

Profit and Loss Account

For the year ended March 31, 2007

Rs. Lakhs

	Schedule	2006-07	2005-06
Income			
Sales	1	87,386.69	82,715.92
Less : Excise Duty		<u>10,134.25</u>	<u>9,434.78</u>
Other Sources			
Net Profit on Sale/Retirement of Real Estate/Assets		57.73	7,664.10
Other Operating Income	2	240.97	206.18
Provision no longer required written back		782.32	424.67
		78,333.46	81,576.09
Expenditure			
Operating Expenses	3	68,776.52	70,517.09
(Increase)/Decrease in inventories of Finished Goods and Work-in-progress		4,120.54	(6,081.41)
Provision - Others		643.57	400.00
Depreciation		3,782.48	3,622.14
Less : Transferred from Revaluation Reserve		<u>(1,787.97)</u>	<u>(1,791.63)</u>
Interest and Finance Cost	4	4,118.12	4,960.47
		79,653.26	71,626.66
Net (Loss) / Profit Before Taxation		(1,319.80)	9,949.43
Provision for Taxation – Current including Wealth Tax		27.38	1,360.01
– Deferred		<u>(168.71)</u>	<u>334.83</u>
– Fringe Benefit Tax		164.43	288.85
Net (Loss) / Profit After Taxation		(1,342.90)	7,965.74
Balance brought forward from Previous Year		1,449.23	1,131.09
Amount Available for Appropriations		106.33	9,096.83
– Proposed Dividend		-	1,444.95
– Tax on Proposed Dividend		-	202.65
– Transferred to General Reserve		-	6,000.00
Balance carried forward to Balance Sheet		106.33	1,449.23
Earning Per Share (Face Value Rs. 5 each)			
– Basic		(1.85)	13.04
– Diluted		(1.85)	12.35
Notes	18		
The Schedules referred to above form an interegral part of the Profit and Loss Account.			

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants
K. Rajasekhar
Partner
 Kolkata, 11th May, 2007

For and on behalf of the Board of Directors
D. Khaitan
Executive Vice-Chairman & Managing Director
S. Saha
Wholetime Director
T. Punwani
Sr. General Manager – Legal & Company Secretary

Balance Sheet

As at March 31, 2007

Rs. Lakhs

	Schedule	31.03.2007		31.03.2006	
Funds Employed					
Fixed Assets					
Fixed Assets	5	82,477.69		85,947.63	
Capital Expenditure in Progress		<u>7,888.62</u>	90,366.31	<u>2,140.32</u>	88,087.95
Investments	6		4,746.87		4,746.87
Current Assets					
Inventories	7	17,571.18		20,276.43	
Sundry Debtors	8	4,524.65		4,461.76	
Cash & Bank Balances	9	1,640.93		659.26	
Loans and Advances	10	<u>8,207.10</u>		<u>6,891.26</u>	
		<u>31,943.86</u>		<u>32,288.71</u>	
Less : Current Liabilities	11	14,173.33		15,922.69	
Provisions	12	<u>4,998.09</u>		<u>6,751.84</u>	
		<u>19,171.42</u>		<u>22,674.53</u>	
Net Current Assets			12,772.44		9,614.18
Miscellaneous Expenditure (To the extent not written off or adjusted)	13		102.57		134.15
			1,07,988.19		1,02,583.15
Financed by					
Share Capital and Reserves					
Share Capital	14	3,634.36		3,587.36	
Reserves and Surplus	15	<u>57,488.30</u>	61,122.66	<u>59,832.32</u>	63,419.68
Share Warrants (Refer Note 36 of Schedule 18)			551.95		641.25
Loan Funds					
Secured Loans	16	40,006.52		34,716.56	
Unsecured Loans	17	<u>5,882.54</u>	45,889.06	<u>3,201.07</u>	37,917.63
Deferred Tax Liability (Net)			424.52		604.59
			1,07,988.19		1,02,583.15
Notes	18				
The Schedules referred to above form an integral part of the Balance Sheet.					

In terms of our report attached
 For **Deloitte Haskins & Sells**
Chartered Accountants
K. Rajasekhar
Partner
 Kolkata, 11th May, 2007

For and on behalf of the Board of Directors
D. Khaitan
Executive Vice-Chairman & Managing Director
S. Saha
Wholetime Director
T. Punwani
Sr. General Manager – Legal & Company Secretary

Cash Flow Statement For the year ended 31st March, 2007

Rs. Lakhs

	2006-07	2005-06
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(1,319.80)	9,949.43
Adjustments for :		
Doubtful Debts & Advances (Net)	30.24	14.93
Provision for Contingencies written back	(782.32)	(424.67)
Provision - Others	643.57	400.00
Depreciation	1,994.51	1,830.51
Net Exchange (Gain)/Loss on Translation of Loans	84.22	534.58
Investment Income	(74.74)	(9.33)
Interest(Net)	4,033.90	4,321.74
Profit on Sale/Disposal of Real Estate/Fixed Assets	57.73	(7,664.10)
Liabilities written back	-	(356.00)
	4,667.31	8,597.09
Misc expenditure charged to P&L	107.17	94.12
Operating Profit Before Working Capital Changes	4,774.48	8,691.21
Adjustments for :		
Trade and Other Receivables	(1,512.51)	(1,810.71)
Inventories	2,705.25	(5,677.86)
Trade Payables and Other Liabilities	(1,829.94)	1,464.69
Cash Generated from Operations	4,137.28	2,667.33
Direct Taxes paid	(403.32)	(1,719.65)
Employee Separation Compensation paid	(75.59)	(150.56)
Net Cash from Operating Activities	3,658.37	797.12
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(6,155.34)	(2,258.94)
Sale of Real Estate/Fixed Assets	103.54	8,053.31
Investment in subsidiary	-	(4,459.58)
Interest Received	74.74	56.75
Net Cash Flow from Investing Activities	(5,977.06)	1,391.54
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of GDRs/Preference Shares	47.00	798.41
Share Premium (net of expenses) received	846.00	14,177.76
Share Warrants	-	641.25
Proceeds from Long-Term Borrowings	21,946.65	3,076.54
Proceeds from Short-Term Borrowings	3,015.60	2,405.00
Repayment of Long-Term Borrowings	(15,653.27)	(17,991.75)
Repayment of Short-Term Borrowings	(1,337.55)	(470.13)
Loan to subsidiary	-	(410.00)
Interest Paid	(4,118.12)	(4,903.73)
Dividend Paid	(1,445.95)	-
Net Cash Flow in Financing Activities	3,300.36	(2,676.65)
Net (Decrease)/Increase in Cash and Cash-Equivalents (A+B+C)	981.67	(487.99)
Cash and Cash-Equivalents on Opening Date	659.26	1,147.25
Cash and Cash-Equivalents on Closing Date * (See Schedule 9)	1,640.93	659.26
	981.67	(487.99)

Notes: i) Figures in brackets represent outflows.
ii) Previous year figures have been recast/restated wherever necessary.
* Includes restricted balance Rs. 64.67 Lakhs. [31.03.2006 : Rs. 176.79 Lakhs]

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
K. Rajasekhar
Partner
Kolkata, 11th May, 2007

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice-Chairman & Managing Director

S. Saha
Wholetime Director

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

Schedules to Accounts

	Unit	2006-07		2005-06	
		Qty.	Rs. Lakhs	Qty.	Rs. Lakhs
1. Sales					
Class of Goods					
Batteries	Million Pcs.	1,142.04	67,648.31	1,202.41	62,031.12
Flashlights	Million Pcs.	11.98	10,731.39	15.82	13,489.60
Packet Tea	Tonne	7,123.97	7,694.33	6,547.15	6,562.40
Castings, Hard Facing Alloy & Tube Rods	Tonne	—	—	1.41	47.51
Electrolytic Manganese Dioxide	Tonne	111.70	75.80	277.00	177.87
Others			67.84		104.95
Purchased Products (excludes Batteries and Flashlights)			1,169.02		302.47
			87,386.69		82,715.92

2. Income from Other Sources		Rs. Lakhs	
Interest Income :			
Interest on Long Term tax free Investments		7.67	9.33
Interest on bank and other accounts (Tax deducted at source Rs. 2.89 Lakhs, 2005-06 - Rs. 5.04 Lakhs)		67.06	47.41
Miscellaneous Income		166.24	149.44
		240.97	206.18

3. Operating Expenses			
Salaries, Wages and Bonus (includes Long Term Employee Benefits Rs. 41.49 Lakhs, 2005-06 - Rs. 59.69 Lakhs)		5,477.74	4,859.55
Contribution to Provident Fund, Gratuity Fund, Pension Fund and State Insurance (net of provision written back Rs. NIL, 2005-06 - Rs. 356.00 Lakhs)		495.16	328.09
Workmen and Staff Welfare Expenses (includes Long Term Employee Benefits Rs. 50.03 Lakhs, 2005-06 - Rs. 49.00 Lakhs)		1,073.07	1,063.89
Raw Materials consumed		42,601.60	45,623.54
Stores and Spares consumed		319.82	557.62
Purchase of Finished Goods for resale		4,782.03	3,999.01
Power and Fuel		1,212.75	1,805.52
Travelling and Conveyance		1,237.59	1,201.25
Advertisement, Sales Promotion and Market Research		4,317.03	3,795.29
Freight, Shipping and Selling Expenses		3,610.68	3,609.53
Repairs – Machinery		966.79	970.89
– Buildings		130.42	177.98
Rent		324.03	328.30
Rates and Taxes		515.91	726.46
Insurance		121.96	133.64
Postage, Stationery & Communication		297.29	338.70
Bank Charges		102.33	110.76
Doubtful Debts/Advances (net)		30.24	14.93
Donations		1.13	2.00
Deferred Revenue Expenditure written off		107.17	94.12
Miscellaneous Expenses		1,275.82	1,082.44
Less : Amount Transferred to Capital and Other Accounts *		(224.04)	(306.42)
		68,776.52	70,517.09

* includes credit of Rs. 704.93 (2005-06 debit of Rs. 551.76) on account of Excise duty pertaining to change in Inventory.

Schedules to Accounts

Rs. Lakhs

	2006-07	2005-06
4. Interest and Exchange Fluctuation		
Interest Charge :		
On Fixed Loans	2,996.32	3,349.64
Others	1,037.58	1,076.25
Net Exchange Loss in Foreign Currency	84.22	534.58
Interest and Finance Cost	4,118.12	4,960.47

5. Fixed Assets

ASSETS	GROSS BLOCK AT COST OR REVALUATION				DEPRECIATION				NET BLOCK
	Cost/ valuation as at 1st April, 2006	Additions/ Adjustments during the year	Sales/ Retirements/ Adjustments during the year	Cost/ valuation as at 31st March, 2007	As at 1st April, 2006	For the year	On assets Sold/Retired/ Adjusted during the year	Total as at 31st March, 2007	Written down value as at 31st March, 2007
Intangibles :									
Software & License	139.25	-	-	139.25	11.62	23.20	-	34.82	104.43
Brand	67,600.00	-	-	67,600.00	3,620.00	1,810.00	-	5,430.00	62,170.00
Patent/Trade Mark	15.00	-	-	15.00	15.00	-	-	15.00	-
Tangibles :									
Land-freehold	7,841.21	-	-	7,841.21	284.85	18.39	-	303.24	7,537.97
Leasehold Land	1,547.80	-	-	1,547.80	173.60	20.02	-	193.62	1,354.18
Buildings	11,974.96	13.75	113.86	11,874.85	4,743.20	402.28	40.58	5,104.90	6,769.95
Plant, Machiner, Equipment etc.	27,660.47	344.69	88.28	27,916.88	22,853.81	1,033.75	78.10	23,809.46	4,107.42
Furniture & Fixture and Office Appliances	2,494.55	36.73	44.52	2,486.76	1,706.48	419.88	39.18	2,087.18	399.58
Motor Vehicles	424.79	11.50	69.72	366.57	341.84	54.96	64.39	332.41	34.16
Total	119,698.03	406.67	316.38	119,788.32	33,750.40	3,782.48	222.25	37,310.63	82,477.69
31st March, 2006	120,718.46	1,149.35	2,169.78	119,698.03	31,459.05	3,622.14	1,330.79	33,750.40	85,947.63

- Notes : 1. Revaluation of Freehold Land, Leasehold Land (other than those on short lease), owned Buildings, Plant and Machinery and Equipment was carried out as on 31st March, 1995 by an approved valuer on current cost basis. The resultant increase in the net book value of Rs. 19,596.92 Lakhs was credited to Revaluation Reserve in that year.
2. Revaluation of Freehold Land, Leasehold Land (other than those on short lease) and owned Buildings was carried as on 31st March, 2004 by an approved valuer on current cost basis and adjusted for depreciation element as applicable. The resultant increase in the net book value on revaluation amounting to Rs. 10,968.72 Lakhs was transferred to Revaluation Reserve in that year.
3. Building and Plant, Machinery, Equipment etc includes Gross Block of Rs. 56.65 Lakhs (31.03.06 - Rs. 56.65 Lakhs) and Rs. 1,481.03 Lakhs (31.03.06 - Rs. 1,481.03 Lakhs) respectively. Net Block Rs. 3.53 Lakhs (31.03.06 - Rs. 4.37 Lakhs) and Rs. 225.78 Lakhs (31.03.06 - Rs. 289.82 Lakhs) respectively in respect of assets retired from active use.

Schedules to Accounts

Rs. Lakhs

	31.03.2007	31.03.2006
6. Investments		
Long Term		
A. Subsidiary – Unquoted		
Powercell Battery India Limited 4,90,00,000 Equity Shares of Rs. 10 each	4,599.58	4,599.58
B. Trade Investments		
Quoted		
Mcleod Russel India Limited 40 Shares of Rs. 5/- each *(Rs. 200/-)	*	*
C. Other Investments		
Quoted		
Unit Trust of India 1,13,714 - 6.75% Tax Free US 64 Bonds of Rs. 100 each	147.29	147.29
	<u>4,746.87</u>	<u>4,746.87</u>
Aggregate Book Value of :		
Quoted Investments	147.29	147.29
Unquoted Investments	4,599.58	4,599.58
	4,746.87	4,746.87
Market Value of Quoted Investments	113.21	115.69

7. Inventories

Stores & Spares	599.52	585.13
Raw Materials	6,261.33	4,860.43
Work-in-progress	3,917.38	4,591.34
Finished Goods (including Purchased Products Rs. 816.50 Lakhs, 2005-06 - Rs. 393.26 Lakhs)	6,792.95	10,239.53
	17,571.18	20,276.43

8. Sundry Debtors

Unsecured		
Over six months :		
Considered good	444.32	157.63
Considered doubtful	190.73	202.50
Less : Provision for doubtful debts	<u>190.73</u>	<u>202.50</u>
Others - Considered good	4,080.33	4,304.13
	4,524.65	4,461.76

9. Cash and Bank Balances

Cash in Hand	29.37	54.37
With Scheduled Banks :		
in Current Accounts (includes cheques in hand)	1,525.68	467.59
in Deposit Accounts *	50.10	100.51
in Dividend Accounts	35.78	36.79
	1,640.93	659.26

* pledged with banks as LC margin money

Schedules to Accounts

Rs. Lakhs

	31.03.2007	31.03.2006
10. Loans and Advances		
Unsecured, Considered good		
Interest accrued on Investments	–	10.51
Loan to Subsidiary	410.00	410.00
Advances recoverable in cash or in kind or for value to be received	3,287.96	2,198.46
Balance with Excise Authorities, Customs and Port Trust	159.49	196.11
Deposits	530.50	457.70
Advance Income Tax	3,250.94	3,214.71
Advance Fringe Benefit Tax	568.21	403.77
	8,207.10	6,891.26

11. Current Liabilities				
Sundry Creditors and Accrued Expenses				
– Dues to Small Scale Industrial Undertaking (including interest Rs. 1.07 Lakh, 2005-06 Rs. 1.51 Lakh)	107.85		152.35	
– Others	11,714.82	11,822.67	13,115.80	13,268.15
Interest Accrued but not due on loans		213.88		268.51
Advances Received		1,033.70		1,141.82
BPL Escrow Liability		28.88		140.00
Other Liabilities		1,001.94		1,025.08
Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956				
Due				
Unpaid Dividends		3.02		3.02
Not Due				
Unpaid Dividends		65.83		66.83
Unclaimed Matured Deposits		3.41		9.28
		14,173.33		15,922.69

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

12. Provisions			
Proposed Dividend	–		1,444.95
Tax on Proposed Dividend	–		202.65
Income Tax	1,764.08		1,736.69
Fringe Benefit Tax	453.29		288.86
Long Term Employee Benefits	848.25		623.39
Excise	1,257.11		1,025.42
Sales Tax	244.11		880.18
Others (Refer Note 17 of Schedule 18)	431.25		549.70
	4,998.09		6,751.84

13. Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Voluntary Retirement cost	102.57	134.15

Schedules to Accounts

	Rs. Lakhs	
	31.03.2007	31.03.2006
14. Share Capital		
Authorised		
11,15,60,000 Equity Shares of Rs. 5 each (31.03.06 - 11,15,60,000 Equity Shares of Rs. 5 each)	5,578.00	5,578.00
Issued and Subscribed		
7,26,87,260 Equity Shares of Rs.5 each, fully paid (31.03.06 - 7,17,47,260 Equity Shares of Rs. 5 each, fully paid)	3,634.36	3,587.36
Of the above		
(i) 5,76,514 Shares were allotted as fully paid up pursuant to a contract without payment being received in cash.		
(ii) 2,13,29,782 Shares were allotted as fully paid up Bonus Shares by Capitalisation of General Reserve and 28,92,700 Shares were issued out of Share Premium Account.		
(iii) 2,31,96,002 Shares were allotted as fully paid up other than in cash pursuant to Scheme of Amalgamation.		
(iv) 1,59,68,258 shares represent 1,59,68,258 Global Depository Receipts.		
(v) 9,40,000 shares represent warrants converted into equity shares.		
15. Reserves & Surplus		
General Reserve		
At the commencement of the year	18,981.01	12,981.01
Profit and Loss Account	-	6,000.00
Less : Adjustments relating to change in Employee Benefits Liability as at the commencement of the year in accordance with the transitional provisions of Accounting Standard (AS) - 15 [revised 2005] - Employee Benefits issued by the Institute of Chartered Accountants of India, - net of Deferred Tax Asset Rs.11.36 Lakhs.	(22.38)	-
	18,958.63	18,981.01
Securities Premium		
At the commencement of the year	15,566.10	1,388.34
Add : Received during the year	846.00	14,371.43
Less : Expenses relating to issue of GDR	-	(193.67)
	16,412.10	15,566.10
Revaluation Reserve		
Balance at the commencement of the year	12,288.83	14,523.24
Less : Adjustment related to Fixed Assets sold/retired during the year	(36.77)	(442.78)
Less : Depreciation/Amortisation on revalued portion of Fixed Assets	(1,787.97)	(1,791.63)
	10,464.09	12,288.83
Development Allowance Reserve	3.50	3.50
Capital Reserve	11,543.65	11,543.65
Profit and Loss Account		
Balance Carried Forward	106.33	1,449.23
	57,488.30	59,832.32

Schedules to Accounts

Rs. Lakhs

	31.03.2007	31.03.2006
16. Secured Loans		
Banks –		
Cash Credits and Working Capital Demand Loans - Secured by hypothecation of stocks, stores and book debts relating to businesses as 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.	8,524.10	7,450.65
Working Capital Loan from Foreign Currency Non-Resident (Bank) Funds - NIL [31.03.06 - US\$ 5.33 million]	–	2,411.00
Term Loans from ICICI Bank		
– Loan denominated in Foreign Currency (NIL, 31.03.06 - US\$ 3.46 million)	–	1,485.53
– External Commercial Borrowing denominated in Foreign Currency (US\$ 16 million, 31.03.06 - NIL) Secured/to be secured by exclusive mortgage on movable and immovable properties and by deposit of title deed of the plant located at Haridwar, Uttaranchal.	7,404.00	–
– Rupee Loan Secured/to be secured by a pari passu first charge by way of equitable mortgage over certain movable & immovable properties of the company and exclusive charge on certain brand belonging to the Company.	1,975.80	14,169.58
Term Loans from UCO Bank Secured/to be secured by a pari passu first charge by way of equitable mortgage over certain movable & immovable properties of the company and by pari passu first/second charge by way of equitable mortgage over certain tea estates belonging to MRIL.	4,856.99	5,000.00
Term Loan from UTI Bank	–	1,000.00
Term Loan from IDBI Ltd. Secured/to be secured by a pari passu first charge by way of equitable mortgage over certain movable & immovable properties of the company and exclusive charge on certain brand belonging to the Company.	11,465.63	–
Others –		
Housing Development Finance Corporation Limited Secured/to be secured by equitable mortgage by way of deposit of Title Deeds of Noida Battery Plant and Windmill Lands of the Company and certain residential properties located at Mumbai & Kolkata and by pari passu first charge by way of equitable mortgage over a tea estate belonging to MRIL.	5,780.00	3,199.80
	40,006.52	34,716.56

17. Unsecured Loans

Fixed Deposits	74.26	456.07
Inter Corporate Loans	294.70	245.00
Short Term Loans	5,500.46	2,500.00
ICICI Bank - Car Loan	13.12	–
	5,882.54	3,201.07
Repayable within one year	5,860.05	3,119.00

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007

1. Significant Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the provisions of the Companies Act, 1956 and the accounting standards issued by the Institute of Chartered Accountants of India (Indian GAAP) as adopted consistently by the Company.

1.2 Use of Estimates

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

1.3 Fixed Assets

Tangible Fixed Assets are stated at cost / revalued amount less depreciation. Cost comprises purchase price and attributable cost (including financing cost wherever applicable).

1.4 Depreciation / Amortisation

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

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

ii. The revalued assets have been 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 amortised over their legal term or working life whichever is shorter.

v. Brand 'Eveready' is amortised over a working life of 40 years and Brand 'Premium Gold' is amortised over a working life of 10 years.

1.5 Investments

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

1.6 Inventories

Inventories are valued as under :

- Raw Materials and Stores and Spares Parts at lower of weighted average cost and net realisable value.
- Work-in-progress and Finished Goods are valued at lower of cost and net realisable value where cost is worked out on weighted average basis. Cost includes all charges incurred in bringing the goods to the point of sale including excise duty.

1.7 Sales

Sales comprise, Sale of goods less discounts as applicable and include Excise duty but exclude Sales Tax / VAT.

1.8 Foreign Exchange Transactions

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 exchange transactions other than those relating to fixed assets are recognised in the Profit and Loss Account.

Exchange differences in respect of liabilities incurred to acquire fixed assets from outside India are adjusted to the carrying amount of such fixed assets.

1.9 Employee Benefits

The estimated liability for all employee benefits, both short and long term, for present and past services which are due as per the terms of employment are determined in accordance with the requirements of Accounting Standard (AS) 15 (Revised) issued by the Institute of Chartered Accountants of India. A brief description of the various employee benefits is as follows :

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

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

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

1.9.4 Other employee benefits include Post retirement Medical benefits and encashment of leave on separation which are Long Term in nature. Both the benefits are unfunded and the liability for the same is determined by an independent actuarial valuation.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

1.10 Borrowing Costs

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

1.11 Voluntary Retirement Schemes

The cost of Voluntary Retirement Schemes is charged to the Profit and Loss Account over a period of 36 months starting from the month of settlement. The unamortised amount is carried forward as Deferred Revenue Expenditure.

1.12 Deferred Tax

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

2. Trial proceedings before the Chief Judicial Magistrate, Bhopal, on the modified charges framed under the directions of the Supreme Court that commenced in September 1997, are yet to be concluded. As per advice of legal counsel, allegations against the Company are without any firm basis and the possibility of proceeding against the Company succeeding is extremely remote. Since the charges are very likely to fail, no provision is necessary at this stage.

3. Based on valuation made by Professional Valuers, Brand 'Eveready' was valued at Rs. 66,000 Lakhs and was taken into books in 2004-2005.

4. 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.

5. 'Brand' included as Intangibles in Fixed Assets (Schedule 5) includes purchased brand [Gross Block Rs. 1,600 Lakhs (31.03.2006 - Rs. 1,600 Lakhs), Net Block Rs. 1,120 Lakhs (31.03.06 - Rs. 1,280 Lakhs)].

6. Contingent Liabilities

6.1 Claims against the Company not acknowledged as debts :

- Excise - Rs. 1,197.74 Lakhs net of tax, Rs. 794.58 Lakhs (31.03.06 - Rs. 910.66 Lakhs net of tax, Rs. 604.14 Lakhs)
- Sales Tax - Rs. 60.70 Lakhs net of tax, Rs. 40.27 Lakhs (31.03.06 - Rs. 12.27 Lakhs net of tax, Rs. 8.14 Lakhs)
- Income Tax :
 - The Department is in appeal in regard to matters decided in favour of the Company, the tax effect whereof is Rs. 72.05 Lakhs (31.03.06 - Rs. 72.05 Lakhs).
 - The Company is in appeal in regard to assessment made the tax effect whereof Rs. 599.70 Lakhs, (31.03.06 - Rs. 599.70 Lakhs).
 - In respect of matters relating to erstwhile The Bishnauth Tea Company Ltd. (BTCL) (amalgamated with the Company effective 1st April, 2000), Rs. 125.48 Lakhs (31.03.06 - Rs. 125.48 Lakhs).

Based on professional advice, the Company is of the view that the provisions made for taxation are adequate and no further provision is needed.

6.2 Others - Rs. 191.39 Lakhs net of tax, Rs. 126.97 Lakhs (31.03.06 - Rs. 189.86 Lakhs net of tax, Rs. 125.95 Lakhs).

7. 7.1 Bank guarantees Rs. 118.78 Lakhs (31.03.06 - Rs. 222.03 Lakhs).

7.2 The Company has given guarantees aggregating to Rs. 2,329.00 Lakhs (31.03.06 - Rs. 2,299.00 Lakhs) to financial institutions, banks and others on behalf of its subsidiary and another company. The amount outstanding against these guarantees as on 31.03.07 is Rs. 1,364.31 Lakhs (31.03.06 - Rs. 1,445.97 Lakhs).

8. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs. 220.98 Lakhs (31.03.06 - Rs. 47.16 Lakhs).

9. Taxation

9.1 Provision for tax includes provision for Wealth Tax Rs. 11.00 Lakhs (2005-06 - Rs. 11.00 Lakhs). In the absence of taxable income for the year, no provision has been made for current tax.

9.2 Deferred Tax Liability (Net)

The major components of deferred tax liabilities and assets are as follows :-

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

Rs. Lakhs

Particulars	As at 31 March, 2007	As at 31 March, 2006
Deferred Tax Liability		
Difference between book and tax Depreciation	(644.79)	(999.97)
Deferred Tax Assets		
Disallowances under Section 43B	50.55	71.90
Provision for Doubtful debts	64.83	68.16
Employee Benefits and Others	104.89	255.33
	424.52	604.58
Adjustments towards increase in Employee Benefit Liability as at 1 April, 2006 in accordance with the transitional provisions of AS - 15 (Revised)		(11.36)
Revised Opening Liability		593.23

10. Director's Remuneration

Rs.Lakhs

	2006-2007	2005-2006
I. Wholetime Directors :		
(a) Salary and Others	279.04	198.14
(b) Contribution to Provident Fund and Pension / Superannuation Funds	41.19	28.35
(c) Monetary Value of Perquisites and Allowances	106.93	49.88
	<u>427.16*</u>	<u>276.37*</u>
II. Non - Wholetime Directors :		
(a) Sitting Fees	7.80	11.80
	434.96	288.17

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

11. The Profit and Loss account includes Managerial remuneration amounting to Rs. 318.82 Lakhs in respect of two executive directors of the Company. In the absence of profits for the financial year, the Company has made application to the Central Government for treating the above as minimum remuneration and approval is awaited. With regard to another executive director, Rs. 37.13 Lakhs was paid as managerial remuneration upto his tenure. In the absence of profits at the end of the financial year, the Company is seeking the approval of Central Government for treating the above as minimum remuneration. An executive director was appointed by the Board of Directors for a period of 2 years from 9th December, 2006, subject to shareholders' approval. His appointment and the remuneration of Rs. 10.02 Lakhs charged to the Profit and Loss Account is subject to shareholders' approval as aforesaid.
12. The Profit & Loss Account includes net exchange loss of Rs. 84.22 Lakhs (2005-06 - loss of Rs. 415.80 Lakhs).
13. Loans & Advances include due from directors of the Company Rs. 54.60 Lakhs (2005-06 - Rs. 59.38 Lakhs). The maximum amount due from directors during the year was Rs. 59.38 Lakhs (2005-06 - Rs. 62.86 Lakhs).
14. Revenue Expenditure on Research & Development Rs. 107.93 Lakhs (2005-06 - Rs. 110.10 Lakhs) is included in Operating Expenses (Schedule 3).
15. Capital Work-in-Progress is inclusive of Capital Advances of Rs. 278.85 Lakhs (31.03.06 - Rs. 89.45 Lakhs).
16. Capital Work-in-Progress includes Rs. 1,154.00 Lakhs towards interest and other charges on External Commercial Borrowing.
17. The Electrolytic Manganese Dioxide manufacturing facility has been discontinued from the close of business of March 31, 2007. The amounts carried in Provision - Others [Schedule 12] includes Rs. 127.71 Lakhs (31.03.06 - Rs. 400 Lakhs) towards expenses to be incurred in connection therewith.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

18. Miscellaneous Expenses include Auditors' Remuneration in respect of

Rs. Lakhs

	2006-2007	2005-2006
Audit Fees	10.50	10.50
Tax Audit	0.00	4.50
Limited Reviews Fee	7.80	6.00
Other Services	1.43	1.22
Out of Pocket Expenses	1.15	1.40
	20.88	23.62

The above excludes Rs. 4.50 Lakhs paid as Tax Audit services to previous auditors, a firm of Chartered Accountants in which some of the partners of the audit firm are partners.

19. Consumption of Raw Materials

Particulars	Unit	2006-2007		2005-2006	
		Qty	Rs. Lakhs	Qty	Rs. Lakhs
Zinc Spelter	Tonne	9268.07	16,336.39	12033.17	10,487.26
Acetylene Black	Tonne	2112.93	1,846.26	2744.18	2,333.93
Brass	Tonne	771.21	1,361.89	1332.57	2,494.95
Manganese Ore	Tonne	10724.14	1,656.97	15161.49	2,736.77
Black Tea for Packet Tea	Tonne	7634.26	4,992.79	7410.77	4,511.49
Others			16,407.30		23,059.14
			42,601.60		45,623.54

20. Finished Goods Stocks

Class of Goods	Unit	Opening		Closing	
		Qty	Rs. Lakhs	Qty	Rs. Lakhs
Batteries	Million	116.31	7,412.47	67.88	3,614.03
	Pcs	(94.06)	(3,504.63)	(116.31)	(7,412.47)
Flashlights	Million	4.42	1,996.65	2.51	1,765.12
	Pcs	(2.93)	(1,877.07)	(4.42)	(1,996.65)
Castings, Hard Facing & Tube Rods	Tonne	0.42	11.88	0.10	9.03
		(0.30)	(3.26)	(0.42)	(11.88)
Electrolytic Manganese Dioxide	Tonne	0.00	0.00	0.00	0.00
		(1043.25)	(607.12)	(0.00)	(0.00)
Carbon Electrodes	Million	16.76	40.65	49.23	146.31
	Pcs	(14.02)	(31.80)	(16.76)	(40.65)
Purchased Products (exclude Batteries & Flashlights)			32.01		219.80
			(91.23)		(32.01)
Packet Tea	Tonne	975.60	447.48	542.59	892.21
		(590.26)	(470.95)	(975.60)	(447.48)
Others			298.39		146.45
			(97.15)		(298.39)
Total			10,239.53		6,792.95

Note : Figures in brackets represent particulars for 2005-06.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

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

Class of Goods	Unit	2006-2007	2005-2006
Batteries	Million Pcs	60.20	66.54
Flashlights	Million Pcs	0.74	0.84
Others	Million Pcs	0.59	0.00
Tea	Tonne	632.45	538.64

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

Class of Goods	Unit	2006-2007	2005-2006
Batteries	Million Pcs	0.10	0.04
Flashlights	Million Pcs	0.70	0.00
Others	Million Pcs	0.13	0.00
Tea	Tonne	171.22	0.01

22. Purchases of finished goods for resale include Rs. 1,707.93 Lakhs (2005-06 - Rs. 2,214.73 Lakhs) towards purchase of 22.90 million pieces of batteries (2005-06 - 51.68 million pieces), Rs. 1,183.72 Lakhs (2005-06 - Rs. 1,543.74 Lakhs) towards purchases of 3.22 million pieces of Flashlights (2005-06 - 4.57 million pieces).

23. Capacities and Production

Class of Goods	Units	Licensed / Regd. Capacity (1)		Installed Capacity (1)		Actual Production	
		31.03.07	31.03.06	31.03.07	31.03.06	2006-2007	2005-2006
Batteries (2)	Million Pcs	1624.50	1624.50	1350.00	1350.00	1131.01	1239.56
Flashlights (2)	Million Pcs	23.00	23.00	12.50(3)	12.50(3)	8.29	13.58
Carbon Electrodes (2) & (4)	Million Pcs	470.00	470.00	580.00	580.00	461.69	619.59
Castings, Hard Facing & Tube Rods	Tonne	150.00	150.00	150.00	150.00	2.19	1.53
Electrolytic Manganese Dioxide (5) *	Tonne	-	3940.00	-	5000.00	-	1128.25
Machinery (2)	Nos.	50.00	50.00	50.00	50.00	-	-
Machinery Parts (2)	Nos.	500.00	500.00	500.00	500.00	-	-
Moulded Plastic Components (2) & (4)	Tonne	1500.00	1500.00	375.00	375.00	155.25	175.67
Packet Tea	Tonne	Not applicable	Not applicable	9000.00	9000.00	7494.63	7471.13

Notes :

- (1) As certified by the Management.
- (2) Licensed / Registered capacities for Batteries, Flashlights, Carbon Electrodes, Machinery and Machinery Parts and Moulded Plastic Components include additional / new capacities for which Memorandum have been filed with the appropriate Authority, and which have been duly acknowledged by them under the Scheme of delicensing notified by the Government vide Notification No. 477 (E) dated 25.07.91.
- (3) On single shift basis.
- (4) Includes production for captive consumption.
- (5) Data regarding items used for captive consumption other than those mentioned above are not included.
- (6) * Refer Note 17.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

24.	Details of Import on CIF Basis				Rs. Lakhs
				2006-07	2005-06
	Raw Materials (excludes cost of materials acquired from / through canalizing Agencies)			12,900.36	5,907.49
	Finished Goods			114.10	0.00
	Components & Spare parts & others			991.89	886.31
	Capital Goods			736.27	971.60
25.	Consumption of Imported and Indigenous Raw Materials, Spare Parts & Components				Rs. Lakhs
				2006-07	2005-06
	Imported	13,495.24	31.44 %	7,609.44	16.47 %
	- includes canalized Material				
	Indigenous	29,426.18	68.56 %	38,588.43	83.53 %
		42,921.42	100.00 %	46,197.87	100.00 %
26.	Expenditure in Foreign Currency				Rs. Lakhs
				2006-07	2005-06
	Travel & Others			195.75	217.26
	Interest			39.08	1,246.06
27.	Remittances in Foreign Currency on account of dividends to Non-Residents for the year ended 31st March, 2006				
	a. Amount remitted (Rs. Lakhs)				75.53
	b. No. of Non-Resident Shareholders				21
	c. No. of shares held				3,776,268
28.	Earnings in Foreign Currency				
	Export of goods calculated on FOB basis Rs. 1,424.73 Lakhs (2005-06 - Rs. 959.98 Lakhs)				
29.	Other Liabilities include				
				2006-07	2005-06
	Shares allotted to certain Non-Resident shareholders of the erstwhile The Bishnauth Tea Company Limited (BTCL) pursuant to the Scheme of Amalgamation of BTCL with the Company, whose present whereabouts are not known.				
	Number of Shares			63037	63037
	Shares allotted to the Trustee pursuant to the Scheme of Amalgamation of BTCL with the Company, which are held in trust for the Company.				
	Number of Shares			1663289	1663289
30.	Related Party Disclosures				
	List of Related Parties :				
	a) Key Management Personnel				
	Executive Vice-Chairman & Managing Director		-	Mr. D. Khaitan	
	Wholtime Directors		-	Mr. A. Roy#	
			-	Mr. S. Saha#	

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

- b) Relatives of Key Management Personnel with whom the Company had transactions during the year –
- | | | |
|------------------|---|--------------------|
| Mrs. Krishna Roy | – | Wife of Mr. A. Roy |
| Mrs. Neena Saha | – | Wife of Mr S. Saha |

Related Parties with whom transactions have taken place during the year.

Rs.Lakhs

Transactions	Subsidiary (Powercell Battery India Ltd) (Note 1)		Key Management Personnel		Relatives	
	2006-07	2005-06	2006-07	2005-06	2006-07	2005-06
Rent Paid	–	–	14.07	9.12	–	–
Car Rental Charges (Note 2)	–	–	–	–	3.75	2.25
Sale of Real Estate	–	–	73.00	–	–	–
Rendering of Services						
Mr. A. Khaitan	–	–	–	–	–	1.22
Loan given (Note 3)	–	410.00	–	–	–	–
Loans Outstanding	410.00	410.00	49.47	59.37	–	–
Amount Receivable	380.07	570.60	–	–	–	–
Sale of goods	1,878.81	1,247.23	–	–	–	–
Purchase of goods	227.26	10.90	–	–	–	–
Expenses Incurred	98.33	21.29	–	–	–	–

- Notes : 1. Became a subsidiary effective 23 November, 2005.
2. In accordance with Company's scheme.
3. Rs. 300 Lakhs given after 23 November, 2005.

31. **Dues to Small Scale Industrial Undertakings**

Name of Small Scale Industrial Undertakings to whom the Company owes any sum outstanding for more than thirty days are as under :-

Ajit Industries, Ambica Chemical & Industrial Corporation, Anand Industries, Global Printing & Packaging Co. Pvt Ltd., Hunan Jmc Xinshao Co. Ltd., Binay Lamps & Lighting, Lakshmi Industries, Nemani Poly Products Pvt Ltd., Pet Metal Pvt Ltd., Paharimata Packaging Industries, Petrocarb, Pigments & Chemical Industries Pvt Ltd., Sohoni Metal Craft Pvt Ltd.

32. The Company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

33. **Earnings per Share**

	2006-07	2005-06
Basic EPS		
(Loss) / Profit after Tax - Rs. Lakhs	(1,342.90)	7,965.74
Weighted Average Number of Equity Shares outstanding	72,416,685	61,101,755
Nominal Value of Equity Share - Rs	5/-	5/-
Basic Earnings Per Share - Rs	(1.85)	13.04
Diluted EPS		
(Loss) / Profit after Tax - Rs. Lakhs	(1,342.90)	7,965.74
Weighted Average Number of Equity Shares outstanding	72,416,685	64,476,755
Nominal Value of Equity Share - Rs	5/-	5/-
* Diluted Earnings Per Share - Rs	(1.85)	12.35

Note : * Since the potential equity shares (i.e convertible warrants) are anti-dilutive, effect of the same has been ignored for calculating Diluted Earnings Per Share.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

34. The Company is engaged in the business of manufacture and sale of dry cell batteries, flashlights and packet tea as well as sale of insect repellents which constitutes a **single business segment known as Fast Moving Consumer Goods (FMCG)**.

35. Geographical Segment –

Sales within India	Rs. 84,965.39 Lakhs (2005-06 - Rs. 80,863.07 Lakhs)
Sales outside India	Rs. 2,421.30 Lakhs (2005-06 - Rs. 1,852.85 Lakhs)

36. The Company had on October 5, 2005, issued and allotted 67,50,000 Convertible Warrants on a preferential basis, which were convertible at the sole option of the Warrant holder within a period of 18 months from the date of allotment. During the year under review, some of the allottees exercised part / full of their respective options so as to convert a total of 9,40,000 convertible warrants out of the convertible warrants held by them respectively and consequently 9,40,000 equity shares of Rs. 5/- each at a premium of Rs. 90/- per share i.e. at an aggregate price of Rs. 95/- per share has been allotted to the said allottees on May 11, 2006 and September 27, 2006. Accordingly, the share capital of the Company as at March 31, 2007 stands increased to Rs. 36,34,36,300/- represented by 7,26,87,260 equity shares of Rs. 5/- each. The holders of the balance of 58,10,000 Convertible Warrants had to exercise the option to convert into Equity shares within 4th April, 2007. Such option had not been exercised by that date.

37. **Disclosure as required under Accounting Standard (AS) 15 (Revised)**

37.1 Consequent to the early adoption by the Company of Accounting Standard 15 (Revised) "Employee Benefits" issued by the Institute of Chartered Accountants of India, all employee benefits have been determined in accordance with the Standard. In accordance with the transitional provisions, the liability as at 1st April, 2006 has been recomputed and the difference with the liability existing as on 31st March, 2006 has been adjusted to the General Reserve. The impact of such changes in various employee benefits adjusted to General Reserve as at 1st April, 2006 (net of deferred tax of Rs. 11.36 Lakhs) is as follows :

Employee Benefits	Rs. Lakhs
Gratuity	10.34
Pension	(81.51)
Post Retiral Medical Benefits	74.55
Leave Encashment	19.01

37.2 Disclosures in accordance with the requirements of AS - 15 (Revised)

	Rs. Lakhs			
	Pension	Gratuity	P R M B	Leave Encashment
Components of Employer's Expenses				
Current Service Cost	0.00	82.29	0.00	20.91
Interest Cost	87.54	117.72	31.44	21.59
Expected Return on Plan Assets	(102.98)	(133.46)	NA	NA
Actuarial Losses / (Gains)	(127.31)	49.89	(6.70)	16.21
Expense recognised in the Statement of Profit and Loss	(142.75)	116.44	24.44	58.71
Actual Contribution and benefit Payments for the year ended 31 March, 2007				
Actual Benefit Payments	348.25	573.34	35.09	125.21
Actual Contributions	Nil	240.00	NA	NA

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)

37.2 Disclosures in accordance with the requirements of AS - 15 (Revised) (Contd.)

Rs. Lakhs

	Pension	Gratuity	P R M B	Leave Encashment
Net Asset / (Liability) recognised in the Balance Sheet as at 31 March, 2007				
Present Value of Defined Benefit Obligations	903.35	1,471.07	412.88	274.69
Fair Value of Plan Assets	1,128.12	1,525.86	NA	NA
Funded Status [Surplus / (Deficit)]	224.77	54.79	(412.88)	(274.69)
Net Asset / (Liability) recognised in the Balance Sheet	224.77	54.79	(412.88)	(274.69)
Change in Defined Benefit Obligations (DBO) during the year ended 31 March, 2007				
Present Value of DBO at the beginning of the year	1,303.66	1,805.61	423.23	341.19
Current Service Cost	0.00	82.29	0.00	20.91
Interest Cost	87.54	117.72	31.44	21.59
Actuarial Losses / (Gains)	(139.60)	38.79	(6.70)	16.21
Benefits Paid	(348.25)	(573.34)	(35.09)	(125.21)
Present Value of DBO at the end of the year	903.35	1,471.07	412.88	274.69
Change in Fair Value of Assets during the year ended 31 March, 2007				
Plan Assets at the beginning of the year	1,385.68	1,736.84	NA	NA
Actual Return on Plan Assets	90.69	122.36	NA	NA
Actual Company's Contribution	0.00	240.00	35.09	125.21
Benefits Paid	(348.25)	(573.34)	(35.09)	(125.21)
Plan Assets at the end of the year	1,128.12	1,525.86	NA	NA
Actuarial Assumptions				
Discount Rate %	8.25%	8.00% and 8.50%	8.00% and 8.25%	8.25%
Expected Return on Plan Assets %	8.00%	8.00%	NA	NA
Salary Escalation %	Nil	5.00%	NA	5.00%

Notes : 1. PRMB represents Post Retiral Medical Benefits.

2. Different Discount Rates used on account of separate plans and on account of differing tenures of working lives of employees.

3. Pension and Gratuity Plans are funded while Leave Encashment and PRMB are unfunded.

38. During the year, the Company issued the following shares at premium on exercise of options attached to convertible warrants

Particulars	Number of shares	Issue Price per equity share - Rs.	Proceeds credited to Rs. Lakhs		Total Proceeds (Rs. Lakhs)
			Share Capital	Securities Premium	
Fully paid up equity shares of Rs. 5 each	9,40,000	95	47.00	846.00	893.00

39. Disclosure in accordance with Clause 32 of the Listing Agreement with the stock exchanges

Interest free loan to Powercell Battery India Limited, a wholly owned subsidiary :

a. Amount outstanding as at 31.03.2007	Rs. 410 Lakhs
b. Maximum amount outstanding during the year	Rs. 410 Lakhs
c. The terms of repayment are yet to be fixed.	

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2007 (Contd.)**40. Disclosure as required under Accounting Standard (AS) 29.**

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

- The Company has a present obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits; and
- a reliable estimate can be made of the amount of obligation.

Rs. Lakhs

Particulars	Sales Tax	Excise	Others	Total
Carrying amount as at 1st April, 2006	880.18	1,025.42	149.70	2,055.30
Carrying amount as at 31st March, 2007	244.11	1,257.10	303.55	1,804.76
Provisions made in the year	34.91	343.02	265.64	643.57
Amount used during the year	-	-	111.79	111.79
Unused amount reversed during the year	670.98	111.34	Nil	782.32
Nature of obligation	Disputes with respective authorities at different forum.			
Expected timing of resulted outflow	One to Two years.			
Indication of uncertainty about those outflows	Management estimates the outcome of the disputes to be unfavourable.			
Major assumptions concerning future events	Demands / Disputes may not be settled in higher appellate forum.			
Amount of any expected reimbursement, i.e amount of any asset that has been recognised for that expected reimbursement.	NIL			

41. End use of money raised by preferential issue of Convertible Warrants

Proceeds of issue	Rs. 803.70 Lakhs
Utilisation :-	
Working Capital Requirement	Rs. 803.70 Lakhs

42. Derivative Instruments

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

As at 31 March 2007, amounts receivable in foreign currency on account of Export of Goods was Rs. 228.92 Lakhs (US\$ 526,670.83) [31.03.06 - Rs. 63.55 Lakhs (US\$ 142,435.16)] and amounts payable on account of Import of Goods and Services Rs. 552.30 Lakhs (US\$ 1,270,382.72) [31.03.06 - Rs. 415.53 Lakhs (US\$ 931,055)] and Loans payable Rs. NIL [31.03.06 - Rs. 1,485.53 Lakhs (US\$ 3,456,229.46)].

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December 2005, which is applicable to the financial period ending on or after 31st March, 2006.

- Previous year's figures have been rearranged / regrouped wherever necessary.
- Information pursuant to the provisions of Para IV of Schedule VI to the Companies Act, 1956, is attached.

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice-Chairman & Managing Director

S. Saha
Wholtime Director

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

Kolkata, 11th May, 2007

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No. State Code
 Balance Sheet Date
 Date Month Year

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

Public Issue Right Issue

Bonus Issue Private Placement

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

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

Sources of Funds

Paid-Up Capital Reserves & Surplus (net of Debit Balance in P&L Account)

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

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

Turnover Total Expenditure

+ - Profit/Loss Before Tax + - Profit/Loss After Tax

(Please tick appropriate box (+) for Profit / (-) for Loss) (Please tick appropriate box (+) for Profit / (-) for Loss)

+ - Earning per share (Basic) in Rs. Dividend Rate %

+ - Earning per share (Diluted) in Rs.

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

Item Code No. (ITC Code)	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="0"/>	Product Description	<input type="text" value="PRIMARY BATTERIES"/>
Item Code No. (ITC Code)	<input type="text" value="8"/> <input type="text" value="5"/> <input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="1"/>	Product Description	<input type="text" value="FLASH LIGHTS"/>
Item Code No. (ITC Code)	<input type="text" value="0"/> <input type="text" value="9"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="0"/> <input type="text" value="."/> <input type="text" value="0"/> <input type="text" value="2"/>	Product Description	<input type="text" value="TEA BLACK IN PACKET"/>

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice-Chairman & Managing Director

S. Saha
Wholetime Director

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

Kolkata, 11th May, 2007