

Notice

The Sixty-fourth Annual General Meeting of the Members of Eveready Industries India Ltd. will be held on Monday, August 2, 1999 at 2.30 p.m. at G.D. Birla Sabhagar, 29, Ashutosh Choudhury Avenue, Calcutta - 700 019 to transact the following business :

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the financial year ended March 31, 1999.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Resolutions :

5. As an Ordinary Resolution :

"RESOLVED that, pursuant to the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956, read with Schedule XIII to the said Act, approval be and is hereby accorded to the appointment of Mr. Deepak Khaitan as the Executive Vice-Chairman & Managing Director of the Company with substantial powers of management vested in him for a period of three years with effect from June 1, 1999 upon the terms and conditions as set out in the Company's letter dated May 25, 1999 addressed to Mr. Khaitan, a copy whereof duly initialled by the Chairman for the purpose of identification is placed before the Meeting."

6. As a Special Resolution :

"RESOLVED that, approval pursuant to Section 314(1)(a) and other applicable provisions of the Companies Act, 1956, be and is hereby accorded to Mr. Mumtaz Ahmad being re-appointed to a place of profit under the Company as the Corporate Advisor with effect from April 1, 1999 for a period of three years upon the terms and conditions set out in the Company's letters dated February 5, 1999 and February 6, 1999 addressed to Mr. Ahmad, copies whereof duly initialled by the Chairman for identification are placed before the Meeting."

7. As an Ordinary Resolution :

"RESOLVED that, Mr. A. Chakravarti, who retires from the Board of Directors under Article 116(2) of the Articles of Association of the Company and who is eligible for re-appointment, be and is hereby re-appointed a Director of the Company."

8. As an Ordinary Resolution :

"RESOLVED that, pursuant to the provisions of Sections 198, 269, 309 and 310 of the Companies Act, 1956, read with Schedule XIII to the said Act, approval be and is hereby accorded to the appointment of Mr. A. Chakravarti as a Wholetime Director of the Company for a period of three years with effect from July 24, 1998 upon the terms and conditions as set out in the Company's letter dated August 11, 1998 addressed to Mr. Chakravarti, a copy whereof duly initialled by the Chairman for the purpose of identification is placed before the Meeting."

9. As a Special Resolution :

"RESOLVED that, the Articles of Association of the Company be and are hereby altered in the manner and to the extent as set out below :

- i) The following new Articles 20A, 20B and 20C, with marginal notes as indicated, be inserted after Article 20 :

*The
Depositories
Act and
Depository*

"20A. For the purpose of Articles 20B and 20C appearing hereunder (a) 'The Depositories Act' shall mean Depositories Act, 1996, and includes any statutory modification or re-enactment thereof for the time being in force, and (b) 'Depository' shall have the meaning assigned thereto by the Depositories Act.

*Dematerialisation
and
rematerialisation
of securities*

20B. Notwithstanding anything contained in these Articles, the Company shall have powers to dematerialise its shares, debentures and other securities, to rematerialise the same and to offer and issue new shares, debentures or other securities in a dematerialised form in accordance with the provisions of the Depositories Act. The rights and obligations of the concerned parties in respect of the shares, debentures and other securities in the dematerialised form, and all matters connected therewith and/or incidental thereto shall be governed by the provisions of the Depositories Act and the relevant provisions of the Act.

*Option
for
investors*

20C. Every person subscribing to or holding shares, debentures and other securities of the Company shall have the option to receive certificates therefor or to hold the same with a Depository in dematerialised

form. A beneficial owner, i.e. a person whose name is recorded as such in a Depository in respect of the securities, can at any time opt out of the Depository, if permitted by law, and in such a case the Company shall, in the manner and within the time as prescribed, issue the required certificates in respect of the subject securities to the beneficial owner."

- ii) The following new Article 54A with the marginal note as indicated be inserted after Article 54 :

Nomination facility
"54A. Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares or debentures shall vest in the event of his death, and the provisions of Sections 109A and 109B of the Act shall apply in respect of such nomination."

- iii) The text of the second paragraph of Article 161 relating to unclaimed and unpaid dividend be substituted by the following text :

"Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government in pursuance of Sub-section (1) of Section 205C of the Act."

- iv) The following new Article 17A with marginal notes be inserted after existing Article 17 :

Sub-division of Certificates - Minimum Denomination
"17A. Notwithstanding anything contained in Article 17, the Board of Directors may refuse applications for sub-division of share certificates into denominations of less than 25 shares except when such sub-division is required to be made to comply with a statutory order or an order of a competent court of law."

10. As a Special Resolution

"RESOLVED, pursuant to Section 372A of the Companies Act, 1956, and subject to the approval of the public financial institutions whose term loans are subsisting with the Company, that the Company do pledge 21,59,692 equity shares of Rs. 10 each held by it in India Foils Limited (hereinafter called 'IFL') in

favour of ICICI Limited and Industrial Development Bank of India (hereinafter called 'IDBI') jointly as collateral security for the financial assistance aggregating to Rs. 94.32 crores granted by the said ICICI Limited and IDBI to IFL and that the Board of Directors of the Company be and is hereby authorised to take all steps as deemed appropriate to effectuate the pledge."

11. As a Special Resolution

"RESOLVED, pursuant to Section 372A of the Companies Act, 1956 and subject to the approval of the public financial institutions whose term loans are subsisting with the Company, that the Company do pledge 1,27,805 equity shares of Rs. 10 each held by it in The Bishnauth Tea Company Limited in favour of ICICI Limited as collateral security for a term loan aggregating to Rs. 50 crores sanctioned/to be sanctioned by the said ICICI Limited to Williamson Magor & Co. Limited and that the Board of Directors of the Company be and is hereby authorised to take all steps as deemed appropriate to effectuate the pledge."

The Register of Members of the Company will remain closed from July 20, 1999 to August 02, 1999, both days inclusive.

Duly executed and stamped transfer deeds, along with the relative Share Certificates, should be submitted to the Company before the closure of the Register of Members for transfer registration.

The Dividend, if approved at the Meeting, will be paid to the Members registered on the books of the Company as on August 02, 1999 or to their mandatees.

A Member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, to vote instead of himself. Such proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting.

An Explanatory Statement relating to the items of Special Business is annexed hereto, as required under Section 173(2) of the Companies Act, 1956.

Registered Office :
 1, Middleton Street,
 Calcutta - 700 071.

By Order of the Board

May 25, 1999.

A. CHAKRAVARTI
 Director & Secretary

Member signifying his intention to propose Mr. Chakravarti for the office of Director of the Company. No Director of the Company except Mr. A. Chakravarti is concerned or interested in this item of business.

Item No. 8

The Board of Directors at its Meeting held on July 24, 1998 resolved to appoint Mr. A. Chakravarti as a Whole-time Director of the Company for a period of three years from the same date on the following principal terms and conditions applicable to him subject to the overall ceiling as to remuneration as laid down in Sections 198 and 309 of the Companies Act, 1956, read with Schedule XIII to the said Act :

Salary :

Rs. 50,000 per month with such revisions that may be approved by the Board from time to time.

Commission :

At the rate of 1% of the net profits of the Company subject to a limit of 50% of annual salary.

Perquisites :

Housing : House rent allowance at 60% of salary in lieu of Company accommodation with the cost of gas, electricity and telephone borne by the Company. Cost of personal long distance calls is to be borne by Mr. Chakravarti himself.

Car : Company car under the Company's Scheme applicable for Senior Executive Staff.

Medical Reimbursement : For self, spouse, dependent children and dependent parents at actuals.

Leave Travel Allowance : Rs. 50,000 per annum or such higher sum as may be fixed by the Board from time to time.

Club Fees : Fees including admission fees of clubs subject to a maximum of two clubs.

Leave Encashment : As per Rules of the Company.

Others : Other perquisites which are applicable to Senior Executive Staff of the Company shall also apply to Mr. Chakravarti.

Other Allowances :

As may be decided by the Board from time to time for payment in lumpsum or by way of periodic payments.

Retiral Benefits :

Contributions to Provident Fund, Gratuity Fund and Pension fund as per Rules of the Company.

Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year, Mr. Chakravarti will be paid the above remuneration as minimum remuneration except that no commission will be payable.

Nature of Duties :

Mr. Chakravarti will devote his whole time and attention to the business and affairs of the Company and perform such duties and exercise such powers as may be assigned to him from time to time by the Board. He shall not be entitled to any sitting fees for attending meetings of the Board of Directors or Committees thereof.

Pursuant to the provisions of Sections 269 and 309 of the Companies Act, 1956, read with Schedule XIII to the said Act, the aforementioned appointment of Mr. A. Chakravarti and terms as to remuneration require the approval of the Members in General Meeting. Hence, this resolution and the Board recommends its adoption.

A copy of the Company's letter dated August 11, 1998 addressed to Mr. A. Chakravarti setting out the terms and conditions of the appointment aforementioned will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the Meeting between 9.30 a.m. and 11.30 a.m. and will also be available at the Meeting.

No Director, other than Mr. A. Chakravarti, is interested or concerned in this item of business.

Item No. 9

With the Depositories Act, 1996, coming into force, investors, at their option, are now enabled to hold and transact in securities in dematerialised form through a Depository. The equity shares of the Company have already been admitted into the Depository system under an arrangement with National Securities Depository Limited.

In terms of newly introduced Sections 109A and 109B of the Companies Act, 1956, every holder of shares or debentures of a company has been given the option to nominate a person to whom his shares or debentures shall vest in the event of his death.

In regard to unpaid/unclaimed dividends, the relevant Section 205A of the Companies Act, 1956, has been amended with effect from October 31, 1998 to provide that any money transferred to the Unpaid Dividend Account of the Company which remains unpaid for a period of seven years (instead of three years as hitherto) from the date of such transfer shall be transferred by the Company to a special fund called 'Investor Education and Protection Fund' established by the Central Government under new Section 205C of the Act (instead of to the General Revenue Account of the Government, as earlier provided).

With the increase in operational expenses it has become quite expensive and administratively burdensome for the Company to sub-divide share certificates in denominations smaller than 25 shares, the marketable lot of the Company's shares being 100 shares. It is, therefore, proposed that requests for sub-division of

the approval of the Members in General Meeting. Hence, this resolution and the Board recommends its adoption.

A copy of the Company's letter dated May 25, 1999 addressed to Mr. Deepak Khaitan setting out the terms and conditions of the appointment will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the Meeting between 9.30 a.m. and 11.30 a.m. and will also be available at the Meeting.

None of the Directors of the Company other than Mr. Deepak Khaitan, and Mr. B.M. Khaitan and Mr. Aditya Khaitan who are relatives of Mr. Deepak Khaitan, is concerned or interested in this item of business.

Item No. 6

The appointment of Mr. Mumtaz Ahmad, a non-whole-time Director of the Company, as Corporate Advisor for the period upto March 31, 1999 and terms and conditions of such appointment were approved by the Members by a special resolution passed at the Sixty-second Annual General Meeting held on September 24, 1997.

The Board of Directors at its Meeting held on January 28, 1999 resolved to re-appoint Mr. Ahmad as Corporate Advisor for a period of three years upto March 31, 2002 on the terms and conditions as hereunder appearing :-

Basic Salary :

Rs. 60,000 per month.

Perquisites :

Housing : The Company shall pay all charges in connection with the upkeep and maintenance of Mr. Ahmad's accommodation including charges towards soft furnishing, water, electricity and telephone.

Car : The Company shall provide a car for use in connection with the Company's business and all expenses of and incidental to running and maintenance of the car to be borne by the Company.

Medical Benefits : Mr. Ahmad shall be entitled to receive medical benefits as applicable to Senior Management Staff of the Company.

Leave Travel : Mr. Ahmad shall be entitled to six weeks' leave of absence per annum, and to accumulate such leave as per Rules of the Company as applicable for Senior Management Staff of the Company. Upon proceeding on leave, Mr. Ahmad shall be entitled to actual air fares for travel for himself and his family anywhere in India.

Entertainment Expenses : Mr. Ahmad shall be reimbursed actual entertainment expenses incurred on the Company's business.

Club Fees : The Company shall pay subscription including entrance fees for membership of not more than two clubs.

Personal Accident Policy : The Company shall pay the premium of a Personal Accident Insurance Policy in the name of Mr. Ahmad.

Provident Fund : The Company shall contribute a sum equivalent to 12% of basic salary.

Pension : Upon expiry of the period of appointment, the Company shall pay Mr. Ahmad a pension at the rate of Rs. 29,000 per month for life and the said pension shall be secured by the purchase of an annuity policy from the Life Insurance Corporation of India.

Sitting fees and commission :

Mr. Ahmad shall be entitled to sitting fees and commission as applicable for other non-whole-time Directors.

Other Terms :

The appointment may be terminated by either party upon giving six months' notice to the other. Where the appointment is so terminated by the Company it shall, except in the case of commencement of winding up, pay Mr. Ahmad by way of compensation for loss of office remuneration which he would have earned if he were in office for the unexpired residue of the appointment and shall also provide the benefits in accordance with the above terms.

In terms of Section 314(1)(a) of the Companies Act, 1956, no Director of the Company can be appointed to an office or place of profit under the Company unless the approval of the Members thereon is accorded by a special resolution. The re-appointment of Mr. Ahmad as Corporate Advisor may be deemed to be an appointment to a place of profit, and hence, this resolution, which the Directors recommend for adoption.

A copy each of the Company's letters dated February 5, 1999 and February 6, 1999 addressed to Mr. Ahmad setting out the terms and conditions of re-appointment as stated above will be available for inspection by the Members at the Registered Office of the Company on any working day prior to the date of the Meeting between 9.30 a.m. and 11.30 a.m. and will also be available at the Meeting.

No Director, other than Mr. Mumtaz Ahmad, is concerned or interested in this item of business.

Item No. 7

Mr. A. Chakravarti was appointed as Director of the Company with effect from July 24, 1998 in the casual vacancy arising from the resignation of Dr. D. P. Antia.

Pursuant to the provisions of Article 116(2) of the Articles of Association of the Company, Mr. Chakravarti holds office until this Annual General Meeting and is eligible for re-appointment. A notice in writing under Section 257 of the Companies Act, 1956, has been received from a

Notes :**1. Unclaimed/Unpaid Dividends**

Concerned Members have been informed that their dividends remaining unclaimed/unpaid aggregating to Rs. 9.66 lakhs relating to dividend for the year 1994-95 paid on 20-03-95 and 23-08-95 and Rs. 7.21 lakhs relating to dividend for the year 1994-95 paid on 25-08-95 by erstwhile McLeod Russel India Limited (since amalgamated with this Company) have been transferred to the General Revenue Account of the Central Government during the year.

2. Depository System

The Company has signed an Agreement with National Securities Depository Limited, Mumbai, to facilitate holding of and trading in shares of the Company in dematerialised form in accordance with the provisions of the Depositories Act, 1996. Interested shareholders may write to the Company at its Registered Office for further details in this regard.

EXPLANATORY STATEMENT**Pursuant to Section 173(2) of the Companies Act, 1956. Item No. 5**

The Board of Directors at its Meeting held on May 25, 1999 resolved to appoint Mr. Deepak Khaitan as Executive Vice-Chairman and Managing Director of the Company for a period of three years with effect from June 1, 1999 on the following principal terms and conditions subject to the overall ceiling as to remuneration as laid down in Sections 198 and 309 of the Companies Act, 1956, read with Schedule XIII to the said Act :

Remuneration

Salary : Rs. 1,25,000 per month with such revisions that may be approved by the Board from time to time.

Commission : At the rate of 1% of the net profits of the Company subject to a limit of 50% of his annual salary.

Perquisites :

Housing : Free furnished accommodation with the cost of gas, electricity, water, soft furnishings and telephone being borne by the Company. Cost of personal long distance calls will be borne by Mr. Khaitan. In case no accommodation is provided to Mr. Khaitan he will be paid House Rent Allowance at the rate of 60% of his salary.

Car : Company car with driver under the Company's Scheme applicable for senior executive staff of the Company.

Medical : Reimbursement for self and family at actuals, including cost of medical insurance.

Leave Travel Concession : For self and family as per applicable Rules of the Company.

Club Fees : Reimbursement of Club fees as per applicable Rules of the Company.

Leave Encashment : As per applicable Rules of the Company.

Others : Personal Accident Insurance, and other perquisites which are applicable to senior executive staff of the Company shall also apply to Mr. Khaitan.

Other Allowances : As may be decided by the Board from time to time for payment in lumpsum or by way of periodic payments.

Retiral Benefits : Contributions to the Williamson Magor Staff Provident Fund, Williamson Magor & Co. Limited Employees Gratuity Fund and Williamson Magor & Co. Limited Superannuation Fund, in accordance with the Rules and Regulations governing the said Funds.

Minimum Remuneration :

In the event of loss or inadequacy of profits in any financial year, Mr. Khaitan will be paid the remuneration as above as minimum remuneration except that no commission will be payable.

Leave :

Mr. Khaitan will be entitled to leave on full pay, as per applicable Rules of the Company.

Nature of Duties :

As Executive Vice-Chairman & Managing Director Mr. Khaitan will be entrusted with substantial powers of management of the Company. He will devote his whole time and attention to the business and affairs of the Company and perform such duties and exercise such other powers as may be assigned to him from time to time by the Board.

Other Conditions :

1. He shall not be entitled to any sitting fees for attending meetings of the Board of Directors or Committees thereof.
2. Each party has the right of terminating the appointment by giving three months' notice on either side.

Pursuant to the provisions of Sections 269 and 309 of the Companies Act, read with Schedule XIII to the said Act, the aforementioned appointment of Mr. Deepak Khaitan and terms as to remuneration require

share certificates into denominations less than 25 shares in each certificate will not be entertained except where such sub-division is required by statute or a court order. In order to reflect the changes in law as stated above and to rationalise the process of sub-division of share certificates it is considered necessary to amend the Articles of Association of the Company in the manner set out in the Resolution. Under Section 31 of the Companies Act, 1956, such amendment can be made only after the shareholders have approved the same by passing a special resolution. Hence, this resolution, which is recommended for adoption.

A copy of the Articles of Association of the Company will be available for inspection of the Members at the Registered Office on any working day prior to the date of the Meeting during 9.30 a.m. and 11.30 a.m. and will also be available at the Meeting.

None of the Directors is interested or concerned in this item of business.

Item No. 10

The Company holds 21,59,692 equity shares of Rs. 10 each in India Foils Ltd. (IFL), an Associate of the Company, having its registered office at 4, Mangoe Lane, Calcutta 700 001. IFL is engaged in the business of manufacture and sale of Aluminium Foil Products, Laminated Flexible Packages and other related products. ICICI Ltd. and Industrial Development Bank of India ('IDBI'), the two premier public financial institutions have by their letters dated December 23, 1998 and March 31, 1999 respectively granted financial assistance to IFL aggregating to Rs. 94.32 crores. In terms of the relative letters of sanction such financial assistance will have to be secured, *inter alia*, by the pledge of the Company's entire shareholding in IFL. This pledge will not involve any funding by the Company.

The Board of Directors of the Company feels that it will be in the interest of the Company to support IFL by making the required pledge of the shares to facilitate IFL's availing of the financial assistance granted by ICICI Ltd. and IDBI.

Since, after including the proposed pledge the aggregate value of loans, investments, guarantees and securities made/provided by the Company is likely to exceed the limit prescribed in Section 372A of the Companies Act, 1956, making of the pledge as aforesaid, as provided in the said Section, will require the approval of the shareholders in general meeting by special resolution as also of the public financial institutions where any term loan is subsisting. Hence, this resolution, which is recommended by the Board for adoption by the Members.

Copies of the letters of sanction dated December 23, 1998 and March 31, 1999 issued by ICICI Ltd. and IDBI as aforementioned will be available for inspection by the

Members at the Registered Office of the Company on any working day prior to the date of the Meeting between 9.30 a.m. and 11.30 a.m. and will also be available at the Meeting.

None of the Directors of the Company, other than Messrs. B.M. Khaitan, Deepak Khaitan, Aditya Khaitan, P. Magor and P. K. Khaitan who are Directors of IFL, is concerned or interested in this item of business.

Item No. 11

Williamson Magor & Co. Limited (WMCL), an Associate of your Company, having its registered office at 4, Mangoe Lane, Calcutta - 700 001, engaged in the business of trading, investments, property owners and tea warehousing, has requested your Company to agree to pledge 1,27,805 equity shares of Rs. 10 each held by your Company in The Bishnauth Tea Company Ltd., a subsidiary of WMCL, in favour of ICICI Limited as collateral security for a term loan of Rs. 50 crores to be sanctioned to WMCL. The pledge will not require any funding by the Company.

The Board of Directors of the Company feels that it will be in the interest of the Company to support WMCL by making the requested pledge of shares as collateral security to facilitate WMCL's availing of the term loan of Rs. 50 crores from ICICI Limited.

Since, after including the proposed pledge, the aggregate value of loans, investments, guarantees and securities made/provided by the Company is likely to exceed the limit prescribed in Section 372A of the Companies Act, 1956, making of the pledge as aforesaid, as provided in the said Section, will require the approval of the shareholders in general meeting by special resolution as also of the public financial institutions where any term loan is subsisting. Hence, this resolution, which is recommended by the Board for adoption by the Members.

A copy of the letter dated May 24, 1999 from Williamson Magor & Co. Limited requesting your Company to make the pledge will be available for inspection by the Members at the registered office of the Company on any working day prior to the date of the Meeting between 9.30 a.m. and 11.00 a.m. and will also be available at the Meeting.

None of the Directors of the Company, other than Messrs. B. M. Khaitan, Deepak Khaitan, Aditya Khaitan, P. Magor and M. Ahmad, who are Directors of WMCL, is concerned or interested in this item of business.

Registered Office :
1, Middleton Street,
Calcutta - 700 071.

By Order of the Board

May 25, 1999.

A. CHAKRAVARTI
Director & Secretary

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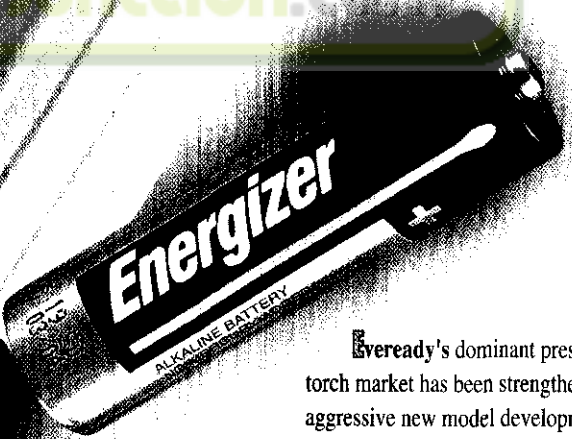
EVEREADY

**CORDLESS PHONE
BATTERY PACK**

EVEREADY - GP
Ni-Cd Battery
Must be recycled or
disposed of properly
PN : GP30AAK30MU
3.6V 300mAh
Mfg Date : 12-95

T-107 RECHARGEABLE NiCd BATTERY
3.6V

Your Company continued with its commitment to provide a full range of quality products to the Indian consumer. In batteries, the entire range of dry batteries from carbon-zinc systems to high end rechargeable batteries for cellular phones are available in the Eveready/Energizer range.



Eveready's dominant presence in the torch market has been strengthened by an aggressive new model development programme. World renowned designers are working to bring in the latest products.

Tez Tea continued to march into new markets. During the year, Tez Tea was launched in Maharashtra and Gujarat.



Tez is proving to be no storm in a tea cup but a real movement to upgrade the tea drinking habit in India. The finest quality of Assam tea grown in our gardens goes into each cup ensuring *Tez ho chai to josh ajaye*.



To maintain its leadership, your Company continued to invest in process and equipment. Continuous investment in technology keeps Eveready ahead in the market.



During the year 1998-99 your Company received awards for quality circle activities and other achievements of excellence.

