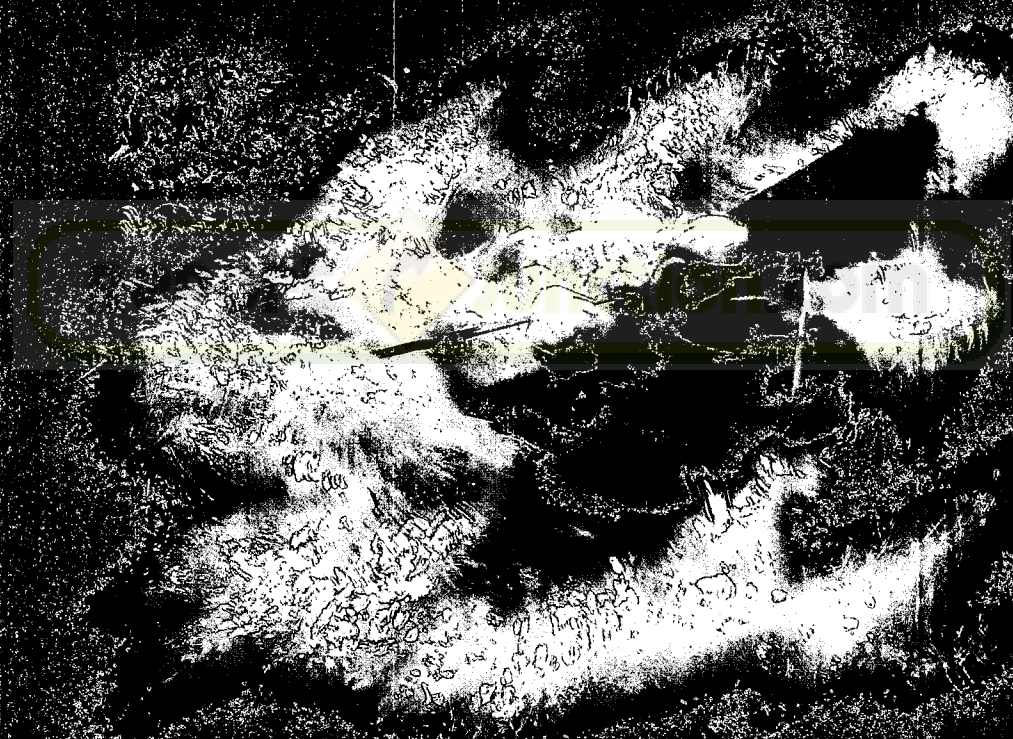
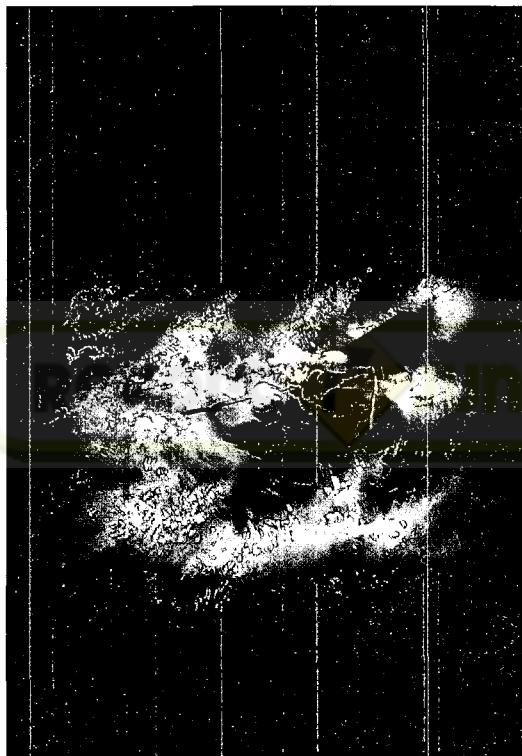


A clear vision.
A strategic alliance.
A commitment to the future.



A clear vision.
A strategic alliance.
A unique customer focus.
And the will to win.



**Cornerstones of
Amara Raja's
consistent success.**

A clear vision – in a year of tough challenges the Company has displayed the ability to surmount overwhelming odds.

A strategic alliance – to venture into new areas of operations, leapfrogging generations of technology.

A commitment to the future – to fight odds and thrive in chaos.

A responsibility to perform and excel.



MD	✓				BKG	✓
CS	MA				DEF	MA
RO	✓				DEV	✓
TRA	MA				AC	✓
ACM	✓	✓			SD	✓
YE	✓	✓	✓			✓

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BOARD OF DIRECTORS

Mrs. Amara Kumari Galla	Director
Dr. Upendranath Nimmagadda	Director
Mr. V.R. Rao	Alternate Director to Dr. Upendranath Nimmagadda
Mr. P. Lakshman Rao	Director
Mr. T. Panduranga Rao	IDBI Nominee Director
Mr. U.V. Warlu	Director
Mr. Douglas C. Brown	Additional Director
Mr. Rohit Kochhar	Alternate Director to Douglas C. Brown
Mr. Arthur F. Nennig Jr.	Additional Director
Ms. Manjula Chawla	Alternate Director to Arthur F. Nennig Jr.
Mr. Paul W. Van Hoof	Additional Director
Mr. Jayadev Galla	Executive Director
Mr. Ramachandra N. Galla	Chairman & Managing Director

AUDITORS

M/s. E. Phalguna Kumar & Co.

Chartered Accountants
Tirupati.

M/s. Chevuturi Associates

Chartered Accountants
Vijayawada.

BANKERS

State Bank of India

Settipalle, Tirupati.

Andhra Bank

Main Branch, Tirupati

State Bank of Hyderabad

Main Branch, Tirupati.



AMARA RAJA BATTERIES LTD

Regd. Office : Renigunta - Cuddapah Road, Karakambadi - 517 520, TIRUPATI, Andhra Pradesh, India.
Tel : +91-8574-755 61 to 65 Fax : +91-8574-753 60 email : tpt.amararaja@gnmds.globalnet.ems.vsnl.net.in

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of AMARA RAJA BATTERIES LIMITED will be held on Thursday, the 30th July, 1998 at 3.00 P.M. at the Registered Office of the Company at Karakambadi, Tirupati-517 520 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date and the reports of the Directors and the Auditors.
2. To declare Dividend.
3. To appoint a Director in place of Sri.U.V. Warlu, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Smt. Amara Kumari Galla, who retires by rotation, and being eligible, offers herself for reappointment.
5. Appointment of Auditors:

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :

"Resolved that the auditors of the Company M/s. E. Phalgun Kumar & Co., Chartered Accountants, Tirupati and M/s. Chevuturi Associates, Chartered Accountants, Vijayawada, who retires at this meeting, being eligible and willing to act as joint auditors be and are hereby appointed as auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board, in addition to out of pocket expenses as may be incurred by such auditors in connection with the audit of the Company."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:
"RESOLVED that Mr. Arthur F. Nennig Jr., who was appointed as an Additional Director of the Company by the Board of Directors on 11.06.1998 and who ceases to hold office at this meeting under Section 260 of the Companies Act, 1956, be and is hereby reappointed as the Director of the Company, retiring by rotation."
7. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :
"RESOLVED that Mr. Douglas C. Brown, who was appointed as an Additional Director of the Company by the Board of Directors on 11.06.1998 and who ceases to hold office at this meeting under Section 260 of the Companies Act, 1956, be and is hereby reappointed as the Director of the Company, retiring by rotation."
8. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :
"RESOLVED that Mr. Paul W. Van Hoof, who was appointed as an Additional Director of the Company by the Board of Directors on 11.06.1998 and who ceases to hold office at this meeting under Section 260 of the Companies Act, 1956, be and is hereby reappointed as the Director of the Company, retiring by rotation."



NOTICE

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution.

“Resolved that pursuant to the provisions of Section 31 and other applicable provisions, if any in the Companies Act, 1956 the various articles of the Articles of Association of the Company be and are hereby altered in the following manner.

- i) The existing Article 2 (t) be substituted as under :

2 (t). Galla Family means and includes the individuals, corporations or business entities, individually or collectively, owning shares in the Company, whose names and addresses are set forth below and their legal heirs, executors, administrators and successors. Each constituent of the Galla Family is herein referred to as a Member, who have hereby irrevocably and collectively appointed Ramachandra N. Galla as their agent and attorney in fact. Ramachandra N. Galla may appoint a successor agent. In the event of Ramachandra N. Galla's death or disability, the Galla Family shall select a successor agent and attorney in fact.

Mr. Ramachandra N. Galla	C/o. Amara Raja Batteries Limited, “Giridrusya” Renigunta – Cuddapah Road, Karakambadi - 517 520 Tirupati, Andhra Pradesh, India.
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Mr. Jayadev Galla	C/o. Ramachandra N. Galla Amara Raja Batteries Limited, Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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Mrs. Amara Kumari Galla	C/o. Ramachandra N. Galla Amara Raja Batteries Limited, Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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Mrs. Padmavathi Galla	C/o. Ramachandra N. Galla Amara Raja Batteries Limited, Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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Dr. Ramadevi Gourineni	C/o. Ramachandra N. Galla Amara Raja Batteries Limited, Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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Dr. Prasad V. Gourineni	C/o. Ramachandra N. Galla Amara Raja Batteries Limited, Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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Mr. G. Balakrishnama Naidu	C/o. Ramachandra N. Galla Amara Raja Batteries Limited, Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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M/s. Harsha Electronics Pvt. Ltd. (Represented by Mr. Ramachandra N. Galla)	Renigunta – Cuddapah Road, Karakambadi - 517520. Tirupati, Andhra Pradesh, India
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M/s. Mangal Electro Systems Pvt. Ltd. (Represented by Mr. Ramachandra N. Galla)	Renigunta – Cuddapah Road, Karakambadi - 517 520, Tirupati, Andhra Pradesh, India.
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NOTICE

- ii) The following new Article No.34 (7) be inserted after the existing Article No. 34 (6) :
34 (7) . The transfer of shares interse between the Galla Family and JCI shall be in accordance with the Shareholders' Agreement dated December 22, 1997.
- iii) The existing Article No. 77 be deleted and substituted by the following:
77. In the case of an equality of votes, the Chairman shall not have a casting vote in addition to the vote or votes to which he may be entitled to as a member, both on a show of hands and on a poll.
- iv) The existing Article No. 91 (A) be deleted and substituted by the following:
91(A). The Board of Directors of the Company shall be reconstituted to have three(3) members nominated by Galla Family, three (3) members nominated by JCI and three (3) independent Directors. The independent Directors shall be recommended for appointment by mutual consent of Galla Family and JCI. In addition the Board may have Institutional Nominees as per Article No.97.
- v) The existing Article 91B be substituted as under:
91B. At any time and from time to time Galla Family and JCI shall have the right to replace any director nominated by such party. Upon expiration of the term of any director, the party that nominated the director shall be entitled to nominate his replacement. The replacement independent directors shall be nominated with the mutual consent of Galla Family and JCI. Galla Family and JCI will cast their vote to effect the appointment of persons nominated as provided in Article 91A.
- vi) The existing proviso after Article 96 be substituted as under :
Provided that Galla Family and JCI shall be entitled to appoint one or more alternate director (s) to act for any director (Original Director) during his absence. In such case, the party nominating any alternate director shall also have the right to withdraw its nominated director and appoint another in his place at any time.
- vii) The existing Article No. 113(2) be deleted and substituted by the following :
113(2). The Managing Director may at any time summon a meeting of the Board and the Managing Director or a Secretary on the requisition of a Director shall at any time summon a meeting of the Board. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. In respect of Directors residing abroad, a Notice of the meeting shall be served on such Director by fax/post at their usual address in the concerned country at least 14 days prior to the date of the meeting.
- viii) In Article No.114, for the words "Two Directors" appearing in the second line, the words "Three Directors" be substituted.
- ix) In Article No.114, after the existing proviso the following shall be added to the existing proviso :
The Directors not present in India may participate in the Board meetings through telephone or video conferencing.
- x) The existing Article 115 (2) shall be renumbered as Article No. 115 (3).
- xi) A new Article 115 (2) be inserted after the existing Article No. 115 (1).
115 (3). Each director present and voting at a meeting of the Board of Directors shall have one (1) vote. Alternate Directors present shall have one (1) vote for each Directors for whom they are alternates.
- xii) A new Article 115 (4) be inserted after the existing Article No. 115 (3) :
115 (4). In the event any matter listed in Article No. 124A has been considered by the Board of Directors and no resolution is passed in two successive meetings of the Board where a valid quorum is present, a deadlock shall be deemed to have occurred with respect to that matter. The Galla Family and JCI shall strive to avoid any deadlock in decisions to be made by Board



NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO : 6, 7 & 8

Consequent to entering into Technical Assistance & License Agreement and Share Subscription and Investment Agreement with Johnson Controls Inc. USA., their nominees namely Mr. Arthur F. Nennig Jr., Mr. Douglas C. Brown and Mr. Paul W. Van Hoof were inducted into the Board of Directors of the Company on 11th June 1998 as Additional Directors. They shall hold office till the Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, proposing their reappointment as Directors were received by the Company together with the deposit of Rs.500/- for each of the Director.

The Directors recommend the resolutions for your approval. Other than the concerned Directors, none of the other Directors are concerned or interested in the resolution.

ITEM NO : 9

To consolidate the existing business of the Company and to expand its activities into other related areas, the Company has identified and entered into Technical Assistance & License Agreement and Share Subscription & Investment Agreement with Johnson Controls Inc. USA, which includes Johnson Controls Battery Group Inc., and Johnson Controls Mauritius Private Limited and/or their subsidiaries, affiliates and group companies. This will enable the Company to consolidate the existing business in the domestic market; modernize and develop its manufacturing facilities to international standards; expand its product range and markets; and to enter into Automotive Battery Market.

The Company has amended certain articles in the Articles of Association at the Extra Ordinary General Meeting held on 22nd October 1997 in compliance with the agreement entered with Johnson Controls Inc. USA. In total compliance of the terms and conditions and of the above said agreements and to provide conformity and harmony to the management and control of affairs of the Company, certain additional amendments to the Articles of the Association of Company is proposed.

Under the Special Resolution for alteration of various articles, consent of the shareholders is being sought pursuant to the Provisions of Section-31 and other applicable provisions of the Companies Act, 1956. The Directors recommend the resolution for your approval.

The Directors of the Company may be deemed to be concerned/interested to the extent of their control over the affairs of the Company and to the extent of their shareholding in the Company.

**By order of the Board
for AMARA RAJA BATTERIES LIMITED**

Sd/-

**RAMACHANDRA N. GALLA
Chairman & Managing Director**

**Place : Tirupati
Date : 11.06.1998**



NOTICE

of Directors. However, in the event of any deadlock, the deadlock matter shall be referred to arbitration in accordance with the agreement entered between Galla Family and JCI. The scope of such arbitration shall be to assess the genuineness of the deadlock and whether the parties are acting in good faith. In the event the arbitrators find the deadlock being not genuine, the party identified as non - defaulter in such arbitration shall have the right to take decision on the subject matter on which the deadlock has arisen, and the defaulters shall have the option of being bound by such decision or to exit in accordance with the agreement entered between Galla Family and JCI. If the deadlock is found to be genuine, the parties shall mutually discuss and attempt to resolve the deadlock by arriving at a mutually acceptable decision.

- xiii) In the existing Article 118 (3) the existing second paragraph be substituted as under
The following decisions relating to the Company shall be taken by the Management Committee by the majority consent of the members.
- xiv) In the existing Article 118 (3) the following shall be inserted as Article 118 (3) (h) and 118 (3) (i) after the existing Article 118 (3) (g) as under :
118 (3) (h). Approval of all short term loan borrowings and other financial guarantees by the Company.
118(3)(i). Approval of any transaction between the Company and any other Company in which the Galla Family has interest including Amara Raja Power Systems (P) Ltd., Harsha Electronics (P) Ltd. and Mangal Electro Systems (P) Ltd.
- xv) In Article No. 118, after the existing Article 118 (3) (i) following paragraph shall be added before the existing paragraph :
To provide the right to JCI to manage the Company's relationship with automotive (SLI) and UPS OEM customers in and outside of India. JCI shall be entitled to nominate one of its directors to the Board of the Company, to be in - charge of the said OEM relationships. Such director shall be a member of the management committee. All strategies and guidelines relating to Company's relationship with automotive (SLI) and UPS OEM customers shall be taken with his consent.
- xvi) The existing Article No. 120(2) be deleted and substituted by the following :
120(2). Questions arising at any meeting of the Committee shall be determined by the sole member of the committee or by a majority of vote from the members present and in case of an equality of vote, the Chairman shall not have a second or casting vote in addition to his vote as a member of the committee.
- xvii) The existing Article No. 122 be deleted and substituted by the following :
122. Save as otherwise expressly provided in the Act, resolution in writing circulated in draft together with the relevant papers, if any, to all the directors or to all the members of the Company then in India, not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be, and to all other directors or members at their usual address in India and in respect of directors residing abroad, by fax at their usual address in the concerned country and approved by such of the directors as are then in India and abroad or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at the meeting of the Board or Committee duly convened and held.
- xviii) The existing proviso after Article 122 be substituted as under :
Provided that if the Circular resolution related to any item listed in Article No.124A, the vote of majority shall include at least one (1) affirmative vote of a Director nominated by Galla Family and at least one (1) affirmative vote of a Director by JCI.
- xix) A new Article 124A (j) be inserted after the existing Article No.124 A (i) :
124A (j). Approval of business plans (operating and capital expenditures) and budgets (operating and capital expenditures) specifically delineating capital expenditure, research and development expenses and employee benefits in excess of legal requirements.



NOTICE

- xx) Two new Articles 140 (e) (ii) and 140 (e) (iii) be inserted after the existing Article No. 140 (e) now renumbered as 140 (e) (i) :

140 (e) (ii). The Managing Director shall have all such powers and authority as may be required and are necessary to conduct the day - to - day operations, management and administration of the Company in accordance with the general policies of the Company, as promulgated by the Board from time to time.

140 (e) (iii). The Managing Director shall have the power to incur expenditure on behalf of the Company upto Rs.100 lakhs within the planned and budgeted capital expenditure and upto Rs.25 lakhs if unplanned, provided however, that total expenditures may not exceed the annual budget approved by the Management Committee and the Board of Directors.

- xxi) Three new Articles 140 (f) (i) , 140 (f) (ii) and 140 (f) (iii) be substituted for the existing Article No. 140 (f) :

140 (f) (i). The Whole Time Director (s) shall be nominated by Galla Family and / or JCI and shall be appointed by the Board. The initial Whole Time Director (as on the date of adoption of this article) shall be Mr.Jayadev Galla, who shall continue to serve his existing tenure on existing terms and thereafter for a further tenure of five (5) years on the terms determined by the Board so as to serve for a minimum period of five (5) years after the date of adoption of this article.

140 (f) (ii). The Whole Time Director (s) shall have all such power and authority as may be required and necessary to discharge his duties prudently, in accordance with the general policies of the Company as promulgated by the Board from time to time.

140 (f) (iii). Without prejudice to provisions of the Companies Act, 1956 the total number of Whole Time Directors shall be restricted to two (2) unless otherwise agreed by Galla Family and JCI.

**By order of the Board
for AMARA RAJA BATTERIES LIMITED**

Sd/-

**RAMACHANDRA N. GALLA
Chairman & Managing Director**

**Place : Tirupati
Date : 11.06.1998**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
2. The register of members of the Company will remain closed from Monday the 27th July, 1998 to Thursday, the 30th July, 1998 (Both days inclusive).
3. Dividend, if approved and declared at the Annual General Meeting, will be paid to those members whose names appear in the Register of members of the Company on 30th July, 1998.
4. Members are requested to kindly notify any change in address immediately to the Company.
5. The Explanatory Statement setting out the material facts concerning the special business mentioned under item 6 to 9 of the notice, as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.