#### **EVEREADY INDUSTRIES INDIA LTD**

# MINUTES OF THE 78<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON JULY 26, 2013 AT 10.15 A.M. AT ROTARY SADAN, CHOWRINGHEE, KOLKATA

#### PRESENT:

Mr. P.H. Ravikumar - Director & Member

Mr. S. Saha - Director Mr. Amritanshu Khaitan - Director

Mr. S.R. Dasgupta - Director & Member

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. Amritanshu Khaitan Metals Centre Limited : By its authorised representative, Mr. Amritanshu Khaitan

Babcock Borsig Limited : By its authorised representative, Mrs.T. Punwani

United Machine Co. Ltd : By its authorised representative, Mr. Amritanshu Khaitan Ichamati Investments Ltd : By its authorised representative, Mr. Amritanshu Khaitan Nitya Holdings & Properties Ltd : By its authorised representative, Mr. Amritanshu Khaitan

Kilburn Engineering Ltd : By its authorised representative, Mrs.T. Punwani

Dufflaghur Investments Ltd : By its authorised representative, Mr. Amritanshu Khaitan

McNally Bharat Engineering : By its authorised representative, Mr. S. Saha

Co. Ltd

Zen Industrial Services Ltd : By its authorised representative, Mr. Amritanshu Khaitan

5694 Members in person 247 Members by proxy

## **CHAIRMAN**

In the absence of the Chairman and the Vice Chairman, Mr. P.H. Ravikumar, 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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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 unstable. 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 – which led to the slowest growth for our country in several years. Inflationary tendencies in the economy and the measures to control it both seem to be putting pressure on the economy. Hopefully, our country's strong internal demand will eventually pull India out of this trend at a faster pace than what the current gloomy outlook predicts.

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

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

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

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

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

#### **AUDITORS' REPORT**

Mrs. T. Punwani read the Auditors' Report on the Accounts of the Company for the financial year ended March 31, 2013.

#### ADOPTION OF ACCOUNTS AND DIRECTORS' AND AUDITORS' REPORTS

Res. No. 1/13

Proposed by

: Mr. Anindya Kundu

Seconded by

: Mr. Uijal Chakrobarty

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T. FUNWANI Senior General Manager - Legal & Company Secretary "RESOLVED that the Balance Sheet as at March 31, 2013 and the Profit and Loss Account for the year ended March 31, 2013, 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, 2013 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:

- The Company had set up a special purpose vehicle, Novener SAS in France for the purpose of acquiring a controlling stake in Uniross Batteries SA, a French Company which along with its subsidiaries was in the segment of rechargeable batteries and allied products, with a view to gain access to other geographies, particularly in Europe, South East Asia and parts of Africa. At the time of the acquisition Uniross was facing financial difficulties and it was thought that it could be nursed back to sustainable profitability. However, unfortunately, the dim economic situation prevailing in Europe, and sluggish demand of the rechargeable segment, globally, did not allow a turn around and the Uniross Group continued to incur losses. With the view that the Company may not be able to recover its investments pertaining to the Uniross operations, the management had, as a measure of prudent accounting and governance, created a provision of Rs. 75 crores covering this investment in the previous financial year and as the end of the financial year under review, the Company's exposure towards investments, advances and other obligatory commitments of Rs. 76.19 crores stood fully provided for.
- 2. Dry batteries and flashlights are the key product segments of the Company.
- 3. The Company continues to be alert to opportunities for the purpose of reducing debt and thereby improving financial sustainability.
- 4. The steadily depreciation Indian Rupee and inflationary trends in input materials (inclusive of zinc) and other costs, continue to put pressure on margins.
- 5. Though the demand of these product categories bear strong elasticity to price, the Company persisted with passing on the adverse impacts to the market- which resulted in the operating results being better during the year under review.
- 6. The Company has launched a slew of products such as rechargeable fans and lanterns, wall mounted rechargeable lights, tube lights, radio and power bank for mobile phones, in keeping with its brand promise of portable power and lighting. These would add scale and profitability in the years to come.
- The Company is concentrating on improving its operating results and the outlook appears to be bright.
- 8. Suggestions regarding the provision of certain details together would be considered and implemented, if required.

Thereafter the resolution was put to vote and carried unanimously

#### **RE-APPOINTMENT OF MR. S.SAHA**

Res. No. 2/13

Proposed by

: Mr. S.K. Bhattacharjee

Seconded by

: Mr. Ujjal Chakrobarty

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

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T. PUNWANI Senior General Manager - Legal & Company Secretary Thereafter the resolution was put to vote and carried by requisite majority.

## **RE-APPOINTMENT OF MR. S. GOENKA**

Res. No. 3/13

Proposed by : Mr. Anupam Kundu

Seconded by

: Mr. S.K. Bhattacharjee

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

Thereafter the resolution was put to vote and carried unanimously.

### **RE-APPOINTMENT OF MR. AMRITANSHU KHAITAN**

Res. No. 4/13

Proposed by : Mr

: Mr. Saket Kapoor

Seconded by

: Mr. S K Bhattacharjee

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

Thereafter the resolution was put to vote and carried unanimously.

### **RE-APPOINTMENT OF AUDITORS**

Res. No. 5/13

Proposed by

: Mr. Anupam Kundu

Seconded by

: Mr. S K Bhattacharjee

"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 eighth 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 unanimously.

## **VOTE OF THANKS**

Proposed by Mr. Anupam Kundu and seconded by Mr. Ujjal Charkraborty, a Vote of Thanks to the Chair was carried by acclamation.

### **CLOSURE**

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

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T. PUNWANI Senior General Manager - Legal & Company Secretary 241-

**CHAIRMAN**