

EVEREADY INDUSTRIES INDIA LTD

**MINUTES OF THE 77th ANNUAL GENERAL MEETING OF THE
MEMBERS OF THE COMPANY HELD ON JULY 27, 2012 AT 10.15 A.M.
AT ROTARY SADAN, 94/2, CHOWRINGHEE ROAD, KOLKATA-700020.**

PRESENT :

Mr. A. Khaitan	-	Director & Member
Mr. B. Mitter	-	Director
Mr. P.H. Ravikumar	-	Director & Member
Mr. S. Saha	-	Director
Mr. S.R. Dasgupta	-	Director & Member
Mr. A. Saraf	-	Director
Mr. S. Sarkar	-	Director
Ms. T. Punwani	-	Secretary
Williamson Magor & Co Ltd	:	By its authorised representative, Mr.S. Saha
Williamson Financial Service Ltd	:	By its authorised representative, Mrs.T. Punwani
Mcleod Russel India Ltd	:	By its authorised representative, Mr. S. Saha
Metals Centre Limited	:	By its authorised representative, Mr. S. Saha
Babcock Borsig Limited	:	By its authorised representative, Mrs. T. Punwani
United Machine Co. Ltd	:	By its authorised representative, Mr. S. Saha
Ichamati Investments Ltd	:	By its authorised representative, Mr. S. Saha
Nitya Holdings & Properties Pvt Ltd	:	By its authorised representative, Mr. S. Saha
Kilburn Engineering Ltd	:	By its authorised representative, Mrs T. Punwani
Dufflaghur Investments Ltd	:	By its authorised representative, Mr.S. Saha
McNally Bharat Engineering Co Ltd	:	By its authorised representative, Mr.S. Saha

5586 Members in person
262 Members by proxy

CHAIRMAN

In the absence of the Chairman and the Vice Chairman, Mr. Aditya Khaitan, Director, took the Chair after being proposed, in accordance with Article 87 of the Articles of Association of the Company.

QUORUM

The Secretary informed the Chairman that the requisite quorum was present. The Chairman declared the Meeting duly called and constituted and proceeded with the business of the Meeting.

REGISTER OF DIRECTORS' SHAREHOLDING

The Register of Directors' Shareholding pursuant to Section 307 of the Companies Act, 1956, was produced at the Meeting remained open and accessible during the continuance of the Meeting.

NOTICE OF MEETING

With the unanimous consent of the Members present, the Notice convening the Meeting having been circulated to the Members was taken as read.

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EVEREADY INDUSTRIES INDIA LTD.


T. PUNWANI
Senior General Manager - Legal
& Company Secretary

WELCOME

The Chairman extended a hearty welcome to the Members attending the Meeting.

CHAIRMAN'S SPEECH

The Chairman thereafter addressed the Members with the Chairman's speech as follows:

Worldwide macro-economic conditions remain uncertain. The developed economies – especially a few Western Europe countries are showing signs of deep economic stress. The difficulties faced by these advanced economies are pulling other countries towards recessionary conditions. This has already impacted India's economic progress over the past one year. Slow-down in certain key sectors is now established. Inflationary tendencies in the economy and the measures to control it both seem to be putting pressure on the economy.

Hopefully, our country's strong internal demand will eventually pull India out of this trend at a faster pace than what the current gloomy outlook predicts.

Given this overall situation, your Company faced significant challenges in its operations in the year under review. Consequently, it ended up with quite a lacklustre performance – especially in the second half of the year. Adverse impact from input costs – accentuated by the steadily depreciating Indian Rupee - resulted in loss in margins. Inflationary trends in other costs also put significant pressure on margins. In a scenario where food inflation was restricting common people's spending power, the impact of the lost margins could not be recovered from the market fully. In any case, the process of price increases to recover lost margin in this business generally lags cost increases by several months.

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

The year's performance got further vitiated due to an exceptional provision of Rs. 75 crores towards your Company's investment and other exposures to its French subsidiary dealing with 'Uniross' branded products. From the time of the acquisition of this subsidiary in 2009, its performance had been rather unsatisfactory primarily due to recessionary conditions in Europe and other geographies where it has strong market presence. The current global economic environment is perhaps not amenable to for this operation to achieve a complete turn around in the near future. Given this backdrop, the management has, as a measure of prudence and governance, created this provision. However, as mentioned, this is exceptional and one-time in nature.

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

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

AUDITORS' REPORT

Mrs. T Punwani read the Auditors' Report on the Accounts of the Company for the financial year ended March 31, 2012.

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T. PUNWANI
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ADOPTION OF ACCOUNTS AND DIRECTORS' AND AUDITORS' REPORTS

Res. No. 1/12 Proposed by : Mr. Aditya Khaitan
Seconded by : Mr. S Mullick

"RESOLVED that the Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended March 31, 2012, the Reports of the Directors and the Auditors and the Consolidated Accounts and the Report of the Auditors thereon, for the year ended March 31, 2012 be and are hereby received, considered and adopted."

The Chairman then invited the Members present to put forward their questions and observations if any in relation to the Accounts of the Company under review.

In reply to the queries raised by various shareholders, the following explanations and clarifications were given:

1. The Company is engaged in marketing and distribution of consumer goods.
2. The Company faced significant challenges in its operations in the year under review.
3. Both batteries and flashlights went through some major changes in the past.
4. The batteries and flashlights show high degree of demand elasticity against price movements.
5. There was consumer resistance to price increases and volumes remained stagnant.
6. The Company's margins were impacted by the depreciating rupee, increase in commodity prices and overall inflationary trend in costs.
7. The above factors as well as the sluggishness in the general economy had an adverse impact on the year's performance.
8. Efforts are being made to recover costs through price increases in a slow and sustainable manner, as well as through efficient sourcing and reduction in costs, though the depreciating rupee continues to inflict new losses.
9. Eveready is one of the country's top brands and the distribution network is one of the most penetrative in the country, with scope for further improvement.
10. The year's performance got further vitiated due to an exceptional provision of Rs. 75 crores towards the Company's investment and other exposures to its French subsidiary, Novener, which in turn controls, Uniross SA, a French company, dealing with 'Uniross' branded products. From the time of the acquisition of this subsidiary in 2009, its performance had been unsatisfactory, primarily due to recessionary conditions in Europe and other geographies where it has a strong market presence. The current global economic environment – especially in the European context – may hinder this operations to achieve a turn-around in the foreseeable future, despite the best efforts. Consequently, with the possibility that the Company may not be able to recover its investments, as a measure of prudent accounting and governance, the Company has created this provision. However, this is exceptional and one-time in nature.
11. The consolidated financial statements have been prepared in compliance with applicable Accounting Standards. For reasons beyond management's control, the financial information of Novener and its subsidiaries included in the Financial Statements are based on management's estimates.

Thereafter the resolution was put to vote and carried by requisite majority.

The Chairman vacated the Chair for the next item of business. Mr. S. Saha, Director was proposed to the Chair for this item of business.

RE-APPOINTMENT OF MR. ADITYA KHAITAN

Res. No. 2/12 Proposed by : Mr. J N Kundu
Seconded by : Mr. O P Kejriwal

"RESOLVED that Mr. Aditya Khaitan be and is hereby re-appointed a Director of the Company."

Thereafter the resolution was put to vote and carried unanimously.

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The Chairman resumed the Chair again for the next items of business.

RE-APPOINTMENT OF MR. S. R. DASGUPTA

Res. No. 3/12 Proposed by : Mr. P Mukherjee
Seconded by : Mr. S Mullick

"RESOLVED that Mr. S. R. Dasgupta be and is hereby re-appointed a Director of the Company."

Thereafter the resolution was put to vote and carried by requisite majority.

RE-APPOINTMENT OF MR. P. H. RAVIKUMAR

Res. No. 4/12 Proposed by : Mr. S K Bhattacharya
Seconded by : Mr. J N Kundu

"RESOLVED that Mr. P. H. Ravikumar be and is hereby re-appointed a Director of the Company."

Thereafter the resolution was put to vote and carried by requisite majority.

RE-APPOINTMENT OF MR. S. SARKAR

Res. No. 5/12 Proposed by : Mr. P Mukherjee
Seconded by : Mr. S K Bhattacharya

"RESOLVED that Mr. S. Sarkar be and is hereby re-appointed a Director of the Company."

Thereafter the resolution was put to vote and carried by requisite majority.

RE-APPOINTMENT OF AUDITORS

Res. No. 6/12 Proposed by : Mr. J N Kundu
Seconded by : Mr. S Mullick

"RESOLVED that Messrs Deloitte Haskins & Sells, Chartered Accountants, be and is hereby reappointed Auditors of the Company to hold office from the conclusion of the Seventy Seventh Annual General Meeting, until the conclusion of the next Annual General Meeting and the Board of Directors be and is hereby authorised to fix the remuneration payable to the Auditors, plus reimbursement of actual travelling and out of pocket expenses reasonably incurred by them."

Thereafter the resolution was put to vote and carried by requisite majority.

PAYMENT OF SAME REMUNERATION AS MINIMUM REMUNERATION TO MR. D KHAITAN. IN THE ABSENCE OF PROFITS

Res. No. 7/12 Proposed by : Mr. S K Bhattacharya (As a Special Resolution)
Seconded by : Mr. J N Kundu

"RESOLVED that in accordance with the provisions of Sections 198,269,309 and 310 and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and/or subject to the approval of the Central Government, consent of the Members be and is hereby accorded to the payment of the same remuneration to Mr. D. Khaitan, as Executive Vice Chairman & Managing Director, as per the terms approved by the Members at the Seventy-sixth Annual General Meeting of the Company held on September 23, 2011, as minimum remuneration, for the period from April 1, 2011 upto August 10, 2011 in view of the Company having no profit during the financial year ended March 31, 2012."

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Thereafter the resolution was put to vote and carried by requisite majority.

PAYMENT OF SAME REMUNERATION AS MINIMUM REMUNERATION TO MR. S SAHA, IN THE ABSENCE OF PROFITS

Res. No. 8/12 Proposed by : Mr. J N Kundu (As a Special Resolution)
Seconded by : Mr. S Mullick

"RESOLVED that in accordance with the provisions of Sections 198,269,309 and 310 and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and/or subject to the approval of the Central Government, consent of the Members be and is hereby accorded to the payment of the same remuneration to Mr. S. Saha, as Wholetime Director, as per the terms approved by the Members at the Seventy-sixth Annual General Meeting of the Company held on September 23, 2011, as minimum remuneration, for the period from April 1, 2011 till the completion of his term on March 21, 2014 in view of the Company having no profit during the financial year ended March 31, 2012 and in the event of the Company having no profit or inadequate profits/insufficiency of profits during any subsequent financial year in which his present term is completed."

Thereafter the resolution was put to vote and carried by requisite majority.

PAYMENT OF SAME REMUNERATION AS MINIMUM REMUNERATION TO MR. AMRITANSHU KHAITAN, IN THE ABSENCE OF PROFITS

Res. No. 9/12 Proposed by : Mr. J N Kundu (As a Special Resolution)
Seconded by : Mr. S K Bhattacharya

"RESOLVED that in accordance with the provisions of Sections 198,269,309 and 310 and other applicable provisions, if any of the Companies Act, 1956 (the Act) read with Schedule XIII to the Act and/or subject to the approval of the Central Government, consent of the Members be and is hereby accorded to the payment of the same remuneration to Mr. Amritanshu Khaitan, as Wholetime Director, as per the terms approved by the Members at the Seventy-sixth Annual General Meeting of the Company held on September 23, 2011, as minimum remuneration, for the period from August 10, 2011 till the completion of his term on August 9, 2014 in view of the Company having no profit during the financial year ended March 31, 2012 and in the event of the Company having no profit or inadequate profits/insufficiency of profits during any subsequent financial year in which his present term is completed."

Thereafter the resolution was put to vote and carried unanimously.

VOTE OF THANKS

Proposed by Mr. J N Kundu and seconded by Mr. S Mullick, a Vote of Thanks to the Chair was carried by acclamation.


CLOSURE

There being no other business, the Chairman declared the meeting closed.

SD/-

CHAIRMAN

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T. PUNWANI
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