

Note	Particulars

21. Employee Benefits Expense

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Salaries and wages	7,219.21	8,980.32
Contributions to provident and other funds (Refer Note 25.8)	849.39	1,272.11
Staff welfare expenses	935.94	976.47
Total	**9,004.54**	**11,228.90**

22. Finance Costs

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
(a) Interest expense on borrowings	3,541.44	3,229.45
(b) Other borrowing costs	51.52	31.02
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	244.22	299.43
(d) Bank Charges	210.96	270.01
Total	**4,048.14**	**3,829.91**

23. Other Expenses

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Consumption of stores and spare parts	310.42	336.22
(Decrease) / increase in excise duty in inventory of Finished Goods	(21.61)	108.60
Power and fuel	1,401.03	1,368.86
Repairs and maintenance	1,161.70	1,174.47
Insurance	136.81	183.70
Rates and taxes	779.43	632.89
Travelling and conveyance	1,759.09	1,999.35
Freight, Shipping and Selling Expenses	5,986.67	6,668.42
Advertisement, Sales Promotion and Market Research	3,644.97	6,345.90
Payments to auditors	48.02	43.91
Bad & doubtful trade receivables	(7.81)	(418.97)
Net loss on foreign currency transactions and translation (other than considered as finance cost)	–	192.83
Loss on fixed assets sold / scrapped / written off	34.55	–
Provision in respect of subsidiary companies	119.31	–
Provision for estimated loss on derivatives	15.80	–
Provision for indirect taxes (Refer Note 25.14)	223.44	125.00
Miscellaneous expenses	3,281.01	4,227.00
Total	**18,872.83**	**22,988.18**

24. Exceptional Items

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Impairment of Goodwill arising on consolidation	–	7,174.69
Provision for losses in Subsidiaries	–	325.31
Workmen Separation Cost	–	227.47
Total	**–**	**7,727.47**

Notes forming part of the consolidated financial statements

Note	Particulars

25. Additional Information to the Consolidated financial statements

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

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts :		
- Excise & Customs *	1,769.70	1,825.68
- Sales tax	84.19	91.14
- Income tax :		
The Company is in appeal in regard to assessments made	599.70	599.70
*Excludes interest claimed in a few cases by respective Authorities but amount not quantified.		
(b) Others (Includes ESI, Property Tax, Water Tax etc.)	307.79	298.04
(ii) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Tangible assets	3,076.21	1,234.56
- Intangible assets	–	18.45

25.2 Details on derivatives instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at March 31, 2013. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging instruments.

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

Outstanding forward exchange contracts entered into by the Company as on March 31, 2013 :

Currency	Amount in Lakhs	Buy / Sell	Cross currency
USD	70.86 *89.89*	Buy *Buy*	Rupees *Rupees*
EURO	– *5.60*	– *Buy*	– *Rupees*
USD	0.45 *5.58*	Sell *Sell*	Rupees *Rupees*
JPY	– *3.36*	– *Buy*	– *Rupees*

Note : Figures in *Italics* relate to the previous year.

Notes forming part of the consolidated financial statements

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

Note	Particulars

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

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

As at March 31, 2013		As at March 31, 2012	
Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency	Receivable/ (Payable)	Receivable/ (Payable) in Foreign currency
₹ Lakhs	In million	₹ Lakhs	In million
136.54 (3,775.10)	US$ 0.25 (US$ 6.95)	5.63 (1,586.51)	US$ 0.01 (US$ 3.12)

25.3 Exceptional Items :

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Impairment of Goodwill arising on consolidation and provision for losses is subsidiaries (see below)	–	7,500.00
Workmen Separation Cost	–	227.47
Total	**–**	**7,727.47**

The Company acquired a controlling stake in Novener SAS(Novener) in July 2009, a rechargeable battery conglomerate whose products are marketed under the brand name of "Uniross". As at March 31, 2013, the Company has an investment of ₹ 4,646.04 Lakhs and has advanced amounts aggregating to ₹ 2,973.27 Lakhs. By the year ended March 31, 2012, the Company had created a provision of ₹ 7,500 Lakhs towards (a) diminution in the carrying cost of its investment;(b) amount advanced till March 31, 2012 and (c) certain anticipated obligatory payment commitments and the charge for the same was included under "exceptional items".

By the year ended March 31, 2013, an additional charge of ₹ 119.31 Lakhs was incurred in respect of (c) above and same is shown under the head Other Expenses (Note No. 23)

25.4 Subsidiaries not consolidated :

The financial statements of another subsidiary, Novener SAS (including its subsidiaries and step down subsidiaries) have not been considered for consolidation as Novener SAS's financial statements are not available. The Uniross Group which constitute the operating entities under Novener SAS are under liquidation and are under external administration as ordered by a competent court in France. The Company's exposure towards investments, advances and other obligatory commitments of ₹ 7619.31 Lakhs stand fully provided for as at March 31, 2013 of which ₹ 7500 Lakhs was made in the previous year. The investment in Novener SAS is valued at ₹ 1 in the financial statements of the company.

25.5 Amortisation of brand "Eveready" :

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

25.6 In accordance of Para 26 of Accounting Standard 21 – "Consolidated Financial Statements", the losses applicable to minority in Consolidated Financial Statements, being in excess of its interest in equity of subsidiary companies amounting to ₹ NIL (2011-12 : ₹ 141.17 Lakhs) has been adjusted against the parent's share of Loss.

25.7 Details of government grants

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
VAT incentive	–	270.16
Total	**–**	**270.16**

Notes forming part of the consolidated financial statements

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

Note	Particulars

25.8 Employee Benefit Plans

25.8.a Defined Contribution Plans

The Company makes Provident Fund and Pension Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 210.92 Lakhs (Year ended March 31, 2012 : ₹ 212.37 Lakhs) for Provident Fund contributions and ₹ 209.37 Lakhs (Year ended March 31, 2012 : ₹ 116.72 Lakhs) for Pension Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Companies Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust over statutory rate, accordingly contribution by the company includes a sum of ₹ NIL (Year ended March 31, 2012 : ₹ 37.29 Lakhs)

25.8.b Defined Benefit Plans

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

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

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

₹ Lakhs

Particulars	Year ended March 31, 2013				Year ended March 31, 2012			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Components of employer's expense								
Current service cost	98.49	-	-	24.70	102.80	-	-	25.74
Interest cost	95.13	28.03	29.27	17.32	96.95	27.47	43.43	16.67
Expected return on plan assets	(144.49)	-	(43.41)	-	(128.09)	-	(46.12)	-
Actuarial losses/(gains)	88.40	11.55	(12.42)	18.64	34.16	17.24	(131.99)	37.34
Total expense recognised in the Statement of Profit and Loss	**137.53**	**39.58**	**(26.56)**	**60.66**	**105.82**	**44.71**	**(134.68)**	**79.75**
Actual contribution and benefit payments for the year								
Actual benefit payments	208.28	38.21	60.06	58.41	306.58	37.87	296.04	85.03
Actual contributions	332.48	38.21	-	58.41	308.00	37.87	-	85.03
Net asset / (liability) recognised in the Balance Sheet								
Present value of defined benefit obligation	1,333.21	350.32	359.73	235.21	1,223.29	348.95	374.39	232.96
Fair value of plan assets	1,939.68	-	552.60	-	1,637.81	-	540.70	-
Funded status [Surplus / (Deficit)]	606.47	(350.32)	192.87	(235.21)	414.52	(348.95)	166.31	(232.96)
Net asset / (liability) recognised in the Balance Sheet	**606.47**	**(350.32)**	**192.87**	**(235.21)**	**414.52**	**(348.95)**	**166.31**	**(232.96)**

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

₹ Lakhs

Particulars	Year ended March 31, 2013				Year ended March 31, 2012			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Change in defined benefit obligations (DBO) during the year								
Present value of DBO at beginning of the year	1,223.29	348.95	374.39	232.96	1,293.83	342.11	658.97	239.17
Current service cost	101.49	-	-	24.70	102.80	-	-	25.74
Interest cost	95.13	27.93	29.27	17.32	96.95	27.47	43.43	16.67
Actuarial losses / (gains)	121.58	11.55	16.13	18.64	36.29	17.24	(31.97)	37.34
Benefits paid	(208.28)	(38.21)	(60.06)	(58.41)	(306.58)	(37.87)	(296.04)	(85.96)
Present value of DBO at the end of the year	**1,333.21**	**350.22**	**359.73**	**235.21**	**1,223.29**	**348.95**	**374.39**	**232.96**
Change in fair value of assets during the year								
Plan assets at beginning of the year	1,637.81	-	540.70	-	1,506.17	-	690.60	-
Expected return on plan assets	144.49	-	43.41	-	128.09	-	46.12	-
Actual company contributions	332.48	38.21	-	58.41	308.00	37.87	-	85.96
Actuarial gains	33.18	-	28.55	-	2.13	-	100.02	-
Benefits paid	(208.28)	(38.21)	(60.06)	(58.41)	(306.58)	(37.87)	(296.04)	(85.96)
Plan assets at the end of the year	**1,939.68**	**-**	**552.60**	**-**	**1,637.81**	**-**	**540.70**	**-**
Actual return on plan assets	177.67	-	71.96	-	130.22	-	146.14	-
Composition of the plan assets is as follows :								
Government bonds	96.48	NA	152.12	NA	98.62	NA	155.49	NA
Special Deposit with SBI	-	NA	65.35	NA	-	NA	65.35	NA
Corporate Bonds	-	NA	89.57	NA	-	NA	90.80	NA
Insurance Companies	1,681.19	NA	1,518.56	NA	1,401.01	NA	1,435.27	NA
Cash and Cash Equivalents	6.64	NA	9.65	NA	21.59	NA	11.62	NA
Actuarial assumptions								
Discount rate	8.25%	8.25%	8.25%	8.25%	8.50%	8.50%	8.50%	8.50%
Expected return on plan assets	8.50%	NA	8.50%	NA	8.50%	NA	8.50%	NA
Salary escalation	5.00%	NA	NIL	5.00%	5.00%	NA	NIL	5.00%
Attrition	NA	NA	NA	NA	NA	NA	NA	NA
Medical cost inflation	NA	NA	NA	NA	NA	NA	NA	NA
Mortality tables	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (1994-96) Ultimate	LIC (1996-98) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

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

Experience adjustments

₹ Lakhs

	2012-2013	2011- 2012	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	1,333.21	1,223.29	1,293.83	1,121.44	1,203.92
Fair value of plan assets	1,943.51	1,637.81	1,506.17	1,382.29	1,204.32
Funded status - Surplus	606.47	414.52	212.34	260.85	0.40
Experience gain / (loss) adjustments on plan liabilities	93.57	(36.29)	(178.08)	(48.41)	(144.98)
Experience gain / (loss) adjustments on plan assets	33.18	2.13	(14.96)	120.12	(100.05)
Post Employment Medical Benefits					
Present value of DBO	350.22	348.95	342.11	355.03	345.99
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(350.32)	(348.95)	(342.11)	(355.03)	(345.99)
Experience gain / (loss) adjustments on plan liabilities	5.12	(17.24)	2.79	(20.67)	21.30
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA
Pension					
Present value of DBO	359.73	374.39	658.97	667.12	646.50
Fair value of plan assets	552.60	540.70	690.60	734.53	864.99
Funded status - Surplus	192.87	166.31	31.63	67.41	218.49
Experience gain / (loss) adjustments on plan liabilities	16.13	31.97	(0.34)	(138.74)	(27.48)
Experience gain / (loss) adjustments on plan assets	28.55	100.02	(41.00)	110.96	18.19
Leave					
Present value of DBO	235.21	232.96	239.17	238.32	232.00
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(235.21)	(232.96)	(239.17)	(238.32)	(232.00)
Experience gain / (loss) adjustments on plan liabilities	14.37	(37.34)	(30.84)	(90.18)	(52.70)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA

25.9 Segment information

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

Geographical Segment

- Sales within India	₹ 105,054.47 Lakhs	(2011-12 : ₹ 99,786.62 Lakhs)
- Sales outside India	₹ 3,902.69 Lakhs	(2011-12 : ₹ 14,832.40 Lakhs)

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note Particulars

25.10 Related party transactions

25.10.a Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Novener SAS * Uniross SA # Uniross Batteries SAS # Industrial - Uniross Batteries (PTY) LTD. * Uniross Batteries Limited * Zhongshan Uniross Industry Co. Limited * Everfast Rechargeables Limited * Idea Power Limited * Celltex Limited * * not operational # under liquidation - not operational
Key Management Personnel (KMP)	Mr. S. Saha Mr. A. Khaitan
Relatives of KMP with whom the company had transactions during the year	Mrs. Neena Saha - Wife of Mr. S. Saha

Note : Related parties have been identified by the Management.

25.10.b Details of related party transactions during the year ended March 31, 2013 and balances outstanding as at March 31, 2013 :

₹ Lakhs

Transactions	KMP	Relatives of KMP	Total
Remuneration :			
- Mr D. Khaitan	-	–	-
	114.72	–	*114.72*
- Mr S. Saha	184.10	–	184.10
	184.90	–	*184.90*
- Mr A. Khaitan	93.72	-	93.72
	58.93	*4.60*	*63.53*
Rent Paid	4.56	–	4.56
	4.56	–	*4.56*
Car Rental Charges – in accordance with Company's scheme	–	6.45	6.45
	–	*5.67*	*5.67*
Balances outstanding at the end of the year			
Loans and advances	14.75	–	14.75
	17.28	–	*17.28*

Note : Figures in *Italics* relate to the previous year.

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.11 Earnings per share

Particulars		For the year ended March 31, 2013	For the year ended March 31, 2012
25.11.a	**Basic**		
	Net profit / (loss) for the year ₹ in Lakhs	507.64	(8,805.57)
	Weighted average number of equity shares	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Basic ₹	0.70	(12.11)
25.11.b	**Basic (excluding exceptional items relating to impairment & other commitment charge of subsidiary)**		
	Net profit / (loss) for the year ₹ in Lakhs	507.64	(8,805.57)
	(Add) / Less : Exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	–	7,500.00
	Net profit / (loss) for the year attributable to the equity shareholders, excluding exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	507.64	(1,305.57)
	Weighted average number of equity shares	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional items relating to impairment & other commitment charge of subsidiary - Basic ₹	0.70	(1.80)
25.11.c	**Diluted**		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares.		
	Net profit / (loss) for the year ₹ in Lakhs	507.64	(8,805.57)
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share - Diluted ₹	0.70	(12.11)
25.11.d	**Diluted (excluding exceptional items relating to impairment & other commitment charge of subsidiary)**		
	Net profit / (loss) for the year ₹ in Lakhs	507.64	(8,805.57)
	(Add) / Less : Exceptional items relating to impairment & other commitment charge of subsidiary ₹ in Lakhs	–	7,500.00
	Net profit / (loss) for the year attributable to the equity shareholders, excluding exceptional items ₹ in Lakhs	507.64	(1,305.57)
	Weighted average number of equity shares for Basic EPS	7,26,87,260	7,26,87,260
	Weighted average number of equity shares - for diluted EPS	7,26,87,260	7,26,87,260
	Par value per share ₹	5.00	5.00
	Earnings per share, excluding exceptional item relating to impairment & other commitment charge of subsidiary - Diluted ₹	0.70	(1.80)

Notes forming part of the consolidated financial statements

Note 25 : Disclosures under Accounting Standards (contd.)

Note	Particulars

25.12 Deferred tax (liability) / asset

₹ Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,336.23)	(1,470.25)
Tax effect of items constituting deferred tax liability	(1,336.23)	(1,470.25)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	76.31	75.58
Provision for doubtful debts / advances	61.51	87.83
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	269.15	228.55
Others	95.12	240.07
Tax effect of items constituting deferred tax assets	502.09	632.03
Net deferred tax (liability)	**(834.14)**	**(838.22)**

25.13 Details of research and development expenditure recognised as an expense

₹ Lakhs

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Materials	0.18	–
Employee benefits expense	150.63	147.08
Consumables	36.23	44.81
Travelling expenses	31.63	33.66
Rent	1.62	1.82
Others	55.89	30.21
Total	**276.19**	**257.58**

25.14 Details of provisions

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

₹ Lakhs

Particulars	As at April 1, 2012	Additions	Utilisation	Reversal (with-drawn as no longer required)	As at March 31, 2013
Provision for other contingencies					
Sales Tax	102.02	0.50	–	60.33	42.19
	100.38	*13.49*	–	*11.85*	*102.02*
Excise	69.15	222.53	–	11.32	280.36
	324.66	*52.15*	–	*307.66*	*69.15*
Others	437.20	0.41	41.22	80.49	315.90
	937.94	*59.36*	*557.40*	*2.70*	*437.20*
Total	**608.37**	**223.44**	**41.22**	**152.14**	**638.45**
	1,362.98	*125.00*	*557.40*	*322.21*	*608.37*

Notes : (i) Figures in *Italics* relate to the previous year. (ii) The expected time of resulting outflow is one to two years.

25.15 The results of the previous year are not comparable with that of the current year in view of Note no. 25.4.

25.16 Previous year's figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Wholetime Director

Tehnaz Punwani
Sr. General Manager – Legal & Company Secretary

Place : Kolkata
Date : May 29, 2013


EVEREADY
2100 Series
EVEREADY Ultima RECHARGEABLE
EVEREADY Ultima ALKALINE
AA
MOST POWERFUL BATTERY
EVEREADY digiLED technology
UM 52
EVEREADY Ultima MOBILE POWER
PORTABLE POWER PACK FOR TABLETS
80% EXTRA PLAY TIME
EVEREADY ULTRALED
Sparkling Bright
EVEREADY
EVEREADY
EVEREADY HEAVY DUTY
EVEREADY Tez Tea Premium
EVEREADY Premium Gold


PowerCell LITEZ
15W-ELD
15W
5
PowerCell LITEZ
CLEAR
shakti
shakti
shakti
Power Cell
LAVA
LAVA

EVEREADY

INDUSTRIES INDIA LTD.

1, MIDDLETON STREET, KOLKATA - 700 071

M A

Covering letter of the annual audit report on the standalone financial statements for the year ended 31st March, 2013

1.	Name of the Company:	Eveready Industries India Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	Signature- S. Saha Whole Time Director	Suvamoy Saha
	Abhijit Bandhyopadhyay Partner Deloitte Haskins & Sells Chartered Accountants	
	P. H. Ravikumar Audit Committee Chairman	

M B

Covering letter of the annual audit report on the consolidated financial statements for the year ended 31st March, 2013

1.	Name of the Company:	Eveready Industries India Limited
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit qualification	**Basis for Qualified Opinion** *As referred vide Note No. 25.4 of the financial statements in respect of investments in one subsidiary company, namely, Novener SAS, valued at ₹ 1 in the financial statements of the company, have not been considered in the consolidated financial statements as at 31st March 2013 as the financial statements of Novener SAS were not available since the subsidiary and step down subsidiaries of Novener SAS which constitute the Uniross Group are under liquidation and are under external administration as ordered by a competent court in France.* **Qualified Opinion** In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, as noted below under Other Matters, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
4.	Frequency of qualification	First time
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	For qualification refer page no. 54 of the annual report During the year under review, the liquidation of the key entities of the Uniross Group was ordered by a French Court judgment and the relevant companies were put under external administration. Consequently, your Company is not in a position to consolidate the accounts of Novener SAS (including its subsidiaries and step down subsidiaries), pertaining to the Uniross Group and is also not in a position to attach the accounts of the said subsidiaries in terms of Section 212 of the Companies Act, 1956. Necessary application has been made and relevant information provided to the Ministry of Corporate Affairs, Government of India (MCA) by your Company in this regard.
6.	Additional comments from the Board / audit committee chair :	Not Applicable
7.	Signature- S. Saha Whole Time Director	Suvamoy Saha
	Abhijit Bandhyopadhyay Partner Deloitte Haskins & Sells Chartered Accountants	A Bandyopadhyay
	P. H. Ravikumar Audit Committee Chairman	[illegible]