ANNUAL REPORT 2013-14

EVEREADY
GIVE ME RED

Touching lives with portable energy and lighting solutions

Eveready Industries India Ltd.

A legacy is not created in a day. It takes vision, continuous hard work, firm dedication and consistent quality focus to build a brand that inspires people, improves quality of life and creates long-term value for all stakeholders.

Mr. B. M. Khaitan, *Chairman,*
EVEREADY INDUSTRIES INDIA LTD.

What's coming up?

COMPANY OVERVIEW

STATUTORY REPORTS

FINANCIAL STATEMENTS

Corporate Information

BOARD OF DIRECTORS

(as on date of Report)

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

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

Mr. Amritanshu Khaitan
Managing Director

Mr. S. Saha
Wholetime Director

Mr. S. R. Dasgupta
Non-Executive Director

Mr. S. Goenka
Non-Executive Director

Mr. A. Khaitan
Non-Executive Director

Mrs. R. Nirula
Non-Executive Director

Mr. P. H. Ravikumar
Non-Executive Director

Mr. S. Sarkar
Non-Executive Director

BOARD COMMITTEES

Audit Committee

Mr. P. H. Ravikumar, Chairman

Mr. S. R. Dasgupta

Mrs. R. Nirula

Mr. S. Sarkar

Nomination & Remuneration Committee

Mr. P. H. Ravikumar, Chairman

Mr. S. R. Dasgupta

Mr. S. Goenka

Stakeholders Relationship Committee

Mr. S. R. Dasgupta, Chairman

Mr. S. Saha

Corporate Social Responsibility Committee

Mr. P. H. Ravikumar, Chairman

Mr. Amritanshu Khaitan

Mr. S. Saha

Sr. General Manager Legal & Company Secretary

Mrs. Tehnaz Punwani

Auditors

Deloitte Haskins & Sells

CORPORATE OFFICE

2 Rainey Park
Kolkata 700 019
West Bengal, India

Phone: 91-33-24559213
Fax: 91-33-24864673

REGISTERED OFFICE

1 Middleton Street
Kolkata 700 071
West Bengal, India

Phone: 91-33-22883950
Fax: 91-33-22884059

CIN: L31402WB1934PLC007993
Email: investorrelation@eveready.co.in
www.evereadyindustries.com

STRENGTHENING A CENTURY-OLD LEGACY

When does a brand become more than just a brand?

How does enduring customer trust help create a timeless legacy?

And when does an organisation turn into an institution of consistent value creation across generations?

Vision

Our vision is to improve the quality of life of people through cutting-edge portable energy and lighting solutions and to strengthen the timeless appeal of our brand.

These aren't easy questions. However, if a single brand has been the part and parcel of everyday lives of millions of Indians from all sections of society for over a hundred years, then perhaps the answers are not difficult to find.

Across the length and breadth of India, transcending geographic, generational, linguistic and cultural barriers, Eveready remains one of India's most preferred brands.

While Eveready's portable energy and lighting solutions touch life and bring hope to millions, the brand continues to retain and strengthen its timeless appeal.

World of Eveready

At Eveready, we had an eventful and rewarding journey for the last hundred years and more. We started marketing our products in India since 1905, got incorporated as a company in 1934 and became a part of Williamson Magor Group in 1993.

Despite business challenges and economic crests and troughs, our brand has grown from strength to strength.

The legacy lives on...

WILLIAMSON MAGOR GROUP

Founded in 1869, the Williamson Magor Group pioneered India's tea industry. Over the years, the Group gradually progressed to become the world's largest tea producer (McLeod Russel India Limited) and diversified into consumer goods, engineering and construction, emerging as a multi-business enterprise with a turnover of ₹ 5,000+ crores.

BUSINESS VERTICALS

- Batteries
- Flashlights
- Lighting and Electricals
- Packet Tea

OPERATING PRACTICES

Driven by best-in-class operating standards, we never compromise on quality and environmental best practices.

CONSISTENT R&D

Our R&D facility is approved by Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India.

We have an NABL accredited computerised testing facility to check lifecycle and capacity of primary and rechargeable batteries. In addition, we have a world-class design and testing facility for flashlights, CFL bulbs, LEDs and rechargeable products.

PAN-INDIA REACH

SALES OFFICES

- Ahmedabad
- Bengaluru
- Bhubaneswar
- Chennai
- Cochin
- Delhi
- Guwahati
- Hyderabad
- Indore
- Jaipur
- Kolkata
- Lucknow
- Noida
- Mumbai
- Patna

MANUFACTURING LOCATIONS

- Chennai
- Kolkata
- Lucknow
- Noida
- Maddur
- Uttaranchal

Enjoys over **50%** market share in **2.5 billion** pieces (volume) Indian battery market

Enjoys over **75%** market share in the **35 million** pieces (volume) Indian organised flashlights market

DISTRIBUTION NETWORK

We have a pan-India distribution network. Our unique distribution strength lies in our ability to access and service rural India.

15 sales branch offices

44 distribution centres

4,000+ distributor network

1000+ van servicing retailers

3.2+ million outlets have Eveready's products

1+ million outlets serviced directly by the Company's network

Message from Managing Director

Dear Shareholders,

While the global economy makes a slow and gradual progress towards recovery, India saw a second consecutive year of sub-5% growth during the year. This manifested itself in persistent inflation, high fiscal deficit, and low investments both by the Government and the corporate sector – particularly in the infrastructure sector. There is growing optimism in the country that the new dispensation at the Centre will revive growth – and RBI will strengthen the monetary regime. If such optimism indeed translates to reality, one of the first sectors to immediately benefit from it will be the consumer goods sector. Eveready being part of the sector stands to gain from this.

Eveready continues to be the trusted pan-India brand for portable energy and lighting solutions. Despite the overall economy being dull, your Company recorded significant improvements.

Eveready continues to be the trusted pan-India brand for portable energy and lighting solutions. Despite the overall economy being dull, your Company recorded significant improvements. Total revenue was at ₹ 1,153 crores (₹ 1,035 crores in FY 2012-13) – thus a growth of 11%. In the backdrop of a sharp depreciating currency, the Company was able to grow its operating profits from ₹ 66 crores in FY 2012-13 to ₹ 91 crores in the current year. PBT for the current year was at ₹ 16.5 crores as against a loss of ₹ 0.8 crores in FY 2012-13. The EBIDTA margin expansion from 6.4% to 7.9% took place due to consistent price increases in our core categories and cost conservation. The flow-through of the increased profits resulted in reduction of the Company's debt by ₹ 51 crores. This will reflect positively in interest cost reduction in the following years.

In the battery segment, the D size batteries continued to degrow, albeit at a slower rate while new age segment of AAA showed high double digit growth. The main AA segment remained stable. The Company took two rounds of price increase to offset the steep cost push, thereby not only protecting but improving margins in the segment. Outlook for FY 2014-15 remains stable for this segment due to proliferation of battery operated gadgets. Efforts will be on for margin improvement in the segment.

Eveready has been one of the first movers in LED torches, and caters to the widest customer and product segments in the Indian flashlight market. The segment faced slowdown due to down trading by Indian consumers in the year under review. However, the Company was able to maintain its volume and profitability in this segment. The Company is introducing new models of flashlights and lanterns to enhance its product offering. I believe it will help the Company to gain market share.

Your Company has forayed into the business of electrical solutions, leveraging its core competencies and brand recall. In the year under review, the segment grew by 40% over the previous year. Efforts are on to achieve additional growth from a wide variety of lighting and electrical solutions in urban and rural areas. This segment is poised to grow at a CAGR of 15-20% in the next three years. This, coupled with synergies of existing traditional distribution network and ongoing work to invest in new electrical outlets and modern-format retail stores, will help the Company to achieve the desired growth in the segment.

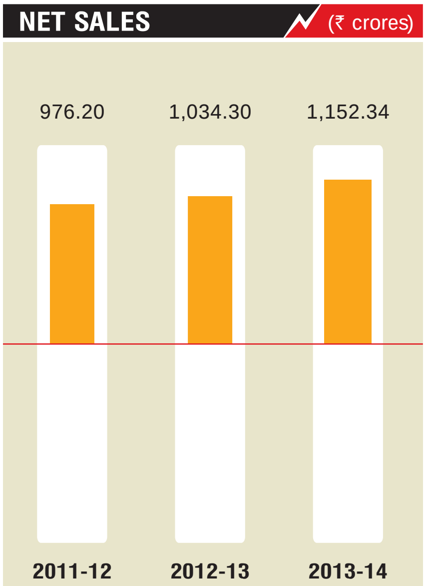
India's per capita consumption of portable energy and lighting solutions is low by global standards. There is certainly headroom for growth, as the economy gathers greater momentum and lifts income levels and consumption. Besides, increasing urbanisation, changing lifestyles and greater need for convenience are expected to bolster demand for our products.

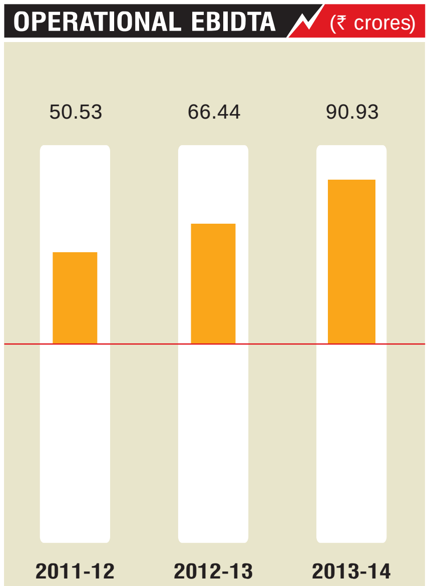
I am grateful to the entire Eveready Team for their dedication and hard work. I am also thankful to our shareholders, customers and business partners for reposing their trust in our vision and strategies.

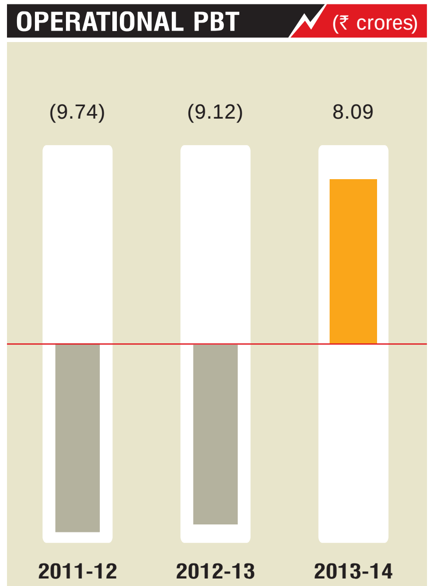
With warm regards,

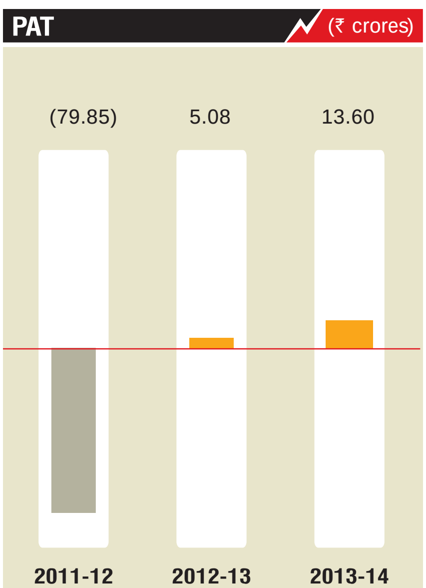
Amritanshu Khaitan
Managing Director

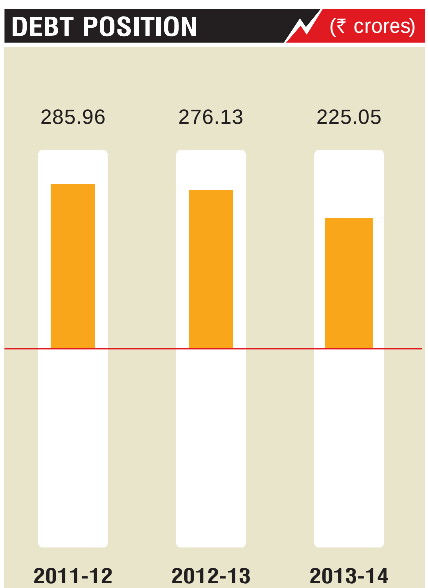
Financial Performance

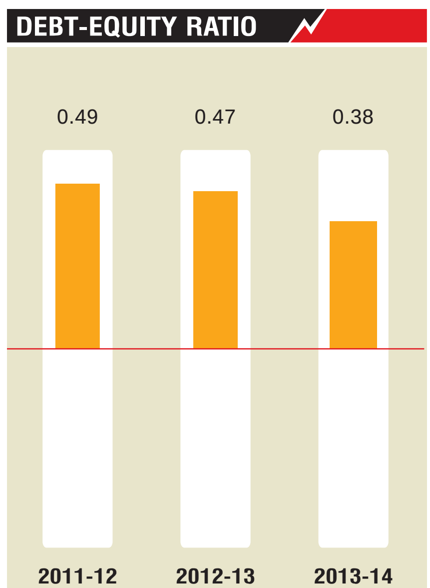












Solutions that Enrich Life

BATTERIES

- Undisputed market leader, commanding over 50% of India's market share
- Second largest producer of carbon zinc batteries globally, with an offtake of over 1.3 billion batteries annually
- Enjoys one of the highest brand recall and widest product portfolio in India's portable battery industry

FLASHLIGHTS

- Holds 3/4th of India's organised flashlights market
- Reputed for offering a wide product range in terms of quality, price range, shapes, sizes, colours and value-for-money models
- Caters to the lighting needs of urban and rural India
- Early movers into LED torches, introducing customers to digiLED technology torches

LIGHTING AND ELECTRICALS

- Offers a wide variety of lighting and electrical solutions in urban and rural area
- Range comprises CFL, GLS, florescent tubes, luminaires, rechargeable fans and lanterns and new age LED bulbs
- Synergic to Eveready's brand and business portfolio

PACKET TEA

- Leveraging the Group's knowledge of tea business and Eveready's pan-India distribution network
- Regional market presence in populous Indian states (Uttar Pradesh, Uttarakhand, Punjab, Rajasthan, Madhya Pradesh and Bihar, among others)

GIVE ME RED

Over the years, we have strengthened our brand reach and recall. Our focus is on deepening penetration into existing markets, foraying into new markets and catering to evolving customer requirements.

We reinforce our brand recall among urban customers through print and television advertisements, featuring our brand ambassador, Akshay Kumar. We sponsor school and college events regularly. Besides, we enjoy significant in-shop visibility across traditional and modern retail formats.

We strengthen rural market visibility through wall paintings and regular Haat and Chaupal activities. We also undertake branding initiatives in melas.

Consistently enjoys **70%+top-of-the-mind recall**

Highest preset mind frame

ensures market and price leadership

URBAN MARKETING

Studio film

Toy story film

RURAL MARKETING

Social Interventions

At Eveready, we support various social initiatives in collaboration with NGOs to touch and transform the lives of those around us.

Our social interventions comprise the following:

- En-light a girl child: Facilitating the education of girl children
- Supporting mass marriage programme
- Extended help to Uttarakhand flood affected victims
- Distributed solar lights, lanterns and blankets

Report of the Directors

For the financial year ended March 31, 2014

Your Directors are pleased to present the Annual Report, together with the audited Accounts of your Company for the financial year ended March 31, 2014.

REVIEW OF PERFORMANCE

Financial results are summarised below:

(₹ in Crores)

	2013-14	2012-13
Net Sales	1152.34	1034.30
Other Income from operations	1.07	1.03
Total Income from Operations	1153.41	1035.33
Total Expenditure adjusted for increase/decrease of stocks	1062.82	969.95
Profit from Operations before Other Income, Depreciation, Finance Costs, Exceptional Items and Taxation	90.59	65.38
Other Income	8.73	9.42
Profit from Operations before Depreciation, Finance Costs, Exceptional Items and Taxation	99.32	74.80
Depreciation	41.83	35.07
Interest and Exchange Fluctuation	41.00	40.49
Profit/(Loss) before Exceptional Items & Taxation	16.49	(0.76)
Exceptional Items	-	-
Profit/(Loss) before Taxation	16.49	(0.76)
Provision for Taxation	2.89	(5.84)
Profit after Taxation	13.60	5.08
Balance of Loss brought forward from previous year	(41.56)	(46.64)
Amount available for appropriation	13.60	5.08
Which the directors recommend for appropriation as under:		
- Proposed Dividend	3.63	-
- Tax on Proposed Dividend	0.59	-
- General Reserve	-	-
Balance carried forward to Balance Sheet	(32.18)	(41.56)

Net sales for the year were higher by 11% over the previous financial year. Profit before Depreciation, Interest and Taxation (PBDIT) before exceptional items was higher by 33% at ₹ 99.32 crores as compared to ₹ 74.80 crores in the previous year. With depreciation of ₹ 41.83 crores (previous year ₹ 35.07 crores), a marginal increase in interest / exchange fluctuation charge of ₹ 41.00 crores (previous year ₹ 40.49 crores) and there being no exceptional items (previous year Nil), Profit after Taxation stood at ₹ 13.60 crores for the year as against a profit of ₹ 5.08 crores in the previous year.

The year was a challenging one for operations – in terms of market being flat and unprecedented depreciation of the rupee. The Company could however overcome these challenges partially through periodic price increases, enhancement of distribution channel and introduction of newer products – thus improving overall operating results over the previous year.

DIVIDEND

Your Directors are pleased to recommend for approval of the shareholders, a dividend of ₹ 0.50 per equity share on 7,26,87,260 fully paid up equity shares of ₹ 5/- each being 10% on the paid up value of the equity shares of the Company for the year ended March 31, 2014 (previous year – nil), which if approved at the ensuing Annual General Meeting will be paid to all eligible members whose names appear in the register of members on July 25, 2014 or appear as beneficial owners as per particulars furnished by the Depositories on July 17, 2014.

OPERATIONAL REVIEW

Batteries and Flashlights

The battery market went through some significant volatility over the last few 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 in the initial years. However, the market now seems to have absorbed the price increases taken. The consumer resistance also 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 3%. Despite this, battery volume remained flat in overall, thanks to the growth in other segments – led by 'AAA' batteries.

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 more than 50%.

As mentioned above, the flashlights market also saw significant product mix changes. Usage of flashlights using incandescent bulbs 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 fell by 2%.

Your Company's share of the organised flashlights market remained at 76%. However, if the unorganised gray market is considered (which is estimated to be about half the size of the organised 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 trendsThough 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.

Electrical & 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 this category. Towards this and to offer a fuller range, your Company launched a few other products during the year – tube lights, LED lamps among others.

While the Company's distribution in general trade and modern retail has provided a good platform to enter this category, further expansion is underway to tap the exclusive electrical trade.

In order to make a meaningful range offering to the market, more electrical products have been added in the last few months – like luminaires, tubelights, rechargeable batteries, rechargeable fans and LED bulbs.

Net sales from this category for the current year stood at ₹ 142.66 crores - and it is expected that this category will provide significant turnover growth in the years to come.

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% 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 ₹ 76.83 crores – at a modest growth over the previous year.

In view of the outsourcing possibilities being available at very competitive prices, your Company's building and other assets at its tea blending and packaging unit at Chuapara, West Bengal were sold and transferred after receiving necessary consent of the Members by way of Postal Ballot 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, during the year under review.

Subsidiaries & Consolidated Financial Statements

With the liquidation of the key entities of the Uniross Group having been ordered by a French Court judgment and the relevant companies having been put under external administration, in the previous financial year as well as Novener SAS in France. (shareholding interest -82%), set up for the purpose of acquiring a controlling interest in Uniross group, having been put under liquidation during the year under review, 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.

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.

The Annual Report includes the audited Consolidated Financial Statements, prepared in compliance with applicable Accounting Standards, of the applicable subsidiaries.

A Statement containing the details of the 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 gray operations of unorganised 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 the Company possesses. Barring this negative – which can be and will be overcome – the outlook for this segment is upbeat.

Prospects are promising in the Electrical Products business. This business has become a key focus area for the Company and an avenue for growth. Fine tuning and enhancement of distribution systems and a full range of products in the electrical and lighting category 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. The Company was able to reduce its borrowings by ₹ 51 crores during the financial year. The borrowing at the end of the year stood at ₹ 225 crores. However, due to requirement of additional working capital consequent to introduction of new products as well as hardening of interest rates, the Company incurred marginally higher finance cost.

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

There was no transfer to General Reserves, during the year under review.

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 settlement was signed for factory at Maddur.

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 had carried out an audit of the cost accounts of the Company relating to dry cell batteries as well as other products. The due date for filing of the Cost Audit Report with the Ministry of Corporate Affairs for the financial year ended March 31, 2013 was September 27, 2013 and the same was filed on September 27, 2013. The Board, had upon the recommendation of the Audit Committee appointed M/s. Mani & Co., Cost Accountants, Registration No. 00004, Ashoka, 111 Southern Avenue, Kolkata 700 029, (being eligible for the appointment), to audit the cost accounts of the Company relating to products as maybe applicable, for the financial year ending March 31, 2015. In terms of Section 148 of the Company's Act 2013 read with the

Rules thereof, the remuneration payable to the Cost Auditors for the year ending March 31, 2015 is being placed for ratification by the shareholders at the forthcoming Annual General Meeting.

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. ₹ 10,000 as claimed and paid, however, remains un-encashed by one depositor as on March 31, 2014.

EXPORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review, your Company exported batteries totaling to a value of ₹ 34.56 crores (2012-13: ₹ 30.68 crores) and flashlights totaling to a value of ₹ 8.54 crores (2012-13: ₹ 8.32 crores).

₹ Crores

	31.03.2014	31.03.2013
Foreign Exchange Earnings	21.35	24.56
Foreign Exchange Outgo	182.71	157.08

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, 2014, 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 Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. R. Nirula was appointed as Additional Director by the Board effective February 7, 2014 to hold office up to the date of the forthcoming Annual General Meeting. Mrs. Nirula has also been an Independent Director of the Company, pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. S. Goenka, Mr. S. R. Dasgupta, Mr. P. H. Ravikumar and Mr. S. Sarkar who have been Directors of the Company liable to retire by rotation, have also been Independent Directors of the Company pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. S. Goenka, Mr. S. R. Dasgupta, Mr. P. H. Ravikumar, Mr. S. Sarkar and Mrs. R. Nirula, each being eligible, are proposed to be individually appointed as Independent Directors for a period of five consecutive years at the forthcoming Annual General Meeting of the Company.

Necessary declarations from all the above named Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed, have been received.

Requisite Notices have been received from Members proposing the appointment of the above Independent Directors.

The above appointments of the Independent Directors are subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. S. Saha has been re-appointed as Wholetime Director for a further period of three years effective March 22, 2014, under the provisions of the relevant sections of the Companies Act, 1956.

Mr. Amritanshu Khaitan has been appointed as Managing Director for a period of three years effective May 5, 2014.

The above re-appointment and appointment of the Executive Directors are subject to the approval of the shareholders at the forthcoming Annual General Meeting.

ICICI Bank withdrew the nomination of Mr. A. Saraf as Nominee Director of the Bank, effective August 19, 2013. The Board records its appreciation of the valuable services rendered by Mr. Saraf during his tenure as Director.

Mr. B. M. Khaitan and Mr. D. Khaitan will retire by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

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

High Court at Calcutta, which has, by an interim order, stayed the operation of the CLB's order. The stay is continuing.

AUDITORS

Messrs. Deloitte Haskins & Sells, Chartered Accountants, hold office as Auditors till the conclusion of the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

CORPORATE SOCIAL RESPONSIBILITY

Your Directors have constituted a Corporate Social Responsibility (CSR) Committee comprising of Mr. P. H. Ravikumar, Mr. S. Saha and Mr. Amritanshu Khaitan, with such terms of reference as required. A CSR Policy has been formulated and available on the website of the Company. This policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large. Your Company being aware of its CSR was and continues to be associated with a unique sustainable initiative - "En-Light a Girl Child" with the objective of addressing two crucial issues, one of perennial darkness in the rural households and the other of Girl Child Empowerment.

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
May 5, 2014

B. M. Khaitan
Chairman

Management Discussion and Analysis

INDIAN ECONOMIC OVERVIEW

The last year had its share of domestic challenges in the form of persistent inflation, rupee depreciation and slow growth. Despite these challenges, there are more reasons to cheer. While the global economy is on the recovery path, the domestic economy is inching forward to handle these challenges. The partial unclogging of the domestic policy logjam with regard to stalled projects and improved demand climate are likely to boost the GDP growth of India. According to reports, the country's economy was estimated to have grown at 4.7% during the year under review.

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 such as a large consuming young population and relatively lower dependence on exports, overall economic parameters still look uncertain.

Although overall sentiments appear 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 derive full advantage from this trend.

CONSUMER GOODS INDUSTRY IN INDIA

India has been a consumption-driven economy for many of the past decades. Consumer spending in the country is expected to increase about 2.5 times by 2025. Broadly categorised into urban and rural markets, the Indian consumer segment is attracting increasing attention from marketers across the globe.

The consumer goods sector had a mixed experience in the recent past. The emergence of an aspirational lifestyle with a bias towards luxury or semi-luxury goods has pushed routine and day-to-day functional products to the back seat. Increased competition – sometimes from low cost manufacturing geographies – has also further complicated the market scenario. These are just a few among other existing factors.

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 its consumer base, a significant part of which comprises 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 turnaround should improve income levels and consequentially improve consumption patterns. Given the fundamental strength of the economy, the sector's outlook appears robust over the coming years.

THE BUSINESS

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

The Company's operations started in India through import of dry cell batteries and then marketing them across major cities. This led to the 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 with regard to dry batteries and flashlights having a market share exceeding 50% in both categories. Its competencies in these product categories are equal to the best in the world.

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

These category extension initiatives led to the conclusion that there is a good fit of the Company's brands with electrical products and devices. The Company's competencies are also complementary to the new product categories. EIIL, thus, plans to persist in its efforts to be a significant player in these product segments. 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. Although its share of the packet tea market is limited, 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.

This makes for a robust product portfolio. EIIL expects to strengthen its presence across these products through increasing value and volumes in the future.

BATTERIES

Industry size and structure

The Indian market for dry cell batteries is now estimated to be worth over ₹ 1,350 crores by value and 2.5 billion pieces by volume. The battery market has few players, out of which EIIL has a market share of over 50% between its Eveready and Powercell brands. The next player lags by more than 20 percentage points.

All the battery market players passed on significant price increases to offset material cost push due to continuous rupee depreciation in the recent past. However, there was no perceptible slowdown in demand due to the resultant price rise.

The market has stabilised over the past two years, but with minimal growth. The latest trends indicate that the market will continue to be stable. However, the growth in volumes will be small. This is due to the players in the major 'AA' size and 'D' size battery categories who are likely to be compelled to increase prices further. However, due to increasing digitisation, the 'AAA' size category will continue to show high double digit growth. Consequently, the sector is likely to record higher growth in sales turnover.

The market segment pattern underwent changes during the recent past as consumers shifted from the more expensive 'D' size batteries to 'AA' sized ones. The shares of the principal battery categories for the last three years are as per the table below:

Percentage of Market

(%)

Battery category	2013-14	2012-13	2011-12
D	14.5	15.4	17.5
C	0.3	0.3	0.4
AA	74.3	74.8	73.1
AAA	10.9	9.5	9.0
TOTAL	**100.0**	**100.0**	**100.0**

The above is quite similar to the pattern seen globally. To that extent, the recent phenomenon has resulted in the Indian market 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 the zinc carbon battery segment virtually dominating the entire market with 97% share. The alkaline battery segment has minimal share of the market at less than 2%. The rechargeable battery segment, which accounts for the balance 1% market share, has remained stagnant, despite having a loyal customer base.

The 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 like remotes, toys, clocks, and torches have catalysed consumption. Since these gadgets are used on an everyday basis, batteries have enjoyed a non-cyclical demand.

Product performance review

The Indian battery market volumes have remained stagnant during the current year. The sales volume of EIIL also remained flat but stable during the year. Although sales volumes in the 'D' size category declined marginally, the 'AAA' size category recorded healthy double digit growth. As a result, the market share pattern remained by and large consistent with the previous year. The Company recorded a 14% growth in value during the year under review.

EIIL's product mix is quite similar to that of the market. In the year under review, the 'D' size category share was 18%; 'AA' size share was 72% and 'AAA' size share was 10%.

Marketing and distribution

The Company continued to emphasise on strengthening its distribution network. Out of the total FMCG universe of about 7 million outlets, penetration of batteries stocking universe stood at 65%. Eveready batteries were stocked in 66% of such outlets, higher than any other battery brand by a wide margin.

The Company'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 run by batteries. These include remote controls, torches, toys, cameras, FM radio sets and portable music systems, among others.

The 'D' segment batteries are driven primarily by devices like flashlights and radio in rural India. The proven durability and quality assurance of the Company's products will continue to address this segment. The growth in the 'AA' segment will be fuelled by the proliferation of remote control devices, toys, clocks and growth of newer devices. These include 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 organised entrant. Rechargeable batteries continue to be a potential source 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 widespread distribution network.

Cheap imports did not prove to be a threat either, because of their inherent poor quality. Initially – about 13 years back - these low cost products did invite first-time use on the basis of the price differential. But, they could not garner repeat consumption on account of their poor quality. The cause of the domestic industry was also supported by an anti-dumping duty against Chinese dumped imports in the 'AA' segment.

Alkaline batteries, although popular in the West, do not as yet comprise a serious alternative to carbon zinc batteries. This is due to the price-sensitive nature of the Indian consumer. That has led to a mere 2% market share for such batteries, despite they being present for over 15 years. In any case, EIIL does have a presence in this segment and will be able to participate if the market provides any 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. This trend has been witnessed in the recent past.

Risks and concerns

The weakening of the rupee continues to put pressure on raw materials prices. Prices of some raw materials are also hardening to an extent. Apart from that, the overall inflationary trends have been putting pressure on operating costs. These represent areas of concern.

The market is now used to an inflationary environment, where all producers are compelled to pass on the adverse impacts faced by them. The battery market is no exception and the situation is likely to continue.

The anti-dumping duty on 'AA' batteries has now expired. While the domestic producers have applied for an extension, the outcome is still uncertain. In case the duty is not extended, the market is likely to witness an influx of cheap quality imports from China. One can only hope that consumers do not fall prey to such cheap quality offerings.

FLASHLIGHTS

The flashlight market is shaped by EIIL because of its dominant market share position at over 76% of the organised segment. At the same time, there is also a vast unorganised segment that is estimated to be about half the size of the organized one. Taking that into account, EIIL has a market share of slightly over 50%.

The segments in the flashlights market were traditionally determined by the materials used for the housing segment, namely 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 due to the cost push of the underlying base metals – zinc and copper. This was thoroughly resisted by consumers and brass flashlights volumes started de-growing significantly over the last five years.

In a bid to counter the above scenario and provide consumers with a value-for-money option, the Company introduced the new generation 'LED' flashlights. The popular name was derived from their usage of LED bulbs as the light source. EIIL was at the forefront of this newly-introduced segment. The Company actively promoted the product due to its inherent advantage of lower battery consumption.

This development breathed new life into the business and enhanced the customer base. It also improved the prospects of battery manufacturers and led to higher consumption of batteries, bringing stability in battery volumes.

These new generation flashlights witnessed robust sales during the initial two years after their launch in the market. However, the past three years recorded a more traditional rate of growth for the organised segment. This was an expected consolidation on a higher base and also resulted from the influx of look-alike unorganised gray market products.

The LED flashlights now occupy more than 95% of the total volume of products 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. A few other players exist, none of whom have any significant position and no new trend seems to be emerging in this respect.

Performance review

During 2013-14, EIIL's flashlights volume and turnover remained flat due to persistent price increases, coupled with reduction in rural spending as a result of lower domestic GDP. This business segment, however, continues to be profitable.

Opportunities and threats

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

The urban areas, where flashlights are seldom owned, comprise another specific area of opportunity. Vast sections of urban areas now face periodic power cuts and flashlights provide a viable alternative solution during those times.

The flashlights segment, however, faces a continued threat in the form of gray market operators launching lookalike models, usually without payment of taxes and duties. The only way to sidestep this problem is to continue to launch new and innovative models.

Risks and concerns

As already mentioned, there is a vast potential of tapping in to convert non-users to users. The risk is that such first time users can take to the gray market look-alike products owing to the cheaper prices. That will result in organised players losing out on this growth opportunity. This problem needs to be tackled through appropriate product offerings and innovative marketing initiatives.

PACKET TEA

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

EIIL is leveraging its distribution network to market this product and derive additional revenues at virtually no extra costs. The Company has not really invested any money in advertising for the four brands Tez, Jaago, Premium Gold and Classic, that are targeted at different consumer segments. Yet, these brands have gradually been increasingly accepted due to their 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 its operations.

The price of packet tea is a function of loose tea prices, the latter being the main cost. Small and unorganised players occupy a large part of the packet tea market. It has been historically seen that these small players go out of the market during periods when loose tea prices rise, as they have very little pricing power. With loose tea prices remaining firm over the past three years, the threat from unorganised players does not seem likely in the immediate future.

During the year under review, the emphasis was on profitability and as such, marginal sales were avoided. This meant that packet tea sales remained at almost the same level as the previous year. It is expected that the business will provide steady turnover with decent profitability.

LIGHTING AND ELECTRICAL PRODUCTS

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

As a natural progression, the ordinary GLS bulbs were also introduced from 2009. Although not growing at present, the GLS market still presents significant growth opportunities.

The Company's distribution network in general trade and modern retail has provided a good platform to enter this category. However, further expansion is underway to tap the exclusive electrical trade. In order to make a meaningful range offering to the market, more electrical products have been added in the last few months. These include luminaires, tubelights, rechargeable batteries, rechargeable fans and LED bulbs.

The current year saw a turnover of ₹ 142.66 crores in this category representing a growth of 40% over the previous year. The category is expected to grow similarly in the coming years with expansion on distribution and product range.

In an emerging economy like India, the volume of lighting products will continue to have high growth, due to increased housing and commercial development. Newer lighting technologies will become more popular 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 a part of such technology changes.

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 last year, EIIL upgraded its Oracle Business Suite based ERP platform to maintain a stable IT environment. The processes are sound and are well internalised within the organization.

INTERNAL CONTROL AND SYSTEMS

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

The existing system provides for structured work instructions and clearly laid-down procedures for authorisation and approval for the purchase and sale of goods and services. It also provides for reserved responsibility of custodial control with identified personnel, and use of computerised systems to ensure controls at source. The Company has a full-fledged in-house 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 Audit Committee of the Board, in its periodic meetings, reviews the Internal Audit reports, the progress in implementation of their recommendations and the adequacy of internal control systems.

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 the 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.

The employee-management relations remained cordial throughout 2013-14. The human resource management system at EIIL puts emphasis on rewarding merit-based performance and raising the skill level of employees.

OUTLOOK

The batteries and flashlights segments underwent major recent changes as mentioned. Batteries have now settled down to a stable level which seems 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, the 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 the improvement potential is immense.

The flashlights segment, however, faces a continued threat in the form of gray market operators launching lookalike models, usually without payment of taxes and duties. The only way to counter this scenario is to strengthen innovation. This is a competency that EIIL possesses. Barring this negative factor – which can be and will be overcome – the outlook for this segment is upbeat.

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

The packet tea business will continue to remain stable, both in terms of 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, 2014

Sl. No.	Directors	Executive/Non- Executive/ Independent	No. of Directorships held (excluding *)	Committee Memberships# (excluding *)	
				As Chairman/ Chairperson	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	2	5
7.	Mr. S. Saha	Wholetime Director	4	-	-
8.	Mr. S. Sarkar	Independent Director	4	-	5
9.	Mr. Amritanshu Khaitan##	Wholetime Director	9	-	-
10.	Mrs. R. Nirula**	Independent Director	7	3	5

* Foreign Companies, Private Companies and Companies under Section 25 of the Companies Act, 1956.

Only the two committees viz. the Audit Committee and the Shareholders' Grievance Committee are considered for this purpose.

The Non-Executive Directors have no material pecuniary relationships or transactions with the Company in their personal capacity. The Company's Chairman is a Non-Executive Director and as at March 31, 2014, Independent Directors comprise one-half of the Board strength.

For the year ended March 31, 2014 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:

@ ICICI Bank Ltd. withdrew the nomination of Mr. A. Saraf as Nominee Director of the Bank effective August 19, 2013.

**Mrs. R. Nirula was appointed as Additional Director effective February 7, 2014 subject to approval of the members at the forthcoming Annual General Meeting of the Company.

##Mr. Amritanshu Khaitan was appointed as Managing Director effective May 5, 2014 subject to approval of the members at the forthcoming Annual General Meeting of the Company.

(iii) Meetings and Attendance of Directors during Financial Year 2013-14

	Dates of Board Meetings				Date of AGM
	29.05.13	26.07.13	01.11.13	07.02.14	26.07.13
Mr. B. M. Khaitan	P	P	P	P	A
Mr. D. Khaitan	P	A	P	P	A
Mr. A. Khaitan	P	P	P	P	A
Mr. S. R. Dasgupta	P	P	P	P	P
Mr. S. Goenka	A	A	P	A	A
Mr. P. H. Ravikumar	P	P	P	P	P
Mr. S. Saha	P	P	P	P	P
Mr. A. Saraf@	A	A	NA	NA	A
Mr. S. Sarkar	P	P	A	A	P
Mr. Amritanshu Khaitan	P	P	P	P	P
Mrs. R. Nirula**	NA	NA	NA	A	NA

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, 2014 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, for the year under review, 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 (Wholetime Finance Director or person heading finance function)

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

Subsequent to the provisions of the Companies Act, 2013, coming into effect from April 1, 2014 and the revised clause 49 of the listing Agreement coming into effect from October 1, 2014, the following additional terms of reference have been duly incorporated in order to be in compliance with the same.

i) Approving or subsequently modifying transactions of the Company with related parties

ii) Valuation of undertakings/assets where necessary

iii) Overseeing/Reviewing the Vigil (Whistle Blower) Mechanism

iv) Scrutinizing inter-corporate loans and investments

v) Reviewing and monitoring auditors' independence and performance and effectiveness of audit process

vi) Evaluating internal financial controls and risk management systems

vii) Monitoring the end use of funds raised through public offers and related matters.

(ii) Composition, Names of Members and Chairman

a. As on March 31, 2014, the Audit Committee comprised of Mr. P. H. Ravikumar, an Independent Director, as the Chairman, Mr. S. Sarkar, Mr. S. R. Dasgupta and Mrs. R. Nirula, 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. **Mrs. R. Nirula was nominated as a Member of the Committee at the Board Meeting held on February 7, 2014.

e. ©Mr. S. Goenka ceased to be a Member of the Committee effective February 7, 2014.

f. The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

(iii) The Annual Accounts and Auditors' Report for the year ended March 31, 2014 were duly reviewed by the Audit Committee at its Meeting held on May 5, 2014 prior to adoption by the Board.

(iv) During the year ended March 31, 2014, 4 Meetings of the Audit Committee were held, the dates being 29.05.2013, 26.07.2013, 01.11.2013 & 07.02.2014.

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

Members	No. of Meetings attended
Mr. P. H. Ravikumar	4
Mr. S. Goenka©	-
Mr. S. Sarkar	2
Mr. S. R. Dasgupta	4
Mrs. R. Nirula**	NA

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, for the year under review, 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, 2014, comprises of Mr. P. H. Ravikumar an Independent Director, as the Chairman, Mr. S. Goenka and Mr. S. R. Dasgupta, all Independent Directors as Members. @Mr. A. Saraf ceased to be a Member of the Committee effective August 19, 2013.

(iii) During the year ended March 31, 2014, 1 Meeting of the Remuneration Committee was held on 07.02.2014.

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

Members	No. of Meetings attended
Mr. P. H. Ravikumar	1
Mr. S. Goenka	-
Mr. S. R. Dasgupta	1
Mr A Saraf@	-

(v) 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, 2014 are as under :

Name of Director	Salary (₹)	Value of Perquisite & Allowance (₹)	Contribution to Retiral Funds (₹)#	Tenure as per service contract	Notice Period
Mr. S. Saha	72,48,387	92,51,043	19,57,064	21.03.2017	1 month
Mr. Amritanshu Khaitan # #	36,00,000	49,36,450	9,72,000	04.05.2017	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 March 31, 2014 are as follows :

Name of Director	Sitting Fees paid for Board Meetings (₹)	Sitting Fees paid for Committee Meetings (₹)	Number of Shares Held as on 31.03.2014
Mr. B. M. Khaitan	80,000	Nil	35,897
Mr. D. Khaitan	60,000	Nil	3,19,300
Mr. A. Khaitan	80,000	Nil	2,32,266
Mr. S. R. Dasgupta	80,000	1,40,000	48,000
Mr. S. Goenka	20,000	Nil	Nil
Mr. P. H. Ravikumar	80,000	1,00,000	2,000
Mr. A. Saraf@	Nil	Nil	Nil
Mr. S. Sarkar	40,000	60,000	Nil
Mrs. R. Nirula**	Nil	Nil	Nil
TOTAL:	**4,40,000**	**3,00,000**	**6,37,463**

With effect from 28.04.2005, 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.

Nomination & Remuneration Committee

At the Board Meeting held on May 5, 2014, the Remuneration Committee was reconstituted as the Nomination & Remuneration Committee with the same members being, Mr. P. H. Ravikumar, an Independent Director, as the Chairman, Mr. S. Goenka and Mr. S. R. Dasgupta, all Independent Directors as Members.

The Committee's composition meets with the requirements of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

Terms of Reference

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

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 subject to the parameters prescribed in Schedule V to the Companies Act, 2013 and approvals as may be necessary.

c. To identify persons for directorship & senior management positions and recommend their appointments/removals

d. To form criteria for qualifications/independence of directors

e. To recommend Policy for remuneration to Directors/KMP and other employees

f. To form criteria for evaluation of Directors

g. To devise policy of Board Diversity

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, 2014, comprises of Mr. S. R. Dasgupta, Independent Director as Chairman and Mr. S. Saha, Wholetime Director.

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

(iii) During the year ended March 31, 2014, 2 meetings of the Committee were held on 08.05.2013 and 25.10.2013.

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

Members	No. of Meetings attended
Mr. S. R. Dasgupta	2
Mr. S. Saha	2

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

(vi) Number of pending Share Transfers : Nil

(vii) The Board has delegated the power of share transfer to a Committee. The Committee attends to share transfer formalities weekly/fortnightly.

(viii) **Stakeholders Relationship Committee**

At the Board Meeting held on May 5, 2014, the Shareholders'/Investors' Grievance Committee was renamed as the Stakeholders Relationship Committee for the purpose of the requirements of the Companies Act, 2013. The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

(ix) Shareholders' Complaints and Redressal as on March 31, 2014 :

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	2	Nil	Nil	Nil	2	18	22
Complaints Attended to/ Redressed	2	Nil	Nil	Nil	2	18	22

(x) Details of Directors seeking appointment or reappointment at the ensuing Annual General Meeting are given as hereunder:

Non-Independent Directors

	Seeking re-appointment	Seeking re-appointment	Seeking re-appointment	Seeking appointment
Name of Director	Mr. B. M. Khaitan	Mr. D. Khaitan	Mr. S. Saha	Mr. Amritanshu Khaitan
Date of appointment	23.11.1994	23.11.1994	22.03.2014	05.05.2014
Expertise in specific functional area	Given in the notice of the AGM	Given in the notice of the AGM	Given in the notice of the AGM	Given in the notice of the AGM
List of other Directorships held	-Do-	-Do-	-Do-	-Do-
Chairman/Member of the Committees of the Board of Companies in which he is a Director	-Do-	-Do-	-Do-	-Do-
Shareholding in the Company in case of Non-Executive Director	-Do-	-Do-	NA	NA

Independent Directors

	Seeking appointment	Seeking appointment	Seeking appointment	Seeking appointment	Seeking appointment
Name of Director	Mr. S. Goenka	Mr. S. R. Dasgupta	Mr. P. H. Ravikumar	Mr. S. Sarkar	Mrs. R. Nirula
Date of appointment	From the conclusion of the 79th AGM	From the conclusion of the 79th AGM	From the conclusion of the 79th AGM	From the conclusion of the 79th AGM	From the conclusion of the 79th AGM
Expertise in specific functional area	Given in the notice of the AGM	Given in the notice of the AGM	Given in the notice of the AGM	Given in the notice of the AGM	Given in the notice of the AGM
List of other Directorships held	-Do-	-Do-	-Do-	-Do-	-Do-
Chairman/ Member of the Committees of the Board of Companies in which he is a Director	-Do-	-Do-	-Do-	-Do-	-Do-
Shareholding in the Company in case of Non-Executive Director	-Do-	-Do-	-Do-	-Do-	-Do-

H. General Body Meetings

(i) Details of Annual General Meetings (AGMs)

AGMs	Date of AGMs	Location	Time	Special Resolutions passed
AGM (78th)	26.07.2013	Rotary Sadan, 94/2, Chowringhee Road, Kolkata	10.30 a.m.	No
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

(ii) For the year ended March 31, 2014, there was one Ordinary Resolution which was put through postal ballot. The votes cast in favor were 99.99% and against were 0.01%. Mr. A. K. Labh, Practising Company Secretary was appointed by the Board as Scrutinizer for the same.

(iii) In the Notice of the forthcoming 79th 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 24.13 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 Aajkaal (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 MD and CFO (Wholetime Director in charge of Finance) in respect of the financial year ended March 31, 2014 has been placed before the Board in the meeting held on May 5, 2014.

L. General Shareholders' Information

1. Annual General Meeting :

Date	Time	Venue
July 25, 2014	11.00 a.m	Rotary Sadan, 94/2 Chowringhee Road, Kolkata - 700 020

2. Financial Calendar (tentative) for the year 2014-2015

Publication of Unaudited results for the quarter ending June 2014	:	July/August 2014
Publication of Unaudited results for the half-year ending September 2014	:	October/ November 2014
Publication of Unaudited results for the quarter ending December 2014	:	January/February 2015
Publication of Unaudited/ audited results for the year ending March 2015	:	April/May 2015/ as approved
Annual General Meeting for the year ending March 2015	:	July to September 2015

3. Dates of book closure

The Register of Members of the Company will remain closed from July 18, 2014 to July 25, 2014 (both days inclusive) for the purpose of the Annual General Meeting of the Company.)

4. Date of Dividend Payment:

On or before August 23, 2014.

5. Listing on Stock Exchanges

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

The shares of the Company can be traded on all the recognised Stock Exchanges in India. The Annual Listing Fees for 2014-2015 have been paid to all the three Stock Exchanges within the scheduled dates.

6. Stock Code

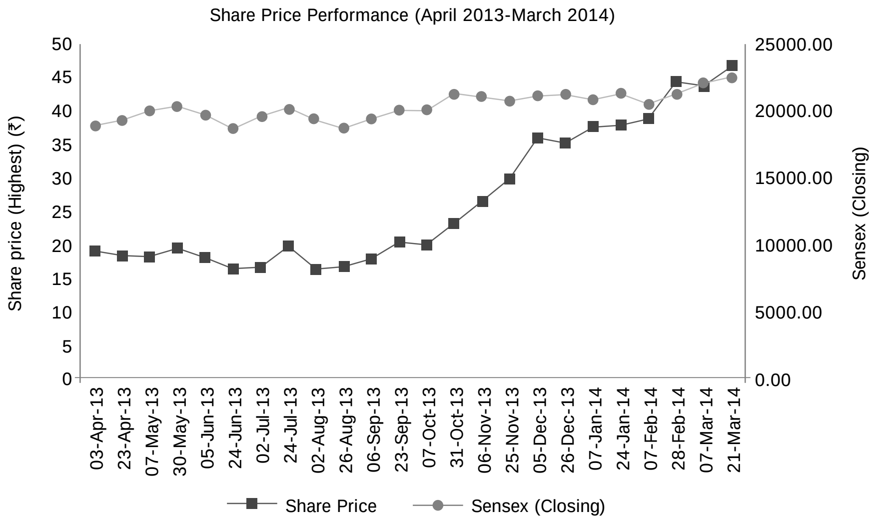
The Calcutta Stock Exchange Association Ltd.	:	10000029
Bombay Stock Exchange Ltd.	:	531508
National Stock Exchange of India Ltd.	:	EVEREADY

7. Stock Market Price Data :

Amount (₹)

Month		Bombay Stock Exchange Ltd.		National Stock Exchange of India Ltd.	
		High	Low	High	Low
2013	April	19.70	16.75	19.70	16.55
	May	19.25	16.85	19.25	16.90
	June	19.15	15.40	19.15	15.45
	July	19.60	15.55	20.00	15.50
	August	16.90	14.05	17.00	14.55
	September	21.00	15.70	20.00	15.60
	October	23.40	18.50	23.40	18.65
	November	29.65	22.60	29.50	23.00
	December	38.40	28.00	38.45	28.05
2014	January	39.60	34.05	39.70	34.00
	February	44.10	33.15	44.00	34.05
	March	46.35	40.45	46.45	40.50

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



9. Registrar and Transfer Agents

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

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

10. Share Transfer System for Physical Shares

The Directors' Share & Debenture Transfer Committee of the Company generally meets 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.

11. Distribution of Shareholding as on March 31, 2014:

According to category of Holding:

Category	No of shares Held	Percentage of shareholding
A. Promoters Holding	3,05,65,833	42.05
Sub Total	**3,05,65,833**	**42.05**
B. Non-Promoters Holding		
1. Institutional Investors		
a. Mutual Funds and UTI	22,42,161	3.08
b. Banks, FIs, Insurance Companies etc. (Central/State Government Institutions/Non-Government Institutions)	33,06,580	4.55
c. FIIs	14,85,308	2.04
Sub Total	**70,34,049**	**9.67**
2. Others		
a. Private Corporate Bodies	90,96,470	12.51
b. Indian Public	2,50,72,971	34.50
c. NRI's/OCB's	7,08,910	0.98
d. Trusts	21,765	0.03
e. Clearing Member	1,87,262	0.26
Sub Total	**3,50,87,378**	**48.28**
GRAND TOTAL	**7,26,872,60**	**100.00**

According to number of Ordinary Shares held :

	No. of Ordinary Shares held	No. of Shareholders	% of Shareholders
1 to 50	3,93,571	20,837	0.54
51 to 100	11,54,044	13,266	1.60
101 to 150	5,70,025	4,339	0.78
151 to 250	12,67,674	6,219	1.74
251 to 500	26,31,429	6,701	3.62
501 to 5000	89,39,644	6,144	12.30
5001 and above	5,77,30,873	779	79.42
Grand Total:	**7,26,87,260**	**58,285**	**100.00**

12. Dematerialisation of shareholding and liquidity:

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

Scrips of the Company have been mandated by SEBI for settlement only in dematerialised form by all investors effective March 21, 2000. Mention may be made that 97.38% of the total shares of the Company has since been dematerialised.

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

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

Nil

14. Insider Trading:

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

15. Plant Location :

1. 1, Taratola Road, Kolkata - 700 088
2. 1075, Tiruvottiyur High Road, Chennai - 600 019
3. B-1, Sector - 80, Phase II, Noida, Gautam Budh Nagar, U.P. - 201 305
4. Plot No. 6, Sector 12, IIE SIDCUL, Haridwar - 249 403
5. 7/1A, KIADB Industrial Area, Somanahalli, Dist. Mandya, Maddur - 571 428, Karnataka
6. B-2, Sector - 80, Phase II, Noida, Gautam Budh Nagar, U.P. - 201 305
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

16. Whom and where to contact for Share and related services:

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

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

Share Department – Eveready Industries India Ltd
1, Middleton Street, Kolkata-700071
Telephone No. (033) 2288-3950, (033) 2288-2147
Fax No. (033) 2288-4059
E-mail: investorrelation@eveready.co.in

II. NON-MANDATORY REQUIREMENTS AS ON MARCH 31, 2014

(i) The Board :

During the year under review, no expenses were incurred in connection with the office of the Chairman.

(ii) Remuneration Committee:

For the year under review, the Company had a Remuneration Committee comprising of Mr. P. H. Ravikumar, Mr. S. Goenka and Mr. S. R. Dasgupta, as Members. (Mr. A. Saraf ceased to be a Member of the Committee effective August 19, 2013). The said Committee has been reconstituted as Nomination and Remuneration Committee in terms of section 178 of the Companies Act, 2013, with the same members, as stated in item No. E of Section I above.

(iii) Shareholder Rights:

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

(iv) Audit Qualifications:

Nil

(v) Training of Board Members:

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

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

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

(vii) Vigil Mechanism / Whistle Blower Policy:

A Vigil Mechanism/Whistle Blower Policy has been formulated for Directors and Employees of the Company and the same is available on the Company's website.

For and on behalf of the Board

Kolkata
May 5, 2014

B. M. Khaitan
Chairman

Auditors' Certificate on Corporate Governance

To The Members of

EVEREADY INDUSTRIES INDIA LIMITED

1. We have examined the compliance of conditions of corporate governance by Eveready Industries India Limited ("the Company"), for the year ended March 31, 2014, 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 5, 2014

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, 2014.

Kolkata
May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Annexure to 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, 2014.

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 3.42% energy compared to the previous year.

The Company continued to harness non – conventional energy and 1.26 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 areas in which the company carried out R&D:**
   a. Cost effective alternate source developed for raw materials such as carbon electrode and liner paper.
   b. Advanced testing facility developed for conducting intermittent & continuous test in torch appliance for evaluating battery runtime performance. This resulted more accuracy & reliability of test data.
   c. In order to maintain the performance at par, optimized formulation developed with new natural manganese ore in absence of availability of regular natural manganese ore.
   d. Stringent audit of existing manufacturing locations have been initiated to bring in more focus in quality.
2. **Benefits derived as a result of above R&D:**
   a. Consistency and Quality improvement of the product.
   b. Reduction in manufacturing cost.
3. **Expenditure on R&D:**

₹ Crores

	Year ended 31.03.2014	Year ended 31.03.2013
a. Capital	-	-
b. Recurring	3.68	2.76
c. Total	3.68	2.76
% of Turnover	0.32%	0.27%

Technology Absorption, Adaptation & Innovation

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

Independent Auditors' Report on financial statements

TO THE MEMBERS

EVEREADY INDUSTRIES INDIA LIMITED

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, 2014, 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.

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 notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) 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.

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.

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, 2014;

(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.

Report on Other Legal and Regulatory Requirements

1. 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.
2. As required by 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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].
   (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
Membership No. 054785

Kolkata, May 5, 2014

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 for "Report on Other Legal and Regulatory Requirements" of our report of even date)

(i) Having regard to the nature of the Company's business/activities/results during the year, clauses (xiii) and (xiv) 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) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(v) 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.

(vi) There were no contracts or arrangements required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.

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

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

(ix) We have broadly reviewed the 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.

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

(a) The Company has generally been regular in depositing undisputed 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, 2014 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, 2014 on account of disputes are given below:

Name of Statue	Nature of Dues	Amount (₹ in lakhs)	Period to which amount Pertains	Forum where Disputes is Pending
Sales Tax Act	**Sales Tax**	9.88	1995-96 and 2007-08	Commissioner of Sales Tax
		0.35	1998-1999	Additional Commissioner of Sales Tax
		27.32	2009-10	Joint Commissioner of Sales Tax
		20.09	1999-2000 to 2002-03 & 2005-2006	Assistant Commissioner of Sales Tax
Central Excise Act	**Excise Duty**	1496.53	1997-98 to 2002-03 and 2003-04	High Court
		695.89	1987-88 to 1991-92, 2004-05 to 2011-12	Customs Excise & Service Tax Appellate Tribunal
		21.69	1991-92 to 1998-1999, 2004-05 to 2011-12	Commissioner of Central Excise (Appeals)
		0.15	2007-08 to 2008-09 and 2009-10 to 2010-11	Deputy Commissioner of Central Excise
		77.99	1998-99, 2001-02 to 2008-09	Assistant Commissioner of Central Excise
	Service Tax	76.35	2004-05 to 2006-07 and 2009-10 to 2010-11	Customs Excise & Service Tax Appellate Tribunal
		15.00	2006-07 to 2010-11	Commissioner of Central Excise & Service Tax (Appeals)
		3.64	2007-08 to 2008-09	Assistant Commissioner of Central Excise & Service Tax
Customs Act	**Customs Duty**	31.31	2005-06, 2008-09	Customs Excise & Service Tax Appellate Tribunal
Income Tax Act	**Income Tax**	599.70	1991-92 to 1994-95	High Court

(xi) The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

(xiii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities during the financial year covered by our audit.

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

(xv) 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.

(xvi) 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.

(xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act during the financial year covered by our audit.

(xviii) No debentures have been issued during the financial year covered by our audit.

(xix) No money has been raised by public issue during the financial year covered by our audit and there is no pending end use of money.

(xx) 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
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
Kolkata, May 5, 2014 Membership No. 054785

Balance Sheet
as at March 31, 2014

₹ Lakhs

Particulars		Note No.	As at March 31, 2014	As at March 31, 2013
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	3,634.36	3,634.36
	(b) Reserves and surplus	4	55,722.52	54,784.29
			59,356.88	**58,418.65**
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	4,603.26	8,316.70
	(b) Deferred tax liabilities (net)	24.15	1,064.18	834.14
	(c) Other long-term liabilities	6	404.62	416.49
	(d) Long-term provisions	7	517.41	530.13
			6,589.47	**10,097.46**
3	**Current liabilities**			
	(a) Short-term borrowings	8	14,081.02	13,498.03
	(b) Trade payables	9	23,086.56	19,244.48
	(c) Other current liabilities	10	6,089.89	8,012.24
	(d) Short-term provisions	7	1,675.56	1,172.02
			44,933.03	**41,926.77**
	TOTAL		**1,10,879.38**	**1,10,442.88**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	11.A	23,204.07	24,599.89
	(ii) Intangible assets	11.B	49,825.80	51,767.49
	(iii) Capital work-in-progress		1,438.56	886.32
			74,468.43	**77,253.70**
	(b) Non-current investments	12	139.77	4.99
	(c) Long-term loans and advances	13	1,893.95	1,694.97
	(d) Other non-current assets	14	1,191.15	907.90
			77,693.30	**79,861.56**
2	**Current assets**			
	(a) Inventories	15	25,694.30	22,099.97
	(b) Trade receivables	16	4,897.06	4,416.91
	(c) Cash and Bank balances	17	81.14	452.22
	(d) Short-term loans and advances	13	2,013.20	2,694.98
	(e) Other current assets	14	500.38	917.24
			33,186.08	**30,581.32**
	TOTAL		**1,10,879.38**	**1,10,442.88**
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

Statement of Profit and Loss
for the year ended March 31, 2014

₹ Lakhs

	Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
1	Revenue from operations (gross)	18	1,21,509.82	1,09,060.09
	Less: Excise duty	18	6,169.12	5,527.42
	Revenue from operations (net)		1,15,340.70	1,03,532.67
2	Other income	19	873.53	942.25
3	**TOTAL REVENUE (1+2)**		**1,16,214.23**	**1,04,474.92**
4	**Expenses**			
	(a) Cost of materials consumed	20.a	57,018.08	49,512.18
	(b) Purchases of stock-in-trade	20.b	22,270.28	19,280.59
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	(2,583.92)	179.88
	(d) Employee benefit expense	21	9,994.47	9,004.54
	(e) Finance costs	22	4,100.27	4,048.14
	(f) Depreciation and amortisation expense	11.C	4,182.93	3,507.29
	(g) Other expenses	23	19,583.03	19,017.98
	TOTAL EXPENSES		**1,14,565.14**	**1,04,550.60**
5	**Profit / (Loss) before tax (3 - 4)**		**1,649.09**	**(75.68)**
6	**Tax expense:**			
	(a) Current tax expense		376.89	-
	(b) Tax related to past years		(318.05)	(489.39)
	(c) Net current tax expense		58.84	(489.39)
	(d) Deferred tax		230.04	(94.64)
			288.88	**(584.03)**
7	**Profit for the year (5 - 6)**		**1,360.21**	**508.35**
8	**Earnings Per Share - of ₹ 5/- each after tax**			
	(a) Basic	24.14.a	1.87	0.70
	(b) Diluted	24.14.b	1.87	0.70
	See accompanying notes forming part of the financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

Cash Flow Statement

for the year ended March 31, 2014

₹ Lakhs

Particulars		For the year ended March 31, 2014		For the year ended March 31, 2013	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit / (Loss) before tax		1,649.09		(75.68)
	Adjustments for:				
	Depreciation and amortisation	4,182.93		3,507.29	
	(Profit) / Loss on sale / write off of assets	(744.53)		34.55	
	Interest and other Finance costs	4,100.27		4,048.14	
	Interest income	(35.11)		(683.72)	
	Provision for indirect taxes	111.78		223.44	
	Provisions no longer required written back	(60.07)		(152.14)	
	Provision in respect of subsidiary companies	-		119.31	
	Provision for estimated loss on derivatives	-		15.80	
	Provision for Wealth Tax	12.50		11.00	
	Net unrealised exchange (gain)	(12.66)	7,555.11	(20.05)	7,103.62
	Operating profit before working capital changes		**9,204.20**		**7,027.94**
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(3,594.33)		(867.37)	
	Trade receivables	(494.50)		(85.16)	
	Short-term loans and advances	643.31		(1,083.27)	
	Long-term loans and advances	23.98		180.12	
	Other current assets	446.08		(103.71)	
	Other non-current assets	(283.25)		(210.46)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	3,842.79		1,229.62	
	Other current liabilities	(361.65)		(389.44)	
	Other long-term liabilities	(11.87)		(11.86)	
	Short-term provisions	(36.44)		(14.83)	
	Long-term provisions	(12.72)	161.40	12.38	(1,343.98)
	Cash generated from operations		**9,365.60**		**5,683.96**
	Income tax (Net)		27.05		761.56
	Net cash flow from operating activities (A)		**9,392.65**		**6,445.52**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of fixed assets, including capital advances	(2,010.00)		(1,324.49)	
	Proceeds from sale of fixed assets	1,352.63		311.03	
	Investment in Subsidiaries	(134.78)		-	
	Loan to Subsidiaries	-		(916.57)	
	Loans realised from subsidiaries	9.00		-	
	Interest received	37.88	(745.27)	680.57	(1,249.46)
	Net cash used in investing activities (B)		**(745.27)**		**(1,249.46)**

Cash Flow Statement

for the year ended March 31, 2014

₹ Lakhs

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	4.23		5,054.84	
Repayment of long-term borrowings	(5,694.72)		(4,975.85)	
Net (decrease) / increase in working capital borrowings	(4,302.83)		454.12	
Proceeds from other short-term borrowings	10,400.00		5,900.00	
Repayment of other short-term borrowings	(5,400.00)		(7,400.00)	
Interest and other Finance cost	(3,972.98)		(4,173.60)	
Dividends paid	(47.73)	(9,014.03)	(0.98)	(5,141.47)
Net cash used in financing activities (C)		**(9,014.03)**		**(5,141.47)**
Net (decrease) / increase in Cash and cash equivalents (A+B+C)		**(366.65)**		**54.59**
Cash and cash equivalents at the beginning of the year		405.10		350.35
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		0.16
Cash and cash equivalents at the end of the year *		**38.45**		**405.10**
* Comprises:				
(a) Cash in hand		13.24		11.16
(b) Cheques, drafts in hand		0.60		3.54
(c) Balances with banks				
- In current accounts		24.61		390.40
		38.45		**405.10**
See accompanying notes forming part of the financial statements				

In terms of our report attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

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 electrical 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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable.The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets as described in Note 1 and 2 of Schedule 5 that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued as under:

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

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

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

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

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

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

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

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

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.

Notes forming part of the financial statements

Note	Particulars

2.8 Tangible fixed assets

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

Capital work-in-progress

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

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.

Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

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.

Notes forming part of the financial statements

Note	Particulars

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.

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. Contingent assets are not recognised in the financial statements.

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.19 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts with an intention to hedge its existing assets and liabilities, in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

Notes forming part of the financial statements

Note **Particulars**

2.20 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.21 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

3 SHARE CAPITAL

Particulars	As at March 31, 2014		As at March 31, 2013	
	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, 2014				
- Number of shares	7,26,87,260	-	-	7,26,87,260
- Amount (₹ Lakhs)	3,634.36	-	-	3,634.36
Year ended March 31, 2013				
- Number of shares	7,26,87,260	-	-	7,26,87,260
- Amount (₹ Lakhs)	3,634.36	-	-	3,634.36

Notes forming part of the financial statements

Note	Particulars

3 SHARE CAPITAL (CONTD.)

(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, 2014		As at March 31, 2013	
	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.	54,60,988	8%	51,60,988	7%
Bishnauth Investments Limited	41,48,246	6%	-	-
Metal Centre Ltd.	-	-	41,48,246	6%

4 RESERVES AND SURPLUS

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(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
Less: Depreciation on revalued portion of Fixed Assets	-	744.88
Closing balance	-	-
(d) Development Allowance Reserve	3.50	3.50
(e) General reserve	29,867.46	29,867.46
(f) Foreign currency translation reserve		
Opening balance	0.32	221.20
Add: Effect of foreign exchange rate variations during the year	0.42	(220.88)
Closing balance	0.74	0.32
(g) Amalgamation Reserve	300.42	300.42
(h) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(4,156.12)	(4,664.47)
Add: Profit for the year	1,360.21	508.35
Less:		
Dividends proposed to be distributed to equity shareholders [₹ 0.50 per share (Previous year ₹ Nil per share)]	363.44	-
Tax on dividend	58.96	-
Closing balance	(3,218.31)	(4,156.12)
TOTAL	**55,722.52**	**54,784.29**

Notes forming part of the financial statements

Note	Particulars

5 LONG-TERM BORROWINGS

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
Term Loans				
From Banks (Secured)				
ICICI Bank Ltd.	3,472.22	1,527.78	5,000.00	3,904.17
HDFC Bank Ltd.	583.33	1,000.00	1,583.33	1,000.00
Yes Bank Ltd.	520.83	1,250.00	1,666.67	833.33
From Banks (Unsecured)				
Car Loans	26.88	43.33	66.70	60.65
TOTAL	**4,603.26**	**3,821.11**	**8,316.70**	**5,798.15**

Notes:

(i) Details of terms of repayment for the 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, 2014		As at March 31, 2013	
		Secured	Unsecured	Secured	Unsecured
Term loans from banks:					
i) 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, Rainey Park, Kolkata Block- B, Sector No. 80, Ghaziabad, Noida and Plot No. -06, Sector 12, Pant Nagar Industrial Area, Jwalapur, Haridwar.	3,472.22	-	5,000.00	-
	Rate of Interest: 12.50% p.a.				
	Terms of repayment: 36 monthly installments of ₹ 138.89 Lakhs with 24 months moratorium period.				
ii) 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 moveable Plant & Machinery.	583.33	-	1,583.33	-
	Rate of Interest: 12.90% p.a.				
	Terms of repayment: Starting from November 2012 in 36 monthly installments of ₹ 83.33 Lakhs.				

Notes forming part of the financial statements

Note	Particulars

5 LONG-TERM BORROWINGS (CONTD.)

₹ Lakhs

Particulars	Terms of repayment and security	As at March 31, 2014		As at March 31, 2013	
		Secured	Unsecured	Secured	Unsecured
iii) 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.	520.83	-	1,666.67	-
	Rate of Interest: 12.05% p.a.				
	Terms of repayment: 24 monthly installments of ₹ 104.17 Lakhs with 18 months moratorium period.				
iv) Car Loans	Terms of repayment: Various; Each repayable in 36 equated installments.	-	26.88	-	66.70
TOTAL - TERM LOANS FROM BANKS		**4,576.38**	**26.88**	**8,250.00**	**66.70**

(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, 2014	As at March 31, 2013
(a) Trade Payables	9.89	21.76
(b) Security deposits received	394.73	394.73
TOTAL	**404.62**	**416.49**

7 PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
(a) Provision for employee benefits:				
(i) Post-employment medical benefits (Refer Note 24.11.b)	288.32	41.23	310.52	39.80
(ii) Compensated absences (Refer Note 24.11.b)	229.09	26.59	219.61	15.60
	517.41	67.82	530.13	55.40
(b) Provision - Others:				
(i) Tax [net of advance tax ₹ 317.80 Lakhs (As at March 31, 2013: ₹ 6.77 Lakhs)]	-	257.45	-	191.58
(ii) Sales Tax, Excise, etc (Refer Note 24.17)	-	690.16	-	638.45
(iii) Estimated loss on derivatives	-	-	-	15.80
(iv) Proposed equity dividend	-	363.44	-	-
(v) Tax on proposed dividend	-	58.96	-	-
(vi) Others	-	237.73	-	270.79
	-	1,607.74	-	1,116.62
TOTAL	**517.41**	**1,675.56**	**530.13**	**1,172.02**

Notes forming part of the financial statements

Note	Particulars

8 SHORT-TERM BORROWINGS

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand		
From banks		
Secured - Cash credit	6,338.10	10,750.68
Unsecured	7,742.92	2,747.35
TOTAL	**14,081.02**	**13,498.03**

Notes:

(i) Details of security:

₹ Lakhs

Particulars	Nature of security	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand from banks:			
IDBI Bank	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.	1,298.68	299.93
UCO Bank		78.09	4,466.99
United Bank of India		2,560.95	3,630.11
ICICI Bank		1,451.76	827.98
HDFC Bank		948.62	1,525.67
TOTAL - FROM BANKS (SECURED)		**6,338.10**	**10,750.68**

9 TRADE PAYABLES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables:		
(i) Acceptances	6,387.00	4,019.77
(ii) Other than Acceptances		
- Dues to Micro, Small & Medium Enterprises (Refer note 24.2)	120.62	111.23
- Other than Micro, Small & Medium Enterprises	16,404.10	15,103.67
(iii) Due to Subsidiaries	174.84	9.81
TOTAL	**23,086.56**	**19,244.48**

Notes forming part of the financial statements

Note	Particulars

10 OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term debt (Refer Note 5)	3,821.11	5,798.15
(b) Interest accrued but not due on borrowings	292.15	264.38
(c) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956:		
(i) Unpaid dividends		
- Due	3.27	3.02
- Not Due	11.59	59.57
(ii) Unpaid matured deposits and interest accrued thereon	1.52	3.12
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	390.99	369.55
(ii) Payables on purchase of fixed assets	378.24	97.43
(iii) BPL Escrow Liability	14.30	14.30
(iv) Forward Contract Restatement	205.59	50.10
(v) Advances from customers	295.80	238.85
(vi) Retention Money	374.00	292.91
(vii) Others	301.33	820.86
TOTAL	**6,089.89**	**8,012.24**

11 FIXED ASSETS

₹ Lakhs

	Gross block			
A. Tangible assets	**Balance as at April 1, 2013**	**Additions**	**Disposals**	**Balance as at March 31, 2014**
(a) Land				
Freehold	7,313.57	-	-	7,313.57
	7,313.57	*-*	*-*	*7,313.57*
Leasehold	1,306.26	-	-	1,306.26
	1,306.26	*-*	*-*	*1,306.26*
(b) Buildings	14,349.00	186.72	666.84	13,868.88
	14,279.01	*74.07*	*4.08*	*14,349.00*
(c) Plant and Equipment	37,882.49	1,057.74	1,779.29	37,160.94
	37,174.72	*1,131.46*	*423.69*	*37,882.49*
(d) Furniture and Fixtures	1,067.81	50.15	49.68	1,068.28
	1,061.85	*23.05*	*17.09*	*1,067.81*
(e) Vehicles	419.79	4.73	-	424.52
	395.34	*61.20*	*36.75*	*419.79*
(f) Office equipment	1,997.31	134.52	213.32	1,918.51
	1,985.11	*38.49*	*26.29*	*1,997.31*
TOTAL	**64,336.23**	**1,433.86**	**2,709.13**	**63,060.96**
	63,515.86	*1,328.27*	*507.90*	*64,336.23*

Notes forming part of the financial statements

Note **Particulars**

11 FIXED ASSETS (CONTD.)

₹ Lakhs

A Tangible assets	Accumulated depreciation: Balance as at April 1, 2013	Accumulated depreciation: Depreciation/ amortisation expense for the year	Accumulated depreciation: Eliminated on disposal of assets	Accumulated depreciation: Balance as at March 31, 2014	Net block: Balance as at March 31, 2014	Net block: Balance as at March 31, 2013
(a) Land						
Freehold	282.70	18.23	-	300.93	7,012.64	7,030.87
	264.47	*18.23*	-	*282.70*	*7,030.87*	*7,049.10*
Leasehold	176.23	19.73	-	195.96	1,110.30	1,130.03
	156.50	*19.73*	-	*176.23*	*1,130.03*	*1,149.76*
(b) Buildings	7,616.59	469.07	291.62	7,794.04	6,074.84	6,732.41
	7,123.81	*495.02*	*2.24*	*7,616.59*	*6,732.41*	*7,155.20*
(c) Plant and Equipment	28,646.53	1,490.12	1,532.11	28,604.54	8,556.40	9,235.96
	27,462.44	*1,516.18*	*332.09*	*28,646.53*	*9,235.96*	*9,712.28*
(d) Furniture and Fixtures	905.24	34.88	42.09	898.03	170.25	162.57
	884.53	*36.00*	*15.29*	*905.24*	*162.57*	*177.32*
(e) Vehicles	292.12	73.81	-	365.93	58.59	127.67
	255.00	*73.29*	*36.17*	*292.12*	*127.67*	*140.34*
(f) Office equipment	1,816.93	90.95	210.42	1,697.46	221.05	180.38
	1,715.80	*126.18*	*25.05*	*1,816.93*	*180.38*	*269.31*
TOTAL	**39,736.34**	**2,196.79**	**2,076.24**	**39,856.89**	**23,204.07**	**24,599.89**
	37,862.55	*2,284.63*	*410.84*	*39,736.34*	*24,599.89*	*25,653.31*

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

₹ Lakhs

B Intangible assets	Gross block: Balance as at April 1, 2013	Gross block: Additions	Gross block: Balance as at March 31, 2014
1 Internally Generated			
(a) Brand	66,000.00	-	66,000.00
	66,000.00	-	*66,000.00*
TOTAL INTERNALLY GENERATED	**66,000.00**	**-**	**66,000.00**
	66,000.00	-	*66,000.00*
2 Others			
(a) Brand	1,600.00	-	1,600.00
	1,600.00	-	*1,600.00*
(b) Computer software	1,008.58	44.45	1,053.03
	832.92	*175.66*	*1,008.58*
(c) Patent / Trademark	15.00	-	15.00
	15.00	-	*15.00*
TOTAL OTHERS	**2,623.58**	**44.45**	**2,668.03**
	2,447.92	*175.66*	*2,623.58*
TOTAL INTANGIBLE ASSETS	**68,623.58**	**44.45**	**68,668.03**
	68,447.92	*175.66*	*68,623.58*

Notes forming part of the financial statements

Note	Particulars

11 FIXED ASSETS (CONTD.)

₹ Lakhs

		Accumulated depreciation			Net block	
B	**Intangible assets**	**Balance as at April 1, 2013**	**Depreciation / amortisation expense for the year**	**Balance as at March 31, 2014**	**Balance as at March 31, 2014**	**Balance as at March 31, 2013**
1	Internally generated					
	(a) Brand	14,850.00	1,650.00	16,500.00	49,500.00	51,150.00
		13,200.00	*1,650.00*	*14,850.00*	*51,150.00*	*52,800.00*
	TOTAL INTERNALLY GENERATED	**14,850.00**	**1,650.00**	**16,500.00**	**49,500.00**	**51,150.00**
		13,200.00	*1,650.00*	*14,850.00*	*51,150.00*	*52,800.00*
2	Others					
	(a) Brand	1,440.00	160.00	1,600.00	-	160.00
		1,280.00	*160.00*	*1,440.00*	*160.00*	*320.00*
	(b) Computer software	551.09	176.14	727.23	325.80	457.49
		393.55	*157.54*	*551.09*	*457.49*	*439.37*
	(c) Patent / Trademark	15.00	-	15.00	-	-
		15.00	-	*15.00*	-	-
	TOTAL OTHERS	**2,006.09**	**336.14**	**2,342.23**	**325.80**	**617.49**
		1,688.55	*317.54*	*2,006.09*	*617.49*	*759.37*
	TOTAL INTANGIBLE ASSETS	**16,856.09**	**1,986.14**	**18,842.23**	**49,825.80**	**51,767.49**
		14,888.55	*1,967.54*	*16,856.09*	*51,767.49*	*53,559.37*

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

₹ Lakhs

C.	**Depreciation and amortisation:**		
	Particulars	**For the year ended March 31, 2014**	**For the year ended March 31, 2013**
	Depreciation and amortisation for the year on tangible assets as per Note 11.A	2,196.79	2,284.63
	Depreciation and amortisation for the year on intangible assets as per Note 11.B	1,986.14	1,967.54
	Less: Depreciation on revalued portion of Fixed Assets transferred to Revaluation Reserve	-	744.88
	TOTAL	**4,182.93**	**3,507.29**

Notes forming part of the financial statements

Note	Particulars

12 NON-CURRENT INVESTMENTS

₹ Lakhs

Particulars	As at March 31, 2014			As at March 31, 2013		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost less provision for decline, other than temporary):						
Trade						
(a) Investment in equity instruments						
(i) of subsidiaries						
- Novener SAS		4,646.04	4,646.04		4,646.04	4,646.04
456 ordinary shares of € 10 each						
(March 31, 2013 : 456 ordinary shares of €10 each)						
- Litez India Ltd		4.98	4.98		4.98	4.98
49,800 equity shares of ₹10 each						
(March 31, 2013 : 49,800 equity shares of ₹10 each)						
- Everspark Hong Kong Pvt Ltd		134.79	134.79		0.01	0.01
16,96,627 ordinary shares of HK$1 each						
(March 31, 2013 : 100 ordinary shares of HK$1 each)						
(ii) others						
40 (As at March 31, 2013: 40) shares of ₹ 5/- each fully paid up in McLeod Russel India Ltd.* [₹ 200/-]	*		*	*		*
TOTAL - TRADE	*****	**4,785.81**	**4,785.81**	*****	**4,651.03**	**4,651.03**
Less: Provision for decline, other than temporary in carrying cost of investments			4,646.04			4,646.04
TOTAL			**139.77**			**4.99**
Aggregate amount of quoted investments			*			*
Aggregate market value of listed and quoted investments			0.12			0.14
Aggregate amount of unquoted investments			4,785.81			4,651.03
Aggregate provision for decline other than temporary in value of investment			4,646.04			4,646.04

Notes forming part of the financial statements

Note	Particulars

13 LOANS & ADVANCES

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
(a) Capital advances				
Unsecured, considered good	494.05	-	233.79	-
(b) Security deposits				
Unsecured, considered good	463.60	68.75	463.79	69.36
(c) Loans and advances to related parties (Refer Note below)				
Unsecured, considered good	8.89	9.49	11.54	18.49
Doubtful	2,973.27	-	2,973.27	-
	2,982.16	9.49	2,984.81	18.49
Less: Provision for doubtful loans and advances	2,973.27	-	2,973.27	-
	8.89	9.49	11.54	18.49
(d) Loans and advances to employees				
Unsecured, considered good	185.97	76.64	191.61	70.47
(e) Prepaid expenses	28.78	130.33	51.11	188.79
(f) Advance income tax [net of provisions ₹ 969.56 Lakhs (As at March 31, 2013 ₹ 957.06 Lakhs)]	455.54	-	454.42	-
(g) Balances with government authorities				
Unsecured, considered good				
(i) CENVAT credit receivable	106.87	145.40	115.33	178.27
(ii) VAT credit receivable	149.68	101.10	172.91	99.99
(iii) Service Tax credit receivable	-	484.81	-	504.26
	256.55	731.31	288.24	782.52
(h) Other loans and advances				
Unsecured, considered good				
- Advance to suppliers	0.57	996.68	0.47	1,565.35
TOTAL	**1,893.95**	**2,013.20**	**1,694.97**	**2,694.98**

Note: Loans and advances include amounts due from:

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
Director	8.89	3.21	11.54	3.21
Subsidiaries	2,973.27	6.28	2,973.27	15.28
TOTAL	**2,982.16**	**9.49**	**2,984.81**	**18.49**

Notes forming part of the financial statements

Note	Particulars

14 OTHER ASSETS

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
(i) Insurance claims	10.67	42.44	7.24	33.03
(ii) Receivables on sale of fixed assets	-	31.96	-	7.17
(iii) Other trade claims	41.11	166.95	42.00	561.87
(iv) Others	1,139.37	259.03	858.66	315.17
TOTAL	**1,191.15**	**500.38**	**907.90**	**917.24**

15 INVENTORIES (At lower of cost and net realisable value)

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Raw materials	7,960.19	7,323.73
Goods-in-transit	2,312.33	1,949.69
	10,272.52	9,273.42
(b) Work-in-progress (Refer Note below)	3,740.28	3,107.55
(c) Finished goods (other than those acquired for trading)	7,719.51	5,876.80
Goods-in-transit	403.69	323.50
	8,123.20	6,200.30
(d) Stock-in-trade (acquired for trading)	3,021.97	2,985.37
Goods-in-transit	72.44	80.75
	3,094.41	3,066.12
(e) Stores and spares	463.89	452.58
TOTAL	**25,694.30**	**22,099.97**

Note: Details of inventory of work-in-progress

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Batteries	2,387.18	1,856.88
Flashlights	1,033.35	962.67
Other items	319.75	288.00
TOTAL	**3,740.28**	**3,107.55**

Notes forming part of the financial statements

Note	Particulars

16 TRADE RECEIVABLES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Receivables not due for payment	3,135.11	2,943.56
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	22.39
Doubtful	188.38	156.74
	188.38	179.13
Less: Provision for doubtful trade receivables	188.38	156.74
	-	22.39
Other Trade receivables		
Unsecured, considered good	1,761.95	1,450.96
Doubtful	24.77	32.84
	1,786.72	1,483.80
Less: Provision for doubtful trade receivables	24.77	32.84
	1,761.95	1,450.96
TOTAL	**4,897.06**	**4,416.91**

17 CASH AND BANK BALANCES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
(a) Cash in hand	13.24	11.16
(b) Cheques, drafts in hand	0.60	3.54
(c) Balances with banks		
- In current accounts	24.61	390.40
	38.45	**405.10**
Other Bank Balances		
In earmarked accounts		
(i) Unpaid dividend accounts	11.59	29.52
(ii) Unpaid matured deposits and interest accrued thereon	1.52	3.12
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments	15.28	0.18
(iv) Others	14.30	14.30
	42.69	**47.12**
TOTAL	**81.14**	**452.22**

Notes forming part of the financial statements

Note	Particulars

18 REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Sale of products (Refer Note (i) below)	1,21,403.06	1,08,957.16
(b) Other operating revenues (Refer Note (ii) below)	106.76	102.93
	1,21,509.82	**1,09,060.09**
Less:		
(c) Excise duty	6,169.12	5,527.42
TOTAL	**1,15,340.70**	**1,03,532.67**

Notes:

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Sale of products comprises:		
Manufactured goods		
Batteries	71,875.75	62,769.06
Flashlights	11,280.95	12,231.35
Packet Tea	7,683.14	7,449.64
Electrical Products	597.95	35.08
Others	59.83	94.97
TOTAL - SALE OF MANUFACTURED GOODS	**91,497.62**	**82,580.10**
Traded goods		
Batteries	2,189.45	2,266.47
Flashlights	13,860.37	13,864.20
Electrical Products	13,733.54	10,192.88
Others	122.08	53.51
TOTAL - SALE OF TRADED GOODS	**29,905.44**	**26,377.06**
TOTAL - SALE OF PRODUCTS	**1,21,403.06**	**1,08,957.16**
(ii) Other operating revenues comprise:		
Sale of scrap	106.76	102.93
TOTAL - OTHER OPERATING REVENUES	**106.76**	**102.93**

Notes forming part of the financial statements

Note	Particulars

19 OTHER INCOME

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Interest income (Refer Note (i) below)	35.11	683.72
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	33.82	106.39
(c) Other non-operating income (Refer Note (ii) below)	804.60	152.14
TOTAL	**873.53**	**942.25**

Notes:

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Interest income comprises:		
- On deposits with Banks	16.87	23.59
- On advance payment of Taxes	18.24	660.13
TOTAL - INTEREST INCOME	**35.11**	**683.72**
(ii) Other non-operating income comprises:		
- Profit on sale of fixed assets	744.53	-
- Dividend Income (₹ 280/-, For the year ended March 31, 2013: ₹ 240/-)	-	-
- Provisions no longer required written back	60.07	152.14
TOTAL - OTHER NON-OPERATING INCOME	**804.60**	**152.14**

20.a COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock	9,273.42	8,270.58
Add: Purchases	58,017.18	50,515.02
	67,290.60	**58,785.60**
Less: Closing stock	10,272.52	9,273.42
TOTAL COST OF MATERIAL CONSUMED	**57,018.08**	**49,512.18**
Material consumed comprises:		
Zinc Spelter	10,327.16	8,443.91
Acetylene Black	2,320.41	2,107.69
Brass	1,881.82	1,988.64
Manganese Ore	2,573.52	2,001.98
Black Tea for Packet Tea	5,230.56	5,350.74
Others	34,684.60	29,619.22
TOTAL	**57,018.08**	**49,512.18**

Notes forming part of the financial statements

Note	Particulars

20.b PURCHASE OF STOCK-IN-TRADE

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Batteries	1,838.98	1,430.11
Flashlights	9,120.95	9,661.03
Electrical Products	11,189.00	7,836.92
Others	121.35	352.53
TOTAL	**22,270.28**	**19,280.59**

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

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Inventories at the end of the year:		
Finished goods	8,123.20	6,200.30
Work-in-progress	3,740.28	3,107.55
Stock-in-trade	3,094.41	3,066.12
	14,957.89	**12,373.97**
Inventories at the beginning of the year:		
Finished goods	6,200.30	5,897.09
Work-in-progress	3,107.55	3,384.81
Stock-in-trade	3,066.12	3,271.95
	12,373.97	**12,553.85**
NET (INCREASE) / DECREASE	**(2,583.92)**	**179.88**

21 EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	8,147.34	7,219.21
Contributions to provident and other funds (Refer Note 24.11)	833.21	849.39
Staff welfare expenses	1,013.92	935.94
TOTAL	**9,994.47**	**9,004.54**

Notes forming part of the financial statements

Note	Particulars

22 FINANCE COSTS

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest expense on borrowings	3,091.80	3,541.44
(b) Other borrowing costs	51.52	51.52
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	688.37	244.22
(d) Bank Charges	268.58	210.96
TOTAL	**4,100.27**	**4,048.14**

23 OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	446.73	457.01
Increase / (Decrease) in excise duty in inventory of Finished Goods	189.08	(21.61)
Power and fuel	1,419.39	1,401.03
Rent	700.33	737.37
Repairs and maintenance - Buildings	175.60	136.04
Repairs and maintenance - Machinery	937.34	899.17
Repairs and maintenance - Software	177.83	126.49
Insurance	156.19	136.81
Rates and taxes	855.20	779.43
Travelling and conveyance	2,004.39	1,759.09
Freight, Shipping and Selling Expenses	6,559.23	5,986.67
Advertisement, Sales Promotion and Market Research	3,615.62	3,644.97
Payments to auditors (Refer Note below)	54.35	47.79
Bad and doubtful trade receivables	23.58	(7.81)
Loss on fixed assets sold / scrapped / written off	-	34.55
Provision in respect subsidiary companies	-	119.31
Provision for estimated loss on derivatives	-	15.80
Provision for indirect taxes (Refer Note 24.17)	111.78	223.44
Miscellaneous expenses	2,156.39	2,542.43
TOTAL	**19,583.03**	**19,017.98**

Notes forming part of the financial statements

Note	Particulars

23 OTHER EXPENSES (CONTD.)

Notes:

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Payments to the auditors comprises fees for (net of service tax input credit, where applicable):		
Statutory audit (including Consolidated Accounts)	30.00	25.00
Tax Audit	6.00	5.10
Limited Review	14.00	11.50
Certifications, etc.	4.35	6.15
Reimbursement of expenses	-	0.04
Total	**54.35**	**47.79**

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Note	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
24.1	**Contingent liabilities & commitments (to the extent not provided for)**		
	(i) Contingent liabilities		
	(a) Claims against the Company not acknowledged as debts:		
	- Excise & Customs *	1,769.70	1,769.70
	- Sales tax	64.24	84.19
	- 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.)	196.69	307.79
	(ii) Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	- Tangible assets	1,947.26	3,076.21

Notes forming part of the financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)
DISCLOSURES UNDER ACCOUNTING STANDARDS

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

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	120.62	111.23
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.24	0.17
(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	0.24	0.17
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	0.86	0.62
(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.

24.3 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, 2014	Maximum balance outstanding during the year
Novener SAS (Terms of Repayment: payable after December 31, 2015)	2,973.27	2,973.27
	2,973.27	*2,973.27*

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

24.4 Details on derivatives instruments and unhedged foreign currency exposures

i. The following derivative positions are open as at March 31, 2014. 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, 2014

Currency	Amount in Lakhs	Buy / Sell	Cross currency
USD	65.31	Buy	Rupees
	70.86	*Buy*	*Rupees*
USD	5.60	Sell	Rupees
	0.45	*Sell*	*Rupees*

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

Notes forming part of the financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)
DISCLOSURES UNDER ACCOUNTING STANDARDS

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, 2014		As at March 31, 2013	
Receivable/(Payable) ₹ Lakhs	Receivable/ (Payable) in Foreign currency in million	Receivable/(Payable) ₹ Lakhs	Receivable/ (Payable) in Foreign currency in million
3,123.06	US$ 1.20 & Euro 3.89	3,113.91	US$ 1.21, Euro 3.89 & HKD 0.06
(3,111.60)	(US$ 5.18 & HKD 0.12)	(3,775.10)	(US$ 6.95)

24.5 Value of imports calculated on CIF basis

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Raw materials	14,128.89	10,920.41
FG	4,656.92	4,325.10
Components	9.19	73.72
Capital goods	-	27.98

24.6 Expenditure in foreign currency

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Professional and consultation fees	8.57	8.21
Interest	48.03	73.27
Travel & Others	179.21	240.11

Notes forming part of the financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

24.7 Details of consumption of imported and indigenous items for the year ended March 31, 2014

Particulars	₹ Lakhs	%
Raw materials		
Imported	13,931.32	24.43
	12,108.62	*24.46*
Indigenous	43,086.76	75.57
	37,403.56	*75.54*
TOTAL	**57,018.08**	**100.00**
	49,512.18	*100.00*
Spare parts		
Imported	-	-
	-	-
Indigenous	446.73	100.00
	457.01	*100.00*
TOTAL	**446.73**	**100.00**
	457.01	*100.00*

Note: Figures / percentages in *italics* relates to the previous year

24.8 Earnings in foreign exchange

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Export of goods calculated on FOB basis	2,324.35	2,172.03

24.9 Note on Subsidiary Novener SAS

The Company acquired a controlling stake in Novener SAS in July 2009, a rechargeable battery conglomerate whose products are marketed under the brand name of “Uniross”. As at March 31, 2014, the Company has an investment of ₹ 4,646.04 Lakhs (March 31, 2013 : ₹ 4,646.04 Lakhs) and has advanced amounts aggregating to ₹ 2,973.27 Lakhs (March 31, 2013 : ₹ 2,973.27 Lakhs). The Company’s total exposure towards investments and advances of ₹ 7619.31 Lakhs stand fully provided for as at March 31, 2014 (March 31, 2013 : ₹ 7,619.31 Lakhs). The investment in Novener SAS is now valued at ₹1 in the financial statements of the company. The Uniross Group which constitutes the operating entities under Novener SAS went under liquidation and are under external administration as ordered by a competent court in France. Novener SAS has also been put under liquidation during the year. The company has approached RBI for writing off the investment and advances as mentioned above. RBI has acknowledged the same and requested the company to approach for write off after the completion of liquidation which is pending.

24.10 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.

Notes forming part of the financial statements

Note **Particulars**

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

24.11 Employee benefit plans

24.11.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 ₹ 234.34 Lakhs (Year ended March 31, 2013: ₹ 210.92 Lakhs) for Provident Fund contributions and ₹ 197.56 Lakhs (Year ended March 31, 2013: ₹ 209.37 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.

24.11.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, 2014				Year ended March 31, 2013			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post employment medical benefits	Pension	Leave Encashment
Components of employer expense								
Current service cost	112.03	-	-	28.01	98.49	-	-	24.70
Interest cost	103.45	27.34	28.11	17.21	95.13	28.03	29.27	17.32
Expected return on plan assets	(166.28)	-	(44.02)	-	(144.49)	-	(43.41)	-
Actuarial losses / (gains)	34.40	(10.09)	(32.48)	28.54	88.40	11.55	(12.42)	18.64
Total expenses / (income) recognised in the Statement of Profit and Loss	**83.60**	**17.25**	**(48.39)**	**73.76**	**137.53**	**39.58**	**(26.56)**	**60.66**
Actual contribution and benefit payments for year								
Actual benefit payments	158.41	38.02	38.12	53.29	208.28	38.21	60.06	58.41
Actual contributions	310.00	38.02	-	53.29	332.48	38.21	-	58.41
Net asset / (liability) recognised in the Balance Sheet								
Present value of defined benefit obligation	1,452.89	329.55	342.42	255.68	1,333.21	350.32	359.73	235.21
Fair value of plan assets	2,285.76	-	583.68	-	1,939.68	-	552.60	-
Funded status [Surplus / (Deficit)]	832.87	(329.55)	241.26	(255.68)	606.47	(350.32)	192.87	(235.21)
Net asset / (liability) recognised in the Balance Sheet	**832.87**	**(329.55)**	**241.26**	**(255.68)**	**606.47**	**(350.32)**	**192.87**	**(235.21)**

Notes forming part of the financial statements

Note	Particulars

24 **ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)**

DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Particulars	Year ended March 31, 2014				Year ended March 31, 2013			
	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	1,333.21	350.32	359.73	235.21	1,223.29	348.95	374.39	232.96
Current service cost	112.03	-	-	28.01	101.49	-	-	24.70
Interest cost	103.45	27.34	28.11	17.21	95.13	27.93	29.27	17.32
Actuarial losses / (gains)	62.61	(10.09)	(7.30)	28.54	121.58	11.55	16.13	18.64
Benefits paid	(158.41)	(38.02)	(38.12)	(53.29)	(208.28)	(38.21)	(60.06)	(58.41)
Present value of DBO at the end of the year	**1,452.89**	**329.55**	**342.42**	**255.68**	**1,333.21**	**350.22**	**359.73**	**235.21**
Change in fair value of assets during the year								
Plan assets at beginning of the year	1,939.68	-	552.60	-	1,637.81	-	540.70	-
Expected return on plan assets	166.28	-	44.02	-	144.49	-	43.41	-
Actual company contributions	310.00	38.02	-	53.29	332.48	38.21	-	58.41
Actuarial gains	28.21	-	25.18	-	33.18	-	28.55	-
Benefits paid	(158.41)	(38.02)	(38.12)	(53.29)	(208.28)	(38.21)	(60.06)	(58.41)
Plan assets at the end of the year	**2,285.76**	**-**	**583.68**	**-**	**1,939.68**	**-**	**552.60**	**-**
Actual return on plan assets	194.49	-	69.20	-	177.67	-	71.96	-
Composition of the plan assets is as follows								
Government bonds	94.35	NA	148.76	NA	96.48	NA	152.12	NA
Special Deposit with SBI	-	NA	65.35	NA	-	NA	65.35	NA
Corporate Bonds	-	NA	50.08	NA	-	NA	89.57	NA
Insurance Companies	2,034.90	NA	1,813.28	NA	1,681.19	NA	1,518.56	NA
Cash and Cash Equivalents	5.12	NA	4.12	NA	6.64	NA	9.65	NA
Actuarial assumptions								
Discount rate	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%
Expected return on plan assets	8.25%	NA	8.25%	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 (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate

Notes forming part of the financial statements

Note	Particulars

24 **ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)**

DISCLOSURES UNDER ACCOUNTING STANDARDS

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

Particulars	2013-2014	2012-2013	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	1,452.89	1,333.21	1,223.29	1,293.83	1,121.44
Fair value of plan assets	2,285.76	1,943.51	1,637.81	1,506.17	1,382.29
Funded status - Surplus	832.87	606.47	414.52	212.34	260.85
Experience gain / (loss) adjustments on plan liabilities	94.52	93.57	(36.29)	(178.08)	(48.41)
Experience gain / (loss) adjustments on plan assets	28.21	33.18	2.13	(14.96)	120.12
Post Employment medical Benefits					
Present value of DBO	329.55	350.22	348.95	342.11	355.03
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(329.55)	(350.32)	(348.95)	(342.11)	(355.03)
Experience gain / (loss) adjustments on plan liabilities	(4.30)	5.12	(17.24)	2.79	(20.67)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA
Pension					
Present value of DBO	342.42	359.73	374.39	658.97	667.12
Fair value of plan assets	583.68	552.60	540.70	690.60	734.53
Funded status - Surplus	241.26	192.87	166.31	31.63	67.41
Experience gain / (loss) adjustments on plan liabilities	(3.75)	16.13	31.97	(0.34)	(138.74)
Experience gain / (loss) adjustments on plan assets	25.18	28.55	100.02	(41.00)	110.96
Leave					
Present value of DBO	255.68	235.21	232.96	239.17	238.32
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(255.68)	(235.21)	(232.96)	(239.17)	(238.32)
Experience gain / (loss) adjustments on plan liabilities	33.20	14.37	(37.34)	(30.84)	(90.18)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA

Notes forming part of the financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

24.12 Segment information

The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea and general electrical products which come under a single business segment known as Consumer Goods. Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

24.13 Related party transactions

24.13.a Details of related parties

Description of relationship	Names of related parties
Subsidiaries	Novener SAS #
	Uniross SA #
	Uniross Batteries SAS #
	Uniross Batteries (PTY) LTD. *
	Uniross Batteries Limited *
	Everfast Rechargeables Limited *
	Idea Power Limited *
	Everspark Hong Kong Private Limited
	Litez India Limited *
	* not operational
	# under liquidation - not operational
Key Management Personnel (KMP)	Mr. S. Saha
	Mr. Amritanshu 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.

24.13.b Details of related party transactions during the year ended March 31, 2014 and balances outstanding as at March 31, 2014

₹ Lakhs

Particulars	Subsidiaries	KMP	Relatives of KMP	Total
Purchase of goods				
- Everspark Hong Kong Private Limited	157.63	-	-	157.63
	-	-	-	-
Reimbursement of expenses		-	-	-
- Everspark Hong Kong Private Limited	15.47	-	-	15.47
	-	-	-	-
Remuneration				
- Mr. S. Saha	-	184.56	-	184.56
	-	*184.10*	-	*184.10*
- Mr. Amritanshu Khaitan	-	95.08	-	95.08
	-	*93.72*	-	*93.72*
Rent Paid	-	4.56	-	4.56
	-	*4.56*	-	*4.56*
Car Rental Charges - in accordance with Company's scheme	-	-	6.60	6.60
	-	-	*6.45*	*6.45*
Finance (including loans & equity contributions in cash or in kind)	134.78	-	-	134.78
	916.57	-	-	*916.57*
Guarantees and collaterals	2,995.00	-	-	2,995.00
	-	-	-	-

Notes forming part of the financial statements

Note **Particulars**

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Particulars	Subsidiaries	KMP	Relatives of KMP	Total
Balances outstanding at the end of the year				
Loans and advances	2,979.55	12.10	-	2,991.65
	2,988.55	*14.75*	-	*3,003.30*
Trade payables				
- Litez India Ltd.	9.81	-	-	9.81
	9.81	-	-	*9.81*
- Everspark Hong Kong Private Limited	165.03	-	-	165.03
	-	-	-	-
Guarantees and collaterals	2,995.00	-	-	2,995.00
	-	-	-	-
Provision for doubtful receivables, loans and advances	2,973.27	-	-	2,973.27
	2,973.27	-	-	*2,973.27*

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

24.14 Earnings per share

24.14.a Basic

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit for the year ₹ in Lakhs	1,360.21	508.35
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 ₹	1.87	0.70

24.14.b Diluted

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
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 for the year ₹ in Lakhs	1,360.21	508.35
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 ₹	1.87	0.70

Notes forming part of the financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

24.15 Deferred tax (liability) / asset

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,490.19)	(1,336.23)
Tax effect of items constituting deferred tax liability	(1,490.19)	(1,336.23)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	82.96	76.31
Provision for doubtful debts / advances	69.16	61.51
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	246.30	269.15
Others	27.60	95.12
Tax effect of items constituting deferred tax assets	426.01	502.09
Net deferred tax (liability)	**(1,064.18)**	**(834.14)**

24.16 Details of Research and Development expenditure recognised as an expense

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Materials	-	0.18
Employee benefits expense	214.68	150.63
Consumables	46.76	36.23
Travelling expenses	36.56	31.63
Rent	3.25	1.62
Others	66.31	55.89
TOTAL	**367.56**	**276.19**

24.17 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, 2013	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2014
Provision for other contingencies					
Sales Tax	42.19	57.30	-	-	99.49
	102.02	*0.50*	-	*60.33*	*42.19*
Excise	280.36	21.39	-	60.07	241.68
	69.15	*222.53*	-	*11.32*	*280.36*
Others	315.90	33.09	-	-	348.99
	437.20	*0.41*	*41.22*	*80.49*	*315.90*
TOTAL	**638.45**	**111.78**	**-**	**60.07**	**690.16**
	608.37	*223.44*	*41.22*	*152.14*	*638.45*

Note:

(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	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

24.18 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
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

Statement regarding Subsidiary Companies

₹ Lakhs

	Name of the Subsidiary Company	Country	Reporting Currency	Capital	Reserve	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	134.78	(8.26)	194.24	194.24	-	157.63	(0.35)	-	(0.35)	-
2	Litez India Ltd. *	India	INR	5.00	(1.77)	10.09	10.09	-	-	(0.65)	-	(0.65)	-

* not operational

Converted into Indian Rupees at the Exchange rate, 1 HKD = ₹ 7.7429 (As at 31.03.2014)

Independent Auditors' Report on consolidated financial statements

TO THE BOARD OF DIRECTORS

EVEREADY INDUSTRIES INDIA LIMITED

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 and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, 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.

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.

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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid 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, 2014;

(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.

Other Matter

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets (net) of ₹ 129.73 Lakhs as at 31st March, 2014, total revenues of ₹ 157.63 Lakhs and net cash flows amounting to ₹ 31.04 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
Membership No. 054785

Kolkata, May 5, 2014

Consolidated Balance Sheet
as at March 31, 2014

₹ Lakhs

Particulars		Note No.	As at March 31, 2014	As at March 31, 2013
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	3	3,634.36	3,634.36
	(b) Reserves and surplus	4	55,712.01	54,779.10
			59,346.37	**58,413.46**
2	**Minority Interest**		0.02	0.02
3	**Non-current liabilities**			
	(a) Long-term borrowings	5	4,603.26	8,316.70
	(b) Deferred tax liabilities (net)	24.9	1,064.18	834.14
	(c) Other long-term liabilities	6	404.62	416.49
	(d) Long-term provisions	7	517.41	530.13
			6,589.47	**10,097.46**
4	**Current liabilities**			
	(a) Short-term borrowings	8	14,081.02	13,498.03
	(b) Trade payables	9	22,980.03	19,235.54
	(c) Other current liabilities	10	6,092.24	8,012.24
	(d) Short-term provisions	7	1,675.56	1,172.02
			44,828.85	**41,917.83**
	TOTAL		**110,764.71**	**110,428.77**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	11.A	23,204.07	24,599.89
	(ii) Intangible assets	11.B	49,825.80	51,767.49
	(iii) Capital work-in-progress		1,438.56	886.32
			74,468.43	**77,253.70**
	(b) Non-current investments	12	-	-
	(c) Long-term loans and advances	13	1,894.05	1,695.03
	(d) Other non-current assets	14	1,191.15	907.90
			77,553.63	**79,856.63**
2	**Current assets**			
	(a) Inventories	15	25,694.30	22,099.97
	(b) Trade receivables	16	4,897.06	4,416.91
	(c) Cash and Bank balances	17	112.06	457.36
	(d) Short-term loans and advances	13	2,007.28	2,679.99
	(e) Other current assets	14	500.38	917.91
			33,211.08	**30,572.14**
	TOTAL		**110,764.71**	**110,428.77**
	See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

Consolidated Statement of Profit and Loss

for the year ended March 31, 2014

₹ Lakhs

	Particulars	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
1	Revenue from operations (gross)	18	121,509.82	109,060.09
	Less: Excise duty	18	6,169.12	5,527.42
	Revenue from operations (net)		115,340.70	103,532.67
2	Other income	19	873.88	943.03
3	**TOTAL REVENUE (1+2)**		**116,214.58**	**104,475.70**
4	**Expenses**			
	(a) Cost of materials consumed	20.a	57,018.08	49,512.18
	(b) Purchases of stock-in-trade	20.b	22,270.28	19,280.59
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.c	(2,583.92)	179.88
	(d) Employee benefit expense	21	9,994.47	9,004.54
	(e) Finance costs	22	4,111.18	4,048.14
	(f) Depreciation and amortisation expense	11.C	4,182.93	3,507.29
	(g) Other expenses	23	19,573.57	19,019.42
	TOTAL EXPENSES		**114,566.59**	**104,552.03**
5	**Profit / (Loss) before tax (3 - 4)**		**1,647.99**	**(76.34)**
6	**Tax expense:**			
	(a) Current tax expense for current year		376.89	0.05
	(b) Tax related to past years		(318.05)	(489.39)
	(c) Net current tax expense		**58.84**	**(489.34)**
	(d) Deferred tax		230.04	(94.64)
			288.88	**(583.98)**
7	**Profit / (Loss) for the year (5 - 6)**		**1,359.11**	**507.64**
8	Minority Interest		-	-
9	**Profit / (Loss) after taxes and minority interest (7 + 8)**		**1,359.11**	**507.64**
10	**Earnings Per Share - of ₹ 5/- each after tax**			
	(a) Basic	24.8.a	1.87	0.70
	(b) Diluted	24.8.b	1.87	0.70
	See accompanying notes forming part of the consolidated financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

Consolidated Cash Flow Statement
for the year ended March 31, 2014

₹ Lakhs

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before tax		1,647.99		(76.34)
Adjustments for:				
Depreciation and amortisation	4,182.93		3,507.29	
(Profit) / Loss on sale / write off of assets	(744.53)		34.55	
Interest and other Finance costs	4,111.18		4,048.14	
Interest income	(35.46)		(684.50)	
Provisions no longer required written back	(60.07)		(152.14)	
Provision for indirect taxes	111.78		223.44	
Provision in respect of subsidiary companies	-		119.31	
Provision for estimated loss on derivatives	-		15.80	
Provision for Wealth Tax	12.50		11.00	
Net unrealised exchange (gain)	(12.66)	7,565.67	(20.05)	7,102.84
Operating profit before working capital changes		**9,213.66**		**7,026.50**
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(3,594.33)		(867.37)	
Trade receivables	(494.50)		(85.16)	
Short-term loans and advances	643.25		(1,083.56)	
Long-term loans and advances	23.94		180.01	
Other current assets	446.75		(103.71)	
Other non-current assets	(283.25)		(210.46)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	3,745.97		1,229.43	
Other current liabilities	(359.56)		(389.44)	
Other long-term liabilities	(11.87)		(11.86)	
Short-term provisions	(36.44)		(14.83)	
Long-term provisions	(12.72)	67.24	12.38	(1,344.57)
Cash generated from operations		**9,280.90**		**5,681.93**
Income tax (Net)		27.05		761.56
Net cash flow from operating activities (A)		**9,307.95**		**6,443.49**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets, including capital advances	(2,010.00)		(1,324.49)	
Proceeds from sale of fixed assets	1,352.63		311.03	
Proceeds from Fixed Deposits	5.00		-	
Loan to Subsidiaries (Refer Note)	-		(914.96)	
Interest received	38.24	(614.13)	680.68	(1,247.74)
Net cash used in investing activities (B)		**(614.13)**		**(1,247.74)**

Notes forming part of the consolidated financial statements

₹ Lakhs

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	4.23		5,054.84	
Repayment of long-term borrowings	(5,694.72)		(4,975.85)	
Net (decrease) / increase in working capital borrowings	(4,302.83)		454.12	
Proceeds from other short-term borrowings	10,400.00		5,900.00	
Repayment of other short-term borrowings	(5,400.00)		(7,400.00)	
Interest and other Finance cost	(3,983.90)		(4,173.60)	
Dividends paid	(47.73)	(9,024.95)	(0.98)	(5,141.47)
Net cash used in financing activities (C)		**(9,024.95)**		**(5,141.47)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(331.13)**		**54.28**
Cash and cash equivalents at the beginning of the year		405.14		350.44
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(4.74)		0.42
Cash and cash equivalents at the end of the year *		**69.27**		**405.14**
* Comprises:				
(a) Cash in hand		13.24		11.16
(b) Cheques, drafts in hand		0.60		3.54
(c) Balances with banks				
- In current accounts		55.43		390.44
		69.27		**405.14**
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 24.3), the loan given to Novener SAS have not been eliminated.

In terms of our report attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit Bandyopadhyay
Partner

Place: Kolkata
Date: May 5, 2014

Suvamoy Saha
Wholetime Director

Amritanshu Khaitan
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

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 electrical 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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention except for categories of fixed assets as described in Note 1 and 2 of Schedule 5 that are carried at revalued amounts. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

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

2.3 Inventories

Inventories are valued as under:

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

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

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

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

2.5 Cash flow statement

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

2.6 Depreciation and amortisation

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

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

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

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

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

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

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer. Sales include excise duty but exclude sales tax and value added tax.

Notes forming part of the consolidated financial statements

Note	Particulars

2.8 Tangible fixed assets

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

Capital work-in-progress:

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

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.

Non-integral foreign operations: The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

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".

Notes forming part of the consolidated financial statements

Note	Particulars

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.

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. Contingent assets are not recognised in the financial statements.

2.18 Research and development expenses

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.19 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts with an intention to hedge its existing assets and liabilities, in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.20 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.21 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Notes forming part of the consolidated financial statements

Note	Particulars

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.22 Principles of Consolidation

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

- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – "Consolidated Financial Statements" notified by Companies (Accounting Standard) Rules, 2006.
- The foreign subsidiary companies, being non-integral operations, revenue items is consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.
- The difference between the cost of the investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the Company's shareholders.

Minority Interest in the net assets consists of :

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

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

- Minority interest in the net profit in the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.
- The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting dates as that of the Company i.e. March 31, 2014.

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		

3 SHARE CAPITAL

Particulars	As at March 31, 2014		As at March 31, 2013	
	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 forming part of the consolidated financial statements

Note	Particulars

3 SHARE CAPITAL (CONTD.)

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, 2014				
- Number of shares	7,26,87,260	-	-	7,26,87,260
- Amount (₹ Lakhs)	3,634.36	-	-	3,634.36
Year ended March 31, 2013				
- 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, 2014		As at March 31, 2013	
	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.	54,60,988	8%	51,60,988	7%
Bishnauth Investments Limited	41,48,246	6%	-	-
Metal Centre Ltd.	-	-	41,48,246	6%

4 RESERVES AND SURPLUS

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(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
Less : Depreciation on revalued portion of Fixed Assets	-	744.88
Closing balance	-	-
(d) Development Allowance Reserve	3.50	3.50
(e) General reserve	29,867.46	29,867.46
(f) Foreign currency translation reserve		
Opening balance	0.32	221.20
Add : Effect of foreign exchange rate variations during the year	(3.80)	(220.88)
Closing balance	(3.48)	0.32
(g) Amalgamation Reserve	300.42	300.42
(h) Surplus / (Deficit) in Statement of Profit and Loss		

Notes forming part of the consolidated financial statements

Note	Particulars

4 RESERVES AND SURPLUS (CONTD.)

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Opening balance	(4,161.31)	(4,668.95)
Add : Profit for the year	1,359.11	507.64
Less:		
Dividends proposed to be distributed to equity shareholders [₹ 0.50 per share (Previous year ₹ Nil per share)]	363.44	-
Tax on dividend	58.96	-
Closing balance	(3,224.60)	(4,161.31)
TOTAL	**55,712.01**	**54,779.10**

5 LONG-TERM BORROWINGS

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
(a) Term Loans				
From Banks (Secured)	4,576.38	3,777.78	8,250.00	5,737.50
From Banks (Unsecured)				
Car Loans	26.88	43.33	66.70	60.65
TOTAL	**4,603.26**	**3,821.11**	**8,316.70**	**5,798.15**

6 OTHER LONG-TERM LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Trade Payables	9.89	21.76
(b) Security deposits received	394.73	394.73
TOTAL	**404.62**	**416.49**

7 PROVISIONS

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
(a) Provision for employee benefits:				
(i) Post-employment medical benefits (Refer Note 24.5.b)	288.32	41.23	310.52	39.80
(ii) Compensated absences (Refer Note 24.5.b)	229.09	26.59	219.61	15.60
	517.41	**67.82**	**530.13**	**55.40**
(b) Provision - Others:				
(i) Tax [net of advance tax ₹ 317.80 Lakhs (As at March 31, 2013 ₹ 6.77 Lakhs)]	-	257.45	-	191.58
(ii) Sales Tax, Excise, etc (Refer Note 24.11)	-	690.16	-	638.45
(iii) Estimated loss on derivatives	-	-	-	15.80
(iv) Proposed equity dividend	-	363.44	-	-
(v) Tax on proposed dividend	-	58.96	-	-
(vi) Others	-	237.73	-	270.79
	-	**1,607.74**	**-**	**1,116.62**
TOTAL	**517.41**	**1,675.56**	**530.13**	**1,172.02**

Notes forming part of the consolidated financial statements

Note **Particulars**

8 SHORT-TERM BORROWINGS

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Loans repayable on demand		
From banks		
Secured - Cash credit	6,338.10	10,750.68
Unsecured	7,742.92	2,747.35
TOTAL	**14,081.02**	**13,498.03**

9 TRADE PAYABLES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Trade payables:		
(i) Acceptances	6,387.00	4,019.77
(ii) Other than Acceptances		
- Dues to Micro, Small & Medium Enterprises	120.62	111.23
- Other than Micro, Small & Medium Enterprises	16,472.41	15,104.54
TOTAL	**22,980.03**	**19,235.54**

10 OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term debt (Refer Note 5)	3,821.11	5,798.15
(b) Interest accrued but not due on borrowings	292.15	264.38
(c) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956:		
(i) Unpaid dividends		
- Due	3.27	3.02
- Not Due	11.59	59.57
(ii) Unpaid matured deposits and interest accrued thereon	1.52	3.12
(d) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes,		
Excise Duty, VAT, Service Tax, etc.)	390.99	369.55
(ii) Payables on purchase of fixed assets	378.24	97.43
(iii) BPL Escrow Liability	14.30	14.30
(iv) Forward Contract Restatement	205.59	50.10
(v) Advances from customers	295.80	238.85
(vi) Retention Money	374.00	292.91
(vii) Others	303.68	820.86
TOTAL	**6,092.24**	**8,012.24**

Notes forming part of the consolidated financial statements

Note	Particulars

11 FIXED ASSETS

₹ Lakhs

A	Tangible assets	Gross block			
		Balance as at April 1, 2013	Additions	Disposals	Balance as at March 31, 2014
(a)	Land				
	Freehold	7,313.57	-	-	7,313.57
		7,313.57	*-*	*-*	*7,313.57*
	Leasehold	1,306.26	-	-	1,306.26
		1,306.26	*-*	*-*	*1,306.26*
(b)	Buildings	14,349.00	186.72	666.84	13,868.88
		14,279.01	*74.07*	*4.08*	*14,349.00*
(c)	Plant and Equipment	37,882.49	1,057.74	1,779.29	37,160.94
		37,174.72	*1,131.46*	*423.69*	*37,882.49*
(d)	Furniture and Fixtures	1,067.81	50.15	49.68	1,068.28
		1,061.85	*23.05*	*17.09*	*1,067.81*
(e)	Vehicles	419.79	4.73	-	424.52
		395.34	*61.20*	*36.75*	*419.79*
(f)	Office equipment	1,997.31	134.52	213.32	1,918.51
		1,985.11	*38.49*	*26.29*	*1,997.31*
	TOTAL	**64,336.23**	**1,433.86**	**2,709.13**	**63,060.96**
		63,515.86	*1,328.27*	*507.90*	*64,336.23*

₹ Lakhs

A	Tangible assets	Accumulated depreciation				Net block	
		Balance as at April 1, 2013	Depreciation /amortisation expense for the year	Eliminated on disposal of assets	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
(a)	Land						
	Freehold	282.70	18.23	-	300.93	7,012.64	7,030.87
		264.47	*18.23*	*-*	*282.70*	*7,030.87*	*7,049.10*
	Leasehold	176.23	19.73	-	195.96	1,110.30	1,130.03
		156.50	*19.73*	*-*	*176.23*	*1,130.03*	*1,149.76*
(b)	Buildings	7,616.59	469.07	291.62	7,794.04	6,074.84	6,732.41
		7,123.81	*495.02*	*2.24*	*7,616.59*	*6,732.41*	*7,155.20*
(c)	Plant and Equipment	28,646.53	1,490.12	1,532.11	28,604.54	8,556.40	9,235.96
		27,462.44	*1,516.18*	*332.09*	*28,646.53*	*9,235.96*	*9,712.28*
(d)	Furniture and Fixtures	905.24	34.88	42.09	898.03	170.25	162.57
		884.53	*36.00*	*15.29*	*905.24*	*162.57*	*177.32*
(e)	Vehicles	292.12	73.81	-	365.93	58.59	127.67
		255.00	*73.29*	*36.17*	*292.12*	*127.67*	*140.34*
(f)	Office equipment	1,816.93	90.95	210.42	1,697.46	221.05	180.38
		1,715.80	*126.18*	*25.05*	*1,816.93*	*180.38*	*269.31*
	TOTAL	**39,736.34**	**2,196.79**	**2,076.24**	**39,856.89**	**23,204.07**	**24,599.89**
		37,862.55	*2,284.63*	*410.84*	*39,736.34*	*24,599.89*	*25,653.31*

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

Notes forming part of the consolidated financial statements

Note	Particulars

11 FIXED ASSETS (CONTD.)

₹ Lakhs

B	Intangible assets	Gross block		
		Balance as at April 1, 2013	Additions	Balance as at March 31, 2014
1	Internally Generated			
	(a) Brand	66,000.00	-	66,000.00
		66,000.00	*-*	*66,000.00*
	TOTAL INTERNALLY GENERATED	**66,000.00**	**-**	**66,000.00**
		66,000.00	*-*	*66,000.00*
2	Others			
	(a) Brand	1,600.00	-	1,600.00
		1,600.00	*-*	*1,600.00*
	(b) Computer software	1,008.58	44.45	1,053.03
		832.92	*175.66*	*1,008.58*
	(c) Patent / Trademark	15.00	-	15.00
		15.00	*-*	*15.00*
	TOTAL OTHERS	**2,623.58**	**44.45**	**2,668.03**
		2,447.92	*175.66*	*2,623.58*
	TOTAL INTANGIBLE ASSETS	**68,623.58**	**44.45**	**68,668.03**
		68,447.92	*175.66*	*68,623.58*

₹ Lakhs

B	Intangible assets	Accumulated depreciation			Net block	
		Balance as at April 1, 2013	Depreciation / amortisation expense for the year	Balance as at March 31, 2014	Balance as at March 31, 2014	Balance as at March 31, 2013
	Internally generated					
	(a) Brand	14,850.00	1,650.00	16,500.00	49,500.00	51,150.00
		13,200.00	*1,650.00*	*14,850.00*	*51,150.00*	*52,800.00*
	TOTAL INTERNALLY GENERATED	**14,850.00**	**1,650.00**	**16,500.00**	**49,500.00**	**51,150.00**
		13,200.00	*1,650.00*	*14,850.00*	*51,150.00*	*52,800.00*
	Others					
	(a) Brand	1,440.00	160.00	1,600.00	-	160.00
		1,280.00	*160.00*	*1,440.00*	*160.00*	*320.00*
	(b) Computer software	551.09	176.14	727.23	325.80	457.49
		393.55	*157.54*	*551.09*	*457.49*	*439.37*
	(c) Patent / Trademark	15.00	-	15.00	-	-
		15.00	*-*	*15.00*	*-*	*-*
	TOTAL OTHERS	**2,006.09**	**336.14**	**2,342.23**	**325.80**	**617.49**
		1,688.55	*317.54*	*2,006.09*	*617.49*	*759.37*
	TOTAL INTANGIBLE ASSETS	**16,856.09**	**1,986.14**	**18,842.23**	**49,825.80**	**51,767.49**
		14,888.55	*1,967.54*	*16,856.09*	*51,767.49*	*53,559.37*

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

Notes forming part of the consolidated financial statements

Note	Particulars

11 FIXED ASSETS (CONTD.)

₹ Lakhs

	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
C.	**Depreciation and amortisation:**		
	Depreciation and amortisation for the year on tangible assets as per Note 11.A	2,196.79	2,284.63
	Depreciation and amortisation for the year on intangible assets as per Note 11.B	1,986.14	1,967.54
	Less: Depreciation on revalued portion of Fixed Assets transferred to Revaluation Reserve	-	744.88
	TOTAL	**4,182.93**	**3,507.29**

12 NON-CURRENT INVESTMENTS

₹ Lakhs

	As at March 31, 2014			As at March 31, 2013		
Particulars	**Quoted**	**Unquoted**	**Total**	**Quoted**	**Unquoted**	**Total**
Investments (At cost):						
Trade						
Investment in equity instruments- of other entities						
40 (As at March 31, 2013: 40) shares of ₹ 5/- each fully paid up in McLeod Russel India Ltd.* [₹ 200/-]	*		*	*		*
TOTAL - TRADE	*****	-	*****	*****	-	*****
Aggregate market value of listed and quoted investments			0.12			0.14

13 LOANS & ADVANCES

₹ Lakhs

		As at March 31, 2014		As at March 31, 2013	
Particulars		**Non-current**	**Current**	**Non-current**	**Current**
(a)	Capital advances				
	Unsecured, considered good	494.05	-	233.79	-
(b)	Security deposits				
	Unsecured, considered good	463.60	68.75	463.79	69.36
(c)	Loans and advances to related parties (due from director)				
	Unsecured, considered good	8.89	3.21	11.54	3.21
(d)	Loans and advances to employees				
	Unsecured, considered good	185.97	76.64	191.61	70.47
(e)	Prepaid expenses	28.78	130.69	51.11	188.79
(f)	Advance income tax [net of provisions ₹ 969.56 Lakhs (As at March 31, 2013 ₹ 957.06 Lakhs)]	455.64	-	454.48	-
(g)	Balances with government authorities				

Notes forming part of the consolidated financial statements

Note	Particulars

13 LOANS & ADVANCES (CONTD.)

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
(i) CENVAT credit receivable	106.87	145.40	115.33	178.27
(ii) VAT credit receivable	149.68	101.10	172.91	99.99
(iii) Service Tax credit receivable	-	484.81	-	504.26
	256.55	731.31	288.24	782.52
(h) Other loans and advances				
Unsecured, considered good				
- Advance to suppliers	0.57	996.68	0.47	1,565.64
TOTAL	**1,894.05**	**2,007.28**	**1,695.03**	**2,679.99**

14 OTHER ASSETS

₹ Lakhs

Particulars	As at March 31, 2014		As at March 31, 2013	
	Non-current	Current	Non-current	Current
(i) Insurance claims	10.67	42.44	7.24	33.03
(ii) Receivables on sale of fixed assets	-	31.96	-	7.17
(iii) Other trade claims	41.11	166.95	42.00	562.54
(iv) Others	1,139.37	259.03	858.66	315.17
TOTAL	**1,191.15**	**500.38**	**907.90**	**917.91**

15 INVENTORIES (At lower of cost and net realisable value)

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Raw materials	7,960.19	7,323.73
Goods-in-transit	2,312.33	1,949.69
	10,272.52	9,273.42
(b) Work-in-progress (Refer Note below)	3,740.28	3,107.55
(c) Finished goods (other than those acquired for trading)	7,719.51	5,876.80
Goods-in-transit	403.69	323.50
	8,123.20	6,200.30
(d) Stock-in-trade (acquired for trading)	3,021.97	2,985.37
Goods-in-transit	72.44	80.75
	3,094.41	3,066.12
(e) Stores and spares	463.89	452.58
TOTAL	**25,694.30**	**22,099.97**

Notes forming part of the consolidated financial statements

Note	Particulars

15 **INVENTORIES (At lower of cost and net realisable value) (Contd.)**

Note: Details of inventory of work-in-progress

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Batteries	2,387.18	1,856.88
Flashlights	1,033.35	962.67
Other items	319.75	288.00
TOTAL	**3,740.28**	**3,107.55**

16 **TRADE RECEIVABLES**

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Trade Receivables not due for payment	3,135.11	2,943.56
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	22.39
Doubtful	188.38	156.74
	188.38	179.13
Less: Provision for doubtful trade receivables	188.38	156.74
	-	22.39
Other Trade receivables		
Unsecured, considered good	1,761.95	1,450.96
Doubtful	24.77	32.84
	1,786.72	1,483.80
Less: Provision for doubtful trade receivables	24.77	32.84
	1,761.95	1,450.96
TOTAL	**4,897.06**	**4,416.91**

17 **CASH AND BANK BALANCES**

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents		
(a) Cash in hand	13.24	11.16
(b) Cheques, drafts in hand	0.60	3.54
(c) Balances with banks		
- In current accounts	55.43	390.44
	69.27	**405.14**
Other Bank Balances		
(a) In earmarked accounts		
(i) Unpaid dividend accounts	11.59	29.52
(ii) Unpaid matured deposits and interest accrued thereon	1.52	3.12
(iii) Balances held as margin money or security against borrowings, guarantees and other commitments	15.28	0.18
(iv) others	14.30	14.30
(b) Deposit Accounts with maturity of more than three months	0.10	5.10
	42.79	**52.22**
TOTAL	**112.06**	**457.36**

Notes forming part of the consolidated financial statements

Note	Particulars

18 REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Sale of products (Refer Note (i) below)	121,403.06	108,957.16
(b) Other operating revenues (Refer Note (ii) below)	106.76	102.93
	121,509.82	**109,060.09**
Less:		
(c) Excise duty	6,169.12	5,527.42
TOTAL	**115,340.70**	**103,532.67**

Notes:

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Sale of products comprises:		
Manufactured goods		
Batteries	71,875.75	62,769.06
Flashlights	11,280.95	12,231.35
Packet Tea	7,683.14	7,449.64
Electrical Products	597.95	35.08
Others	59.83	94.97
TOTAL - SALE OF MANUFACTURED GOODS	**91,497.62**	**82,580.10**
Traded goods		
Batteries	2,189.45	2,266.47
Flashlights	13,860.37	13,864.20
Electrical Products	13,733.54	10,192.88
Others	122.08	53.51
TOTAL - SALE OF TRADED GOODS	**29,905.44**	**26,377.06**
TOTAL - SALE OF PRODUCTS	**121,403.06**	**108,957.16**
(ii) Other operating revenues comprise:		
Sale of scrap	106.76	102.93
TOTAL - OTHER OPERATING REVENUES	**106.76**	**102.93**

19 OTHER INCOME

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest income (Refer Note (i) below)	35.46	684.50
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	33.82	106.39
(c) Other non-operating income (Refer Note (ii) below)	804.60	152.14
TOTAL	**873.88**	**943.03**

Notes forming part of the consolidated financial statements

Note	Particulars

19 OTHER INCOME (CONTD.)

Notes:

₹ Lakhs

	Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i)	Interest income comprises:		
	- On deposits with Banks	17.22	24.37
	- On advance payment of Taxes	18.24	660.13
	TOTAL - INTEREST INCOME	**35.46**	**684.50**
(ii)	Other non-operating income comprises:		
	- Profit on sale of fixed assets	744.53	-
	- Provisions no longer required written back	60.07	152.14
	- Dividend Income (₹ 280/-, For the year ended March 31, 2013 : ₹ 240/-)	-	-
	TOTAL - OTHER NON-OPERATING INCOME	**804.60**	**152.14**

20.a COST OF MATERIALS CONSUMED

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening stock	9,273.42	8,270.58
Add: Purchases	58,017.18	50,515.02
	67,290.60	58,785.60
Less: Closing stock	10,272.52	9,273.42
TOTAL COST OF MATERIAL CONSUMED	**57,018.08**	**49,512.18**

20.b PURCHASE OF STOCK-IN-TRADE

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Batteries	1,838.98	1,430.11
Flashlights	9,120.95	9,661.03
Electrical Products	11,189.00	7,836.92
Others	121.35	352.53
TOTAL	**22,270.28**	**19,280.59**

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

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Inventories at the end of the year:		
Finished goods	8,123.20	6,200.30
Work-in-progress	3,740.28	3,107.55
Stock-in-trade	3,094.41	3,066.12
	14,957.89	**12,373.97**

Notes forming part of the consolidated financial statements

Note	Particulars

20.c CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE (CONTD.)

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Inventories at the beginning of the year:		
Finished goods	6,200.30	5,897.09
Work-in-progress	3,107.55	3,384.81
Stock-in-trade	3,066.12	3,271.95
	12,373.97	**12,553.85**
NET (INCREASE) / DECREASE	**(2,583.92)**	**179.88**

21 EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	8,147.34	7,219.21
Contributions to provident and other funds (Refer Note 24.5)	833.21	849.39
Staff welfare expenses	1,013.92	935.94
TOTAL	**9,994.47**	**9,004.54**

22 FINANCE COSTS

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(a) Interest expense on borrowings	3,091.80	3,541.44
(b) Other borrowing costs	62.10	51.52
(c) Net loss on foreign currency transactions and translation (considered as finance cost)	688.28	244.22
(d) Bank Charges	269.00	210.96
TOTAL	**4,111.18**	**4,048.14**

23 OTHER EXPENSES

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	446.73	457.01
Increase / (Decrease) in excise duty in inventory of Finished Goods	189.08	(21.61)
Power and fuel	1,419.39	1,401.03
Rent	700.33	737.37
Repairs and maintenance - Buildings	175.60	136.04
Repairs and maintenance - Machinery	937.34	899.17
Repairs and maintenance - Software	177.83	126.49

Notes forming part of the consolidated financial statements

Note	Particulars

23 OTHER EXPENSES (CONTD.)

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Insurance	156.19	136.81
Rates and taxes	855.20	779.43
Travelling and conveyance	2,004.39	1,759.09
Freight, Shipping and Selling Expenses	6,559.23	5,986.67
Advertisement, Sales Promotion and Market Research	3,615.62	3,644.97
Payments to auditors	54.88	48.02
Bad and doubtful trade receivables	23.58	(7.81)
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 24.11)	111.78	223.44
Miscellaneous expenses	2,146.40	2,543.64
TOTAL	**19,573.57**	**19,019.42**

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Note	Particulars	As at March 31, 2014	As at March 31, 2013
24.1	**Contingent liabilities & commitments (to the extent not provided for)**		
	(i) Contingent liabilities		
	(a) Claims against the Company not acknowledged as debts:		
	- Excise & Customs *	1,769.70	1,769.70
	- Sales tax	64.24	84.19
	- 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.)	196.69	307.79
	(ii) Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	-Tangible assets	1,947.26	3,076.21

24.2 Details on derivatives instruments and unhedged foreign currency exposures

i. The following derivative positions are open as at March 31, 2014. 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.

Notes forming part of the consolidated financial statements

Note **Particulars**

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

Outstanding forward exchange contracts entered into by the Company as on March 31, 2014

Currency	Amount in Lakhs	Buy / Sell	Cross currency
USD	65.31	Buy	Rupees
	70.86	*Buy*	*Rupees*
USD	5.60	Sell	Rupees
	0.45	*Sell*	*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, 2014		As at March 31, 2013	
Receivable (Payable) ₹ Lakhs	**Receivable/ (Payable) in Foreign currency in million**	**Receivable/(Payable) ₹ Lakhs**	**Receivable/ (Payable) in Foreign currency in million**
149.78	US$ 0.25	136.54	US$ 0.25
(2,946.52)	(US$ 4.92)	(3,775.10)	(US$ 6.95)

24.3 Note on Subsidiary Novener SAS

The Company acquired a controlling stake in Novener SAS in July 2009, a rechargeable battery conglomerate whose products are marketed under the brand name of "Uniross". As at March 31, 2014, the Company has an investment of ₹ 4,646.04 Lakhs (March 31, 2013 : ₹ 4,646.04 Lakhs) and has advanced amounts aggregating to ₹ 2,973.27 Lakhs (March 31, 2013 : ₹ 2,973.27 Lakhs). The Company's total exposure towards investments and advances of ₹ 7619.31 Lakhs stand fully provided for as at March 31, 2014 (March 31, 2013 : ₹ 7,619.31 Lakhs). The investment in Novener SAS is now valued at ₹ 1 in the financial statements of the company. The Uniross Group which constitutes the operating entities under Novener SAS went under liquidation and are under external administration as ordered by a competent court in France. Novener SAS has also been put under liquidation during the year. The company has approached RBI for writing off the investment and advances as mentioned above. RBI has acknowledged the same and requested the company to approach for write off after the completion of liquidation which is pending.

In view of the above,the Consolidated Financial Statements does not include any financial report of Novener SAS.

24.4 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.

24.5 Employee benefit plans

24.5.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 ₹ 234.34 Lakhs (Year ended March 31, 2013: ₹ 210.92 Lakhs) for Provident Fund contributions and ₹ 197.56 Lakhs (Year ended March 31, 2013: ₹ 209.37 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.

24.5.b Defined benefit plans

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

i. Gratuity

ii. Post-employment medical benefits

Notes forming part of the consolidated financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

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, 2014				Year ended March 31, 2013			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Components of employer expense								
Current service cost	112.03	-	-	28.01	98.49	-	-	24.70
Interest cost	103.45	27.34	28.11	17.21	95.13	28.03	29.27	17.32
Expected return on plan assets	(166.28)	-	(44.02)	-	(144.49)	-	(43.41)	-
Actuarial losses / (gains)	34.40	(10.09)	(32.48)	28.54	88.40	11.55	(12.42)	18.64
Total expense / (income) recognised in the Statement of Profit and Loss	**83.60**	**17.25**	**(48.39)**	**73.76**	**137.53**	**39.58**	**(26.56)**	**60.66**
Actual contribution and benefit payments for year								
Actual benefit payments	158.41	38.02	38.12	53.29	208.28	38.21	60.06	58.41
Actual contributions	310.00	38.02	-	53.29	332.48	38.21	-	58.41
Net asset / (liability) recognised in the Balance Sheet								
Present value of defined benefit obligation	1,452.89	329.55	342.42	255.68	1,333.21	350.32	359.73	235.21
Fair value of plan assets	2,285.76	-	583.68	-	1,939.68	-	552.60	-
Funded status [Surplus / (Deficit)]	832.87	(329.55)	241.26	(255.68)	606.47	(350.32)	192.87	(235.21)
Net asset / (liability) recognised in the Balance Sheet	**832.87**	**(329.55)**	**241.26**	**(255.68)**	**606.47**	**(350.32)**	**192.87**	**(235.21)**

₹ Lakhs

Particulars	Year ended March 31, 2014				Year ended March 31, 2013			
	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	1,333.21	350.32	359.73	235.21	1,223.29	348.95	374.39	232.96
Current service cost	112.03	-	-	28.01	101.49	-	-	24.70
Interest cost	103.45	27.34	28.11	17.21	95.13	27.93	29.27	17.32
Actuarial losses / (gains)	62.61	(10.09)	(7.30)	28.54	121.58	11.55	16.13	18.64
Benefits paid	(158.41)	(38.02)	(38.12)	(53.29)	(208.28)	(38.21)	(60.06)	(58.41)
Present value of DBO at the end of the year	**1,452.89**	**329.55**	**342.42**	**255.68**	**1,333.21**	**350.22**	**359.73**	**235.21**
Change in fair value of assets during the year								

Notes forming part of the consolidated financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Particulars	Year ended March 31, 2014				Year ended March 31, 2013			
	Gratuity	Post-employment medical benefits	Pension	Leave Encashment	Gratuity	Post-employment medical benefits	Pension	Leave Encashment
Plan assets at beginning of the year	1,939.68	-	552.60	-	1,637.81	-	540.70	-
Expected return on plan assets	166.28	-	44.02	-	144.49	-	43.41	-
Actual company contributions	310.00	38.02	-	53.29	332.48	38.21	-	58.41
Actuarial gains	28.21	-	25.18	-	33.18	-	28.55	-
Benefits paid	(158.41)	(38.02)	(38.12)	(53.29)	(208.28)	(38.21)	(60.06)	(58.41)
Plan assets at the end of the year	**2,285.76**	**-**	**583.68**	**-**	**1,939.68**	**-**	**552.60**	**-**
Actual return on plan assets	194.49	-	69.20	-	177.67	-	71.96	-
Composition of the plan assets is as follows:								
Government bonds	94.35	NA	148.76	NA	96.48	NA	152.12	NA
Special Deposit with SBI	-	NA	65.35	NA	-	NA	65.35	NA
Corporate Bonds	-	NA	50.08	NA	-	NA	89.57	NA
Insurance Companies	2,034.90	NA	1,813.28	NA	1,681.19	NA	1,518.56	NA
Cash and Cash Equivalents	5.12	NA	4.12	NA	6.64	NA	9.65	NA
Actuarial assumptions								
Discount rate	8.50%	8.50%	8.50%	8.50%	8.25%	8.25%	8.25%	8.25%
Expected return on plan assets	8.25%	NA	8.25%	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 (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate

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

Particulars	2013-2014	2012-2013	2nd prior year	3rd prior year	4th prior year
Gratuity					
Present value of DBO	1,452.89	1,333.21	1,223.29	1,293.83	1,121.44
Fair value of plan assets	2,285.76	1,943.51	1,637.81	1,506.17	1,382.29
Funded status - Surplus	832.87	606.47	414.52	212.34	260.85
Experience gain / (loss) adjustments on plan liabilities	94.52	93.57	(36.29)	(178.08)	(48.41)
Experience gain / (loss) adjustments on plan assets	28.21	33.18	2.13	(14.96)	120.12
Post Employment Medical Benefits					
Present value of DBO	329.55	350.22	348.95	342.11	355.03

Notes forming part of the consolidated financial statements

Note **Particulars**

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Particulars	2013-2014	2012-2013	2nd prior year	3rd prior year	4th prior year
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(329.55)	(350.32)	(348.95)	(342.11)	(355.03)
Experience gain / (loss) adjustments on plan liabilities	(4.30)	5.12	(17.24)	2.79	(20.67)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA
Pension					
Present value of DBO	342.42	359.73	374.39	658.97	667.12
Fair value of plan assets	583.68	552.60	540.70	690.60	734.53
Funded status - Surplus	241.26	192.87	166.31	31.63	67.41
Experience gain / (loss) adjustments on plan liabilities	(3.75)	16.13	31.97	(0.34)	(138.74)
Experience gain / (loss) adjustments on plan assets	25.18	28.55	100.02	(41.00)	110.96
Leave					
Present value of DBO	255.68	235.21	232.96	239.17	238.32
Fair value of plan assets	NA	NA	NA	NA	NA
Funded status - (Deficit)	(255.68)	(235.21)	(232.96)	(239.17)	(238.32)
Experience gain / (loss) adjustments on plan liabilities	33.20	14.37	(37.34)	(30.84)	(90.18)
Experience gain / (loss) adjustments on plan assets	NA	NA	NA	NA	NA

24.6 Segment information

The Company is engaged in the business of marketing of dry cell batteries, rechargeable batteries, flashlights, packet tea and general electrical products which come under a single business segment known as Consumer Goods. Sale outside India is below the reportable threshold limit, thus geographical segment information is not given.

24.7 Related party transactions

24.7.a Details of related parties:

Description of relationship	Names of related parties
Subsidiaries	Novener SAS #
	Uniross SA #
	Uniross Batteries SAS #
	Uniross Batteries (PTY) LTD. *
	Uniross Batteries Limited *
	Everfast Rechargeables Limited *
	Idea Power Limited *
	* not operational
	# under liquidation - not operational
Key Management Personnel (KMP)	Mr. S. Saha
	Mr. Amritanshu 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.

24.7.b Details of related party transactions during the year ended March 31, 2014 and balances outstanding as at March 31, 2014:

₹ Lakhs

Particulars	KMP	Relatives of KMP	Total
Remuneration			
- Mr. S. Saha	184.56	-	184.56
	184.10	-	*184.10*
- Mr. Amritanshu Khaitan	95.08	-	95.08
	93.72	-	*93.72*

Notes forming part of the consolidated financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

₹ Lakhs

Particulars	KMP	Relatives of KMP	Total
Rent Paid	4.56	-	4.56
	4.56	-	*4.56*
Car Rental Charges - in accordance with Company's scheme	-	6.60	6.60
	-	*6.45*	*6.45*
Balances outstanding at the end of the year			
Loans and advances	12.10	-	12.10
	14.75	-	*14.75*

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

24.8 Earnings per share

24.8.a Basic

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Net profit / (loss) for the year ₹ in Lakhs	1,359.11	507.64
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 ₹	1.87	0.70

24.8.b Diluted

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
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	1,359.11	507.64
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 ₹	1.87	0.70

24.9 Deferred tax (liability) / asset

₹ Lakhs

Particulars	As at March 31, 2014	As at March 31, 2013
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	(1,490.19)	(1,336.23)
Tax effect of items constituting deferred tax liability	(1,490.19)	(1,336.23)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	82.96	76.31
Provision for doubtful debts / advances	69.16	61.51
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	246.30	269.15
Others	27.60	95.12
Tax effect of items constituting deferred tax assets	426.01	502.09
Net deferred tax (liability)	**(1,064.18)**	**(834.14)**

Notes forming part of the consolidated financial statements

Note	Particulars

24 ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS (CONTD.)

DISCLOSURES UNDER ACCOUNTING STANDARDS

24.10 Details of Research and Development expenditure recognised as an expense

₹ Lakhs

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Materials	-	0.18
Employee benefits expense	214.68	150.63
Consumables	46.76	36.23
Travelling expenses	36.56	31.63
Rent	3.25	1.62
Others	66.31	55.89
TOTAL	**367.56**	**276.19**

24.11 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, 2013	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at March 31, 2014
Provision for other contingencies					
Sales Tax	42.19	57.30	-	-	99.49
	102.02	*0.50*	-	*60.33*	*42.19*
Excise	280.36	21.39	-	60.07	241.68
	69.15	*222.53*	-	*11.32*	*280.36*
Others	315.90	33.09	-	-	348.99
	437.20	*0.41*	*41.22*	*80.49*	*315.90*
TOTAL	**638.45**	**111.78**	**-**	**60.07**	**690.16**
	608.37	*223.44*	*41.22*	*152.14*	*638.45*

Note:

(i) Figures in *italics* relate to the previous year.

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

24.12 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
Managing Director

Tehnaz Punwani
Sr. General Manager - Legal & Company Secretary

Place: Kolkata
Date: May 5, 2014

EVEREADY
INDUSTRIES INDIA LTD.

Middleton Street, Kolkata 700 071

www.evereadyindustries.com

concept, content and design at aicl [info@aicl.in]

FORM A

Covering letter of the annual audit report on the financial statements for the year ended 31st March, 2014

1.	Name of the Company:	Eveready Industries India Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	Signature- S. Saha CEO / Whole Time Director	
	Abhijit Bandyopadhyay Partner Deloitte Haskins & Sells Chartered Accountants	
	P. H. Ravikumar Audit Committee Chairman	