

Profit and Loss Account

For the year ended March 31, 2008

Rs. Lakhs

	Schedule	2007-08	2006-07
Income			
Sales	1	94,635.97	87,386.69
Less : Excise Duty		<u>9,918.48</u>	<u>10,134.25</u>
Other Sources			
Net Profit on Sale of Real Estate		–	36.47
Other Operating Income	2	447.84	262.23
Provision no longer required written back		964.38	782.32
		86,129.71	78,333.46
Expenditure			
Net Loss on Sale of Real Estate		109.62	–
Operating Expenses	3	80,406.39	68,776.52
(Increase) / Decrease in inventories of Finished Goods and Work-in-progress		(2,044.30)	4,120.54
Provision - Others		127.50	643.57
Depreciation		4,550.48	3,782.48
Less : Transferred from Revaluation Reserve		<u>(1,787.05)</u>	<u>(1,787.97)</u>
Interest and Finance Cost	4	5,208.39	4,118.12
		86,571.03	79,653.26
Net (Loss) / Profit Before Taxation		(441.32)	(1,319.80)
Provision for Taxation - Current including Wealth Tax		11.00	27.38
- Deferred		<u>1,315.10</u>	<u>(168.71)</u>
- Fringe Benefit Tax		164.43	164.43
Net (Loss) / Profit After Taxation		(1,931.85)	(1,342.90)
Balance brought forward from Previous Year		106.33	1,449.23
Debit balance in Profit and Loss Account of erstwhile PBIL taken over on Amalgamation-refer Note 3b of Schedule 18		(106.33)	
Carried to Balance Sheet		(1,931.85)	106.33
Earning Per Share (Face Value Rs 5 each)			
- Basic		(2.66)	(1.85)
- Diluted		(2.66)	(1.85)
Notes	18		
The Schedules referred to above form an integral part of the Profit and Loss Account.			

In terms of our report attached
 For **Deloitte Haskins & Sells**
Chartered Accountants
K. Rajasekhar
Partner
 Kolkata, 6th May, 2008

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, 2008

Rs. Lakhs

	Schedule	31.03.2008		31.03.2007	
Funds Employed					
Fixed Assets					
Fixed Assets	5	90,485.62		82,477.69	
Capital Expenditure in Progress		954.25	91,439.87	7,888.62	90,366.31
Investments	6		147.29		4,746.87
Current Assets					
Inventories	7	19,175.61		17,571.18	
Sundry Debtors	8	3,569.16		4,524.65	
Cash & Bank Balances	9	3,303.95		1,640.93	
Loans and Advances	10	8,411.36		8,207.10	
		34,460.08		31,943.86	
Less : Current Liabilities	11	25,271.57		14,173.33	
Provisions	12	3,996.57		4,998.09	
		29,268.14		19,171.42	
Net Current Assets			5,191.94		12,772.44
Miscellaneous Expenditure (To the extent not written off or adjusted)	13		448.95		102.57
Profit and Loss Account			1,931.85		–
			99,159.90		107,988.19
Financed by					
Share Capital and Reserves					
Share Capital	14	3,634.36		3,634.36	
Reserves and Surplus	15	53,337.67	56,972.03	57,488.30	61,122.66
Share Warrants			261.00		551.95
Loan Funds					
Secured Loans	16	36,900.39		40,006.52	
Unsecured Loans	17	3,269.87	40,170.26	5,882.54	45,889.06
Deferred Tax Liability (Net)			1,756.61		424.52
			99,159.90		107,988.19
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, 6th May, 2008

For and on behalf of the Board of Directors

D. Khaitan

Executive Vice-Chairman & Managing Director

S. Saha

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T. Punwani

Sr. General Manager – Legal & Company Secretary

Cash Flow Statement For the year ended 31st March, 2008

Rs. Lakhs

	2007-08	2006-07
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(441.32)	(1,319.80)
Adjustments for :		
Doubtful Debts & Advances (Net)	92.00	30.24
Provision for Contingencies written back	(964.38)	(782.32)
Provision - Others	127.50	643.57
Depreciation	2,763.43	1,994.51
Unrealized (Gains)/Losses	(4.56)	3.97
Investment Income	(73.28)	(74.74)
Interest(Net)	5,224.58	4,033.90
(Profit)/Loss on Sale/Disposal of Real Estate/Fixed Assets	109.62	(57.73)
	6,833.59	4,471.61
Misc expenditure charged to P&L	217.38	107.17
Operating Profit Before Working Capital Changes	7,050.97	4,578.78
Adjustments for :		
Trade and Other Receivables	657.16	(1,328.73)
Inventories	(1,604.43)	2,705.25
Trade Payables and Other Liabilities	10,797.81	(2,381.89)
Adjustment for Transfer of Assets and Liabilities as at 1st April 2007 in accordance with the Scheme of Amalgamation (as mentioned in Note 3 of Schedule 18)	1,298.45	-
Cash Generated from Operations	18,199.96	3,573.41
Direct Taxes paid / refund	10.38	(403.32)
Employee Separation Compensation paid	(563.76)	(75.59)
Net Cash Flow from Operating Activities	17,646.58	3,094.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5,926.44)	(6,154.97)
Sale of Real Estate/ Fixed Assets	174.37	115.09
Redemption of Investment on Maturity	0.23	-
Interest Received	73.28	74.74
Net Cash Flow from Investing Activities	(5,678.56)	(5,965.14)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of GDRs/Preference Shares	-	47.00
Share Premium (net of expenses) received	-	846.00
Share Warrants	261.00	551.95
Proceeds from Long-Term Borrowings	11,899.50	21,946.65
Proceeds from Short-Term Borrowings	7,010.90	3,015.60
Repayment of Long-Term Borrowings	(14,775.56)	(15,653.27)
Repayment of Short-Term Borrowings	(9,853.64)	(1,337.55)
Interest Paid	(5,208.39)	(4,118.12)
Dividend Paid	(9.79)	(1,445.95)
Net Cash Flow from Financing Activities	(10,675.98)	3,852.31
Net (Decrease)/ Increase in Cash and Cash-Equivalents (A+B+C)	1,292.04	981.67
Cash and Cash-Equivalents on 1 April	1,640.93	659.26
Add : Cash and Cash-Equivalents taken over from Powercell Battery India Ltd. in accordance with scheme of amalgamation	370.98	-
Total	2,011.91	659.26
Cash and Cash-Equivalents on 31 March * (See Schedule 9)	3,303.95	1,640.93

Notes : i) Figures in brackets represent outflows.

ii) Previous year figures have been recast/restated wherever necessary.

* Includes restricted balance Rs. 40.30 Lakhs.[31.03.2007: Rs 64.67 Lakhs]

In terms of our report attached

 For **Deloitte Haskins & Sells**

Chartered Accountants

K. Rajasekhar

Partner

Kolkata, 6th May, 2008

For and on behalf of the Board of Directors

D. Khaitan

Executive Vice-Chairman & Managing Director

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Sr. General Manager – Legal & Company Secretary

Schedules to Accounts

		2007-08		2006-07	
Unit		Qty.	Rs. Lakhs	Qty.	Rs. Lakhs
1. Sales					
Class of Goods					
Batteries	Million Pcs.	1,284.51	70,447.01	1,142.04	67,648.31
Flashlights	Million Pcs.	12.82	10,800.33	11.98	10,731.39
Packet Tea	Tonne	6,974.69	7,803.22	7,123.97	7,694.33
Electrolytic Manganese Dioxide	Tonne	-	-	111.70	75.80
Others			79.85		67.84
Purchased Products (excludes Batteries and Flashlights)			5,505.56		1,169.02
			94,635.97		87,386.69
2. Other Operating Income					
Rs. Lakhs					
Interest Income :					
Interest on Long Term tax free Investments			7.68		7.67
Interest on bank and other accounts (Tax deducted at source Rs.7.32 Lakhs, 2006-07 Rs.2.89 Lakhs)			65.60		67.06
Miscellaneous Income			295.14		166.24
Net Profit on Sale/Retirement of Fixed Assets other than Real Estate			79.42		21.26
			447.84		262.23
3. Operating Expenses					
Salaries, Wages and Bonus (includes credit towards Employee Benefits Rs.158.30 Lakhs, 2006-07 - Rs.41.49 Lakhs)			5,500.24		5,477.74
Contribution to Provident Fund, Gratuity Fund, Pension Fund and State Insurance			661.65		495.16
Workmen and Staff Welfare Expenses (includes credit towards Employee Benefits Rs.61.61 Lakhs, 2006-07 - Rs.50.03 Lakhs)			891.70		1,073.07
Raw Materials consumed			44,943.40		42,601.60
Stores and Spares consumed			447.92		319.82
Purchase of Finished Goods for resale			12,697.93		4,782.03
Power and Fuel			1,319.67		1,212.75
Travelling and Conveyance			1,430.77		1,237.59
Advertisement, Sales Promotion and Market Research			3,858.88		4,317.03
Freight, Shipping and Selling Expenses			4,357.54		3,610.68
Repairs - Machinery			1,006.36		966.79
- Buildings			103.38		130.42
Rent			405.02		324.03
Rates and Taxes			373.83		515.91
Insurance			130.05		121.96
Postage, Stationery & Communication			324.64		297.29
Bank Charges			167.72		102.33
Doubtful Debts / Advances (net)			92.00		30.24
Donations			0.62		1.13
Deferred Revenue Expenditure written off			217.38		107.17
Miscellaneous Expenses			1,731.67		1,275.82
Less : Amount transferred to Capital & Other Accounts *			(255.98)		(224.04)
			80,406.39		68,776.52

*net off of debit of Rs.57.31 Lakhs (2006-07 credit of Rs.704.93 Lakhs) on account of Excise duty pertaining to change in Inventory.

Schedules to Accounts

Rs. Lakhs

	2007-08	2006-07
4. Interest and Exchange Fluctuation		
Interest		
On Fixed Loans	4,084.59	2,996.32
Others	1,139.99	1,037.58
Net Exchange (Gain)/Loss in Foreign Currency	(16.19)	84.22
Interest and Finance Cost	5,208.39	4,118.12

Rs. Lakhs

ASSETS	GROSS BLOCK AT COST OR REVALUATION					DEPRECIATION					NET BLOCK	
	Cost/valuation as at 1st April, 2007	Assets taken over on amalgamation of Powercell Battery India Ltd.	Additions/ Adjustments during the year	Sales/ Retirements/ Adjustments during the year	Cost/valuation as at 31st March, 2008	As at 1st April, 2007	Accumulated depreciation taken over on amalgamation of Powercell Battery India Ltd.	For the year	On assets Sold/Retired/ Adjusted during the year	Total as at 31st March, 2008	Written down value as at 31st March, 2008	
Intangibles :												
Software & License	139.25	-	-	-	139.25	34.82	-	23.20	-	58.02	81.23	
Brand	67,600.00	-	-	-	67,600.00	5,430.00	-	1,810.00	-	7,240.00	60,360.00	
Patent/Trade Mark	15.00	-	-	-	15.00	15.00	-	-	-	15.00	-	
Tangibles :												
Land-freehold	7,841.21	92.05	114.32	-	8,047.58	303.24	-	23.95	-	327.19	7,720.39	
Leasehold Land	1,547.80	-	405.95	-	1,953.75	193.62	-	24.41	-	218.03	1,735.72	
Buildings	11,874.85	1,302.41	2,557.54	547.13	15,187.67	5,104.90	385.42	534.80	260.09	5,765.03	9,422.64	
Plant, Machinery												
Equipment Etc.	27,916.88	5,336.15	5,866.14	560.08	38,559.09	23,809.46	2,841.74	1,926.24	553.69	28,023.75	10,535.34	
Furniture & Fixture and Office Appliances	2,486.76	90.08	263.04	39.46	2,800.42	2,087.18	49.61	163.49	43.92	2,256.36	544.06	
Motor Vehicles	366.57	12.81	98.73	104.97	373.14	332.41	1.64	44.39	91.54	286.90	86.24	
Total	1,19,788.32	6,833.50	9,305.72	1,251.64	1,34,675.90	37,310.63	3,278.41	4,550.48	949.24	44,190.28	90,485.62	
31st March, 2007	1,19,698.03	-	406.67	316.38	1,19,788.32	33,750.40	-	3,782.48	222.25	37,310.63	82,477.69	

- 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 out 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. Leasehold land, Building, Plant and Machinery, equipment etc includes Gross Block of Rs.10.27 lakhs (31.03.07 – Rs.10.27 lakhs), Rs.56.65 Lakhs (31.03.07 – Rs.56.65 Lakhs) and Rs.1,481.03 Lakhs (31.03.07 – Rs.1,481.03 Lakhs) respectively. Net Block Rs.6.31 lakhs (31.03.07 – Rs.6.32 lakhs), Rs.3.42 Lakhs (31.03.07 – Rs.3.53 Lakhs) and Rs.220.45 Lakhs (31.03.07 – Rs.225.78 Lakhs) respectively in respect of assets retired from active use.

Schedules to Accounts

Rs. Lakhs

	31.03.2008	31.03.2007
10. Loans and Advances		
Unsecured, Considered good		
Interest accrued on Investments	3.84	–
Loan to Subsidiary	–	410.00
Advances recoverable in cash or in kind or for value to be received	3,878.44	3,287.96
Balance with Excise Authorities, Customs and Port Trust	162.20	159.49
Deposits	558.11	530.50
Advance Income Tax	3,197.98	3,250.94
Advance Fringe Benefit Tax	610.79	568.21
	8,411.36	8,207.10

11. Current Liabilities		
Sundry Creditors and Accrued Expenses		
– Total outstanding dues of micro enterprises & small enterprises	–	–
– Total outstanding dues of creditors other than micro enterprises & small enterprises	17,212.48	11,714.82
– Dues to Small Scale Industrial Undertaking	–	107.85
	<u>17,212.48</u>	<u>11,822.67</u>
Interest Accrued but not due on loans	28.57	213.88
Advances Received	6,765.49	1,033.70
BPL Escrow Liability	14.30	28.88
Other Liabilities	1,191.67	1,001.94
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	56.04	65.83
Unclaimed Matured Deposits	–	3.41
	25,271.57	14,173.33

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		
Income Tax	1,775.08	1,764.08
Fringe Benefit Tax	608.79	453.29
Long Term Employee Benefit	575.94	848.25
Excise	668.37	1,257.11
Sales Tax	73.59	244.11
Others (Refer Note 34 of Schedule 18)	294.80	431.25
	3,996.57	4,998.09

13. Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Voluntary Retirement cost	448.95	102.57
	448.95	102.57

Schedules to Accounts

	Rs. Lakhs	
	31.03.2008	31.03.2007
14. Share Capital		
Authorised		
11,15,60,000 Equity Shares of Rs. 5 each (31.03.07 - 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 (31.03.07 - 7,26,87,260 Equity Shares of Rs. 5 each, fully paid)	3,634.36	3,634.36
Of the above		
(i) 5,76,514 Shares were allotted as fully paid up pursuant to a contract without payment being received in cash.		
(ii) 2,13,29,782 Shares were allotted as fully paid up Bonus Shares by Capitalisation of General 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	18,958.63	18,981.01
Taken over on amalgamation of erstwhile PBIL	(3,124.24)	-
Add/(Less) : Adjustments relating to change in Employee Benefits	-	(22.38)
Liability as at the commencement of the year in accordance with the transitional provisions of Accounting Standard (AS) - 15 - Employee Benefits - net of Deferred Tax Asset Rs.11.36 Lakhs.	<u>33.03</u>	<u>-</u>
	15,867.42	18,958.63
Securities Premium		
At the commencement of the year	16,412.10	15,566.10
Add : Received during the year	<u>-</u>	<u>846.00</u>
	16,412.10	16,412.10
Revaluation Reserve		
Balance at the commencement of the year	10,464.09	12,288.83
Less : Adjustment related to Fixed Assets sold/retired during the year	(18.41)	(36.77)
Less : Depreciation/Amortisation on revalued portion of Fixed Assets	<u>(1,787.05)</u>	<u>(1,787.97)</u>
	8,658.63	10,464.09
Amalgamation Reserve	300.42	-
Development Allowance Reserve	3.50	3.50
Capital Reserve	12,095.60	11,543.65
Profit and Loss Account		
Balance Carried Forward	-	106.33
	53,337.67	57,488.30

Schedules to Accounts

	Rs. Lakhs	
	31.03.2008	31.03.2007
16. Secured Loans		
Banks –		
Cash Credits and Working Capital Demand Loans - Secured by hypothecation of stocks, stores and book debts relating to businesses of the Company and ranking pari passu with the charges created and/or to be created in favour of other banks in the consortium and second charge on the fixed assets of the company.	7,472.82	8,524.10
Term Loans from ICICI Bank		
*– External Commercial Borrowing denominated in Foreign Currency (US\$ 25 million, 31.03.07- 16 million) Secured by exclusive mortgage on movable and immovable properties and by deposit of title deed of the plant located at Haridwar, Uttaranchal.	11,859.35	7,404.00
*– Rupee Loan 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.	1,302.01	1,975.80
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.	2,168.00	4,856.99
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.	9,390.07	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.	4,708.14	5,780.00
	36,900.39	40,006.52
* includes Interest accrued and due Rs.294.23 Lakhs; (31.03.2007 Rs. 64.10 Lakhs)		

17. Unsecured Loans

Fixed Deposits	36.64	74.26
Inter Corporate Loans	–	294.70
Loans under Tax Deferrment Scheme (VAT) :		
– From Government of Uttar Pradesh	163.22	–
*Short Term Loans from Banks	3,003.16	5,500.46
ICICI Bank - Car Loan	66.85	13.12
	3,269.87	5,882.54
* includes interest accrued and due Rs 3.16 Lakhs; (31.03.2007 Rs. 10.16 Lakhs)		
Repayable within one year	3,500.17	5,860.05

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008

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 notified by the Companies (Accounting Standards) Rules, 2006 (Indian GAAP), as adopted consistently by the Company.

1.2 Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and any revision to such accounting estimates is recognized 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 borrowings and financing during the period of construction).

1.4 Depreciation / Amortisation

- i. In respect of assets which have not been revalued, depreciation is provided on straight line method as follows :
 - Plant and machinery at rates prescribed in Schedule XIV to the Companies Act, 1956.
 - Buildings, furniture and fixtures 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 realizable value.
- Work-in-progress and Finished Goods are valued at lower of cost and net realizable value where cost is worked out on weighted average basis. Cost includes all charges incurred in bringing the goods to the point of sale including excise duty.

1.7 Sales

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

1.8 Foreign Exchange Transactions

Foreign Currency Transactions (FCT) and forward exchange contracts used to hedge FCT are initially recognized 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 realized gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.

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

1.9 Employee Benefits

The estimated liability for all employee benefits, 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 issued by the Companies (Accounting Standards) Rules, 2006. 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 in accordance with the requirements of Accounting Standard (AS) 15 "Employee Benefits".

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (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 Scheme which comprises lump sum payments to employees who opt for the same and in respect of which the Company has no further obligation is charged to the Profit and Loss Account over a period of 36 months starting from the month of settlement or till the period ending 31 March 2010, whichever is earlier. The unamortized 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 Hon'ble Supreme Court that commenced in September 1997, are yet to be concluded. As per the 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. Scheme of Amalgamation of Powercell Battery India Limited with the Company :

a) Pursuant to the Shareholder's approval at the Court convened meeting of the Company held on 31st August, 2007 and the sanction of the Hon'ble High Court at Calcutta to the Scheme of Amalgamation, the assets and liabilities of the erstwhile Powercell Battery India Limited (PBIL) whose principal business was manufacture of dry cell batteries, were transferred to and vested in the Company with effect from the appointed date viz., 1 April, 2007 in accordance with the scheme so sanctioned. The Scheme has accordingly, been given effect to in these financial statements.

b) The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) issued by the Companies (Accounting Standards) Rules, 2006. Accordingly the assets and liabilities of the erstwhile PBIL have been taken over at their book values as at 1st April 2007. The debit balance in the Profit and Loss Account of the erstwhile PBIL amounting to Rs.3,230.57 Lakhs has been adjusted to the extent of Rs.106.33 Lakhs against the corresponding balance of the Company and the balance of Rs.3,124.24 Lakhs against the General Reserves of the Company. Further, in accordance with the scheme of amalgamation sanctioned by the Hon'ble High Court at Calcutta and the requirement of AS-14, the difference between the paid-up share capital of Rs.4,900 Lakhs of the erstwhile PBIL and the value of Investments of the Company in the erstwhile PBIL of Rs.4,599.58 Lakhs, amounting to Rs.300.42 Lakhs has been accounted for as "Amalgamation Reserve" and included as part of Reserves and Surplus in the financial statements of the Company.

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

5. 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.

6. 'Brand' included as Intangibles in Fixed Assets (Schedule 5) includes purchased brand [Gross Block Rs. 1,600 Lakhs (31.03.2007 – Rs.1,600 Lakhs), Net Block Rs. 960 Lakhs (31.03.07 - Rs.1,120 Lakhs)].

7. Contingent Liabilities**7.1. Claims against the Company not acknowledged as debts :**

- Excise - Rs.1,200.34 Lakhs, (31.03.07 – Rs. 1,197.74 Lakhs)
- Sales Tax – Rs. 80.02 Lakhs, (31.03.07 – Rs. 60.70 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 (31.03.07: Rs.72.05 Lakhs).
- The Company is in appeal in regard to assessment made the tax effect whereof Rs.599.70 Lakhs, (31.03.07: 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 (31.03.07: Rs.125.48 Lakhs).

7.2. Others – Rs. 191.27 Lakhs (31.03.07 – Rs. 191.39 Lakhs).

7.3. Bank guarantees Rs.198.91 Lakhs (31.03.07 – Rs. 118.78 Lakhs).

7.4. The Company has given guarantees aggregating to Rs.589 Lakhs (31.03.07 – Rs. 2,329.00 Lakhs) to financial institutions, banks and others on behalf of another company. The amount outstanding against these guarantees as on 31.03.08 is Rs.57.93 Lakhs (31.03.07 – Rs. 1,364.31 Lakhs).

8. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.508.01 Lakhs (31.03.07 - Rs. 220.98 Lakhs).

9. Taxation

9.1. Provision for tax includes provision for Wealth Tax Rs. 11.00 Lakhs (2006-07 - Rs.11.00 Lakhs). In the absence of taxable income for the year, no provision has been made for current tax.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)**9.2. Deferred Tax Liability (Net)**

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

		Rs. Lakhs		
Particulars		As at 1st April, 2007	Current year charge / (credit)	As at 31st March, 2008
Deferred Tax Liability				
Difference between book and tax Depreciation	(A)	(644.79)	(1,111.82)	(1,756.61)
Deferred Tax Assets				
Disallowances under Section 43B		50.55	(50.55)	0.00
Provision for Doubtful debts and advances		64.83	(64.83)	0.00
Employee Benefits and Others		104.89	(104.89)	0.00
	(B)	220.27	(220.27)	0.00
Adjustments towards increase in Employee Benefit Liability as at 1 April 2007 in accordance with the transitional provisions of AS 15.		(16.99)	16.99	(0.00)
Deferred Tax Liability (Net)	(A – B)	(441.51)	(1,315.10)	(1,756.61)

10. Director's Remuneration

		Rs.Lakhs	
		2007-2008	2006-2007
I. Wholetime Directors			
(a)	Salary and Others	242.36	279.04
(b)	Contribution to Provident Fund, Pension & Superannuation Funds	35.64	41.19
(c)	Monetary Value of Perquisites & Allowances	66.75	106.93
		344.75	427.16
II. Non Wholetime Directors			
	Sitting Fees	9.00	7.80
		353.75	434.96

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

(b) The reappointment of a whole time director effective 22nd March, 2008 is subject to the approval of the shareholders.

(c) In the absence of profits for the financial year, the Company has made necessary application to the Central Government for payment of remuneration in accordance with the terms of appointment. The profit and loss account includes managerial remuneration of Rs.2.75 Lakhs which is subject to the approval as aforesaid.

11. The Profit & Loss Account includes net exchange gain of Rs.16.19 Lakhs (2006-07 - loss of Rs. 84.22 Lakhs).
12. Loans & Advances include due from directors of the Company Rs. 26.29 Lakhs (2006-07 - Rs. 54.60 Lakhs).The maximum amount due from directors during the year was Rs. 54.60 Lakhs (2006-07 - Rs. 59.38 Lakhs).
13. Revenue Expenditure on Research & Development Rs.108.56 Lakhs (2006-07 - Rs. 107.93 Lakhs) is included in Operating Expenses (Schedule 3).
14. Capital Work-in-Progress is inclusive of Capital Advances of Rs.336.91 Lakhs (31.03.2007 – Rs. 278.85 Lakhs).

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

15. Miscellaneous Expenses include Auditors' Remuneration in respect of

Rs. Lakhs

	2007-2008	2006-2007
Audit Fees	13.14	10.50
Tax Audit	5.26	0.00
Limited Reviews Fee	8.20	7.80
Other Services	0.00	1.43
Out of Pocket Expenses	1.37	1.15
	27.97	20.88

16. Consumption of Raw Materials

Particulars	Unit	2007-2008		2006-2007	
		Qty	Rs. Lakhs	Qty	Rs. Lakhs
Zinc Spelter	Tonne	10,419.98	14,651.72	9,268.07	16,336.39
Acetylene Black	Tonne	2,082.88	1,622.27	2,112.93	1,846.26
Brass	Tonne	404.57	1,163.74	771.21	1,361.89
Manganese Ore	Tonne	10,381.07	1,846.42	10,724.14	1,656.97
Black Tea for Packet Tea	Tonne	7,651.26	5,016.95	7,634.26	4,992.79
Others			20,642.30		16,407.30
			44,943.40		42,601.60

17. Finished Goods Stocks

Class of Goods	Unit	Opening (1)		Closing	
		Qty	Rs. Lakhs	Qty	Rs. Lakhs
Batteries	Million	81.74	4,141.51	162.41	6,375.69
	Pcs	(116.31)	(7,412.47)	(81.74)	(4,141.51)
Flashlights	Million	2.54	1,784.26	2.52	1,570.86
	Pcs	(4.42)	(1,996.65)	(2.54)	(1,784.26)
Castings, Hard Facing & Tube Rods	Tonne	0.10	9.03	0.20	10.91
		(0.42)	(11.88)	(0.10)	(9.03)
Carbon Electrodes	Million	49.23	146.31	1.83	5.61
	Pcs	(16.76)	(40.65)	(49.23)	(146.31)
Purchased Products (exclude Batteries & Flashlights)			219.80		1,161.67
			(32.01)		(219.80)
Packet Tea	Tonne	542.59	892.21	637.67	540.05
		(975.60)	(447.48)	(542.59)	(892.21)
Others			146.45		184.82
			(298.39)		(146.45)
Total			7,339.57		9,849.61

Notes : 1) Includes 13.86 million pcs of batteries (Rs.527.48 Lakhs) and 0.03 million pcs of flashlights (Rs.19.14 Lakhs) taken over on amalgamation of erstwhile Powercell Battery India Limited. (refer note 3 - "Scheme of Amalgamation").
2) Figures in brackets represent particulars for 2006-07.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

18. 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	2007-2008	2006-2007
Batteries	Million Pcs	76.68	60.20
Flashlights	Million Pcs	0.16	0.74
Others	Million Pcs	1.62	0.59
Tea	Tonne	525.99	632.45

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

Class of Goods	Unit	2007-2008	2006-2007
Batteries	Million Pcs	0.67	0.10
Flashlights	Million Pcs	0.00	0.70
Others	Million Pcs	0.39	0.13
Tea	Tonne	50.89	171.22

19. Purchases of finished goods for resale include Rs.1, 522.29 Lakhs (2006-07 – Rs. 1,707.93 Lakhs) towards purchase of 31.09 million pieces of batteries (2006-07 – 22.90 million pieces), Rs.2,788.11 Lakhs (2006-07 – Rs. 1,183.72 Lakhs) towards purchases of 5.04 million pieces of Flashlights (2006-07 – 3.22 million pieces) and Rs.6,203.65 Lakhs (2006-07 – Rs. NIL) towards purchases of 7.45 million pieces of General Lights (2006-07 – NIL).

20. Capacities and Production

Class of Goods	Units	Licensed / Regd. Capacity (1)		Installed Capacity (1)		Actual Production	
		31.03.08	31.03.07	31.03.08	31.03.07	2007-2008	2006-2007
Batteries (2)	Million Pcs	2324.50	1624.50	1890.00	1350.00	1411.44	1131.01
Flashlights (2)	Million Pcs	23.00	23.00	12.50(3)	12.50(3)	7.92	8.29
Carbon Electrodes (2) & (4)	Million Pcs	470.00	470.00	580.00	580.00	162.95	461.69
Castings, Hard Facing & Tube Rods	Tonne	150.00	150.00	150.00	150.00	0.78	2.19
Electrolytic Manganese Dioxide (5) *	Tonne	-	-	-	-	-	-
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	162.03	155.25
Packet Tea	Tonne	Not applicable	Not applicable	9000.00	9000.00	7646.65	7494.63

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 25.7.91.
- (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.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

21. Details of Import on CIF Basis		Rs. Lakhs	
	2007-2008	2006-2007	
Raw Materials (excludes cost of materials acquired from / through canalizing Agencies)	6,748.00	12,276.84	
Finished Goods	1,508.34	1,183.56	
Components & Spare parts & others	129.84	545.94	
Capital Goods	207.98	736.27	

22. Consumption of Imported and Indigenous Raw Materials, Spare Parts & Components		Rs. Lakhs	
	2007-2008	2006-2007	
Imported	7,765.58	13,495.24	17.11 %
- includes canalized Material			31.44 %
Indigenous	37,625.74	29,426.18	82.89 %
	45,391.32	42,921.42	100.00 %

23. Expenditure in Foreign Currency		Rs. Lakhs	
	2007-2008	2006-2007	
Travel & Others	228.47	195.75	
Interest	7.54	39.08	

24. **Earnings in Foreign Currency**
Export of goods calculated on FOB basis Rs. 1,602.85 Lakhs (2006-07 - Rs. 1,424.73 Lakhs)

25. Unpaid dividend represents dividend of earlier years on Shares allotted to certain Non-Resident shareholders of the erstwhile The Bishnauth Tea Company Limited (BTCL) pursuant to the Scheme of Amalgamation of BTCL with the Company, whose present whereabouts are not known, the number of Shares involved being 63,037 (2006-07 - 63,037 shares).

26. Related Party Disclosures

List of Related Parties :

a) Key Management Personnel

Executive Vice-Chairman & Managing Director	-	Mr. D. Khaitan
Wholetime Directors	-	Mr. A. Roy *
	-	Mr. S. Saha

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
Mr. A. Khaitan	-	Son of Mr. D. Khaitan

* Retired w.e.f. December 8, 2007.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

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

Rs.Lakhs

Transactions	Subsidiary (Powercell Battery India Ltd)		Others (Note 1)		Key Management Personnel		Relatives	
	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07	2007-08	2006-07
Rent Paid	-	-	3.00	-	14.29	14.07	-	-
Salary Paid	-	-	-	-	-	-	13.58	-
Car Rental Charges (Note 2)	-	-	-	-	-	-	5.75	3.75
Sale of Real Estate	-	-	-	-	-	73.00	-	-
Rendering of Services	-	-	180.00	-	-	-	-	-
Forfeiture of Advance received against Convertible Warrants	-	-	439.38	-	11.88	-	16.15	-
Advance received against Convertible Warrants	-	-	261.00	-	-	-	-	-
Loans Outstanding	-	410.00	-	-	23.33	49.47	-	-
Amount Receivable	-	380.07	-	-	-	-	-	-
Sale of goods	-	1,878.81	-	-	-	-	-	-
Purchase of goods	-	227.26	-	-	-	-	-	-
Expenses Incurred	-	98.33	-	-	-	-	-	-

Notes : 1. Entity having significant influence (Williamson Magor & Company Ltd).
2. In accordance with Company's scheme.

27. The company had circulated requests to all vendors seeking confirmation regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 [MSMED] and to the extent of confirmations received, there are no amounts due and payable as at 31 March, 2008 to suppliers who fall under the category of micro and small enterprises under MSMED.

28. Earnings per Share

	2007-08	2006-07
(Loss) / Profit after Tax - Rs. Lakhs	(1,931.85)	(1,342.90)
Weighted Average Number of Equity Shares outstanding	72,687,260	72,416,685
Nominal Value of Equity Share - Rs	5/-	5/-
Basic Earnings Per Share - Rs	(2.66)	(1.85)

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

30. Geographical Segment -

Sales within India	Rs. 92,182.98 Lakhs (2006-07 - Rs. 84,965.39 Lakhs)
Sales outside India	Rs. 2,452.99 Lakhs (2006-07 - Rs. 2,421.30 Lakhs)

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

31. Convertible Warrants :

- (a) The Company had on 5 October, 2005 issued and allotted 67,50,000 Convertible Warrants on preferential basis which were convertible at the sole option of the warrant holders within a period of 18 months from the date of allotment. During the year, an amount of Rs.551.95 Lakhs representing the initial amount paid on the allotments of such warrants has been forfeited on the expiry of the time frame to opt for conversion. The amounts forfeited has been transferred to Capital Reserve.
- (b) In accordance with the shareholders approval in the extra-ordinary general meeting of the Company held on October 5, 2007, the Company has on a preferential basis allotted and issued 45,00,000 convertible warrants in accordance with the provision of Chapter XIII of the SEBI [Disclosure and Investor Protection] Guidelines, 2000. The Convertible Warrants are convertible at the sole option of the warrant holder within a period of 18 months from the date of allotment into equity shares of the Company at a premium of Rs.53/-. In accordance with SEBI Guidelines an amount equivalent to 10 percent of the price i.e. Rs.5.80 per warrant [aggregating to Rs.261.00 Lakhs] has been received on allotment of such warrants.

32. Disclosure as required under Accounting Standard (AS) 15

- 32.1 Amounts aggregating to Rs.33.03 Lakhs (net of deferred tax asset of Rs.11.36 Lakhs) have been adjusted to General Reserves in accordance with the transitional provisions of Accounting Standard (AS) 15 - "Employee Benefits" and the guidance issued by the Accounting Standards Board of The Institute of Chartered Accountants of India. These adjustments relate to the erstwhile Powercell Battery India Limited which has been amalgamated with the Company effective 1 April 2007. The particulars of such adjustment are as follows :

Employee Benefits	Rs. Lakhs
Gratuity	(23.43)
Leave Encashment	(9.58)

32.2 Disclosures in accordance with the requirements of AS - 15

Rs. Lakhs

	Pension	Gratuity	P R M B	Leave Encashment
Components of Employer's Expense				
Current Service Cost	0.00	87.50	0.00	19.64
Interest Cost	66.89	105.05	31.79	20.39
Expected Return on Plan Assets	(85.44)	(118.23)	NA	NA
Actuarial Losses / (Gains)	(100.71)	31.00	(32.08)	(43.04)
Expense recognised in the Statement of Profit and Loss	(119.26)	105.32	(0.29)	(3.01)
Actual Contribution and Benefit Payments for the year ended 31 March, 2008				
Actual Benefit Payments	185.02	528.94	36.58	88.04
Actual Contributions	Nil	213.14	NA	NA
Net Asset / (Liability) recognised in the Balance Sheet as at 31 March, 2008				
Present Value of Defined Benefit Obligations	722.03	1,222.41	376.01	199.91
Fair Value of Plan Assets	1,066.06	1,386.60	NA	NA
Funded Status [Surplus / (Deficit)]	344.03	164.19	(376.01)	(199.91)
Net Asset / (Liability) recognised in the Balance Sheet	344.03	164.19	(376.01)	(199.91)

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

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

Rs. Lakhs

	Pension	Gratuity	PRMB	Leave Encashment
Change in Defined Benefit Obligations (DBO) during the year ended 31 March, 2008				
Present Value of DBO at the beginning of the year	903.35	1,550.43	412.88	290.96
Current Service Cost	0.00	87.50	0.00	19.64
Interest Cost	66.89	105.05	31.79	20.39
Actuarial Losses / (Gains)	(63.19)	8.37	(32.08)	(43.04)
Benefits Paid	(185.02)	(528.94)	(36.58)	(88.04)
Present Value of DBO at the end of the year	722.03	1,222.41	376.01	199.91
Change in Fair Value of Assets during the year ended 31 March, 2008				
Plan Assets at the beginning of the year	1,128.12	1,606.80	NA	NA
Actual Return on Plan Assets	122.96	95.60	NA	NA
Actual Company's Contribution	0.00	213.14	36.58	88.04
Benefits Paid	(185.02)	(528.94)	(36.58)	(88.04)
Plan Assets at the end of the year	1,066.06	1,386.60	NA	NA
Actuarial Assumptions				
Discount Rate %	8.25%	8.10% and 8.30%	8.00% and 8.20%	8.20% and 8.30%
Expected Return on Plan Assets %	8.00%	8.30%	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.

Schedules to Accounts

18. Notes to Balance Sheet and Profit & Loss Account for the year ended March 31, 2008 (Contd.)

33. **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.

Particulars	Rs. Lakhs			
	Sales Tax	Excise	Others	Total
Carrying amount as at 1st April, 2007	244.11	1,257.11	431.25*	1,932.47
Carrying amount as at 31st March, 2008	73.59	668.37	294.80	1,036.76
Provisions made in the year	17.60	108.39	1.51	127.50
Amount used during the year	–	–	58.83	58.83
Unused amount reversed during the year	188.12	697.13	79.13	964.38
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 forum.			
Amount of any expected reimbursement, i.e amount of any asset that has been recognised for that expected reimbursement.	NIL			

* Includes Rs. 127.71 lakhs relating to provision on account of Electrolytic Manganese Dioxide Plant at Navi Mumbai.

34. **End use of money raised by preferential issue of Convertible Warrants**

Proceeds of issue	Rs. 261.00 Lakhs (2006-07 - Rs. 803.70 Lakhs)
Utilisation :- Working Capital Requirement	Rs. 261.00 Lakhs (2006-07 - Rs. 803.70 Lakhs)

35. **Derivative Instruments**

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

As at	No. of Contracts	US\$ Equivalent (Million)	INR Equivalent (Rs.Lakhs)
31.03.2008	7	0.90	352.72
31.03.2007	–	–	–

Unhedged exposure with respect to receivable as at 31 March 2008 was Rs.19.22 Lakhs (US\$ 0.05 million) [31.03.07 - Rs.228.92 Lakhs (US\$ 0.53 million)] and with respect to amounts payable on account of Import of Goods and Services Rs.424.81Lakhs (US\$ 1.06 million) [31.03.07 - Rs.552.30Lakhs (US\$ 1.27 million)].

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December, 2005.

- The figures for the previous year do not include figures for the erstwhile Powercell Battery India Limited and accordingly the current year's figures are not comparable to those of the previous year.
- Information pursuant to the provisions of Para IV of Schedule VI to the Companies Act, 1956, is attached.

For and on behalf of the Board of Directors

D. Khaitan
Executive Vice-Chairman & Managing Director

S. Saha
Wholetime Director

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

Kolkata, 6th May, 2008

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

Secured Loans

Application of Funds

Net Fixed Assets

Net Current Assets

Accumulated Losses

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

Turnover

+ - Profit/Loss Before Tax

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

+ - Earning per share (Basic) in Rs.

+ - 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
Wholtime Director

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

Kolkata, 6th May, 2008.

