



ISO 9001 : 2015, ISO 14001 : 2015 & ISO 45001 : 2018 Certified Company
CIN L36999TN1961PLC004606

Registered Office :
Esvin House,
P.B. No.5068, Perungudi,
Chennai - 600 096.
India

Ref: SECY/2024 - 25/021

16 May, 2024

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Scrip Code 504176

Dear Sirs,

Sub: Submission of Annual Report for FY 2023 – 24

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2023 – 24.

The 63rd Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, the 08th June, 2024 at 11.00 A.M. through Video Conference (VC) / Other Audio-Visual Means (OAVM). The copy of the Annual Report is also available on the website of the company viz. <https://www.highenergy.co.in/> and also it is available in the below link: - <https://www.highenergy.co.in/financials/annual-reports/>.

The cut-off date for e-voting is fixed on Saturday, the 01st June 2024 and the Remote e-Voting commences on Wednesday, the 05th June 2024 (9.00 A.M.) and ends on Friday, the 07th June 2024 (5.00 P.M.).

Pursuant to the instructions in the applicable circulars issued by SEBI & MCA, soft copies of Annual Report 2023 – 24 were disseminated to the shareholders on 16.05.2024 from the office of our RTA M/s. Cameo Corporate Services Limited.

Thanking you,

Yours faithfully,

For HIGH ENERGY BATTERIES (INDIA) LIMITED,

(V. Anantha Subramanian)
Company Secretary

Encl: Annual Report FY 2023 – 24

Phone : 91-44-24960335, 39279318, 43063545 Fax: 91-44-24961785, E-mail: hebcnn@highenergy.co.in

Fwd: HIGH ENERGY BATTERIES (INDIA) LIMITED_63rd AGM will be held on Saturday, June 08, 2024 at 11:00 AM (IST) through VC/OAVM - FOLIO_DP_CL_ID:[FOLIO[

Sofia <sofia@cameoindia.com>
To: Chennai OfficeHEB <chennaiheb@gmail.com>
Cc: Priya <priya@cameoindia.com>

Thu, May 16, 2024 at 8:29 PM

Dear Sir

We hereby certify that we have sent Annual Report via e-mail to the shareholders on 16th May 2024 as per the details given below,

Shareholders with Email	22895
Invalid email id	121
Share holder without email id	824
Total email sent	22774

We are also attaching herewith the list and label control for your reference

Thanking you

D SOFIA

HIGH ENERGY BATTERIES (INDIA) LIMITED



Sixty Third Annual Report

2023-2024



**HIGH POWER 270kW SILVER OXIDE ZINC BATTERY
FOR UNDERWATER PROPULSION**

Directors

Mr. N. Gopalaratnam (Chairman)
Dr. G. A. Pathanjali (Managing Director)
Mr. M. Ignatius Director (Operations)
Mr. A. L. Somayaji (upto 31.03.2024)
Cmde. R. P. Prem Kumar, VSM (upto 31.03.2024)
Mr. M. Natarajan (upto 31.03.2024)
Mrs. Lalitha Lakshmanan
Dr. Vijayamohanan K Pillai
Mr. N. P. Sinha (Nominee of LIC)
Cmde. Saroj Kumar Patel (from 01.04.2024)
Dr. R. Subrahmaniya Sivam (from 01.04.2024)

Audit Committee

Mr. A. L. Somayaji (Chairman) (upto 31.03.2024)
Cmde. R. P. Prem Kumar (upto 31.03.2024)
Mr. M. Natarajan (upto 31.03.2024)
Mrs. Lalitha Lakshmanan (Chairman) (from 01.04.2024)
Mr. N. P. Sinha (from 01.04.2024)
Cmde. Saroj Kumar Patel (from 01.04.2024)
Dr. R. Subrahmaniya Sivam (from 01.04.2024)

Nomination and Remuneration Committee

Mr. A. L. Somayaji (Chairman) (upto 31.03.2024)
Cmde. R. P. Prem Kumar (upto 31.03.2024)
Mrs. Lalitha Lakshmanan (Chairman) (from 01.04.2024)
Dr. Vijayamohanan K Pillai (from 01.04.2024)
Dr. R. Subrahmaniya Sivam (from 01.04.2024)

Stakeholders Relationship Committee

Mr. A. L. Somayaji (Chairman) (upto 31.03.2024)
Mr. N. Gopalaratnam (Chairman) (from 01.04.2024)
Dr. G. A. Pathanjali
Mrs. Lalitha Lakshmanan

Corporate Social Responsibility Committee

Cmde. R. P. Prem Kumar (Chairman) (upto 31.03.2024)
Mr. M. Natarajan (upto 31.03.2024)
Dr. G. A. Pathanjali
Dr. Vijayamohanan K Pillai (Chairman) (from 01.04.2024)
Mr. N P Sinha (from 01.04.2024)
Cmde Saroj Kumar Patel (from 01.04.2024)
Dr. R. Subrahmaniya Sivam (from 01.04.2024)

Chief Financial Officer

Mr. R. Swaminathan

Secretary

Mr. V. Anantha Subramanian

Statutory Auditor

M/s. Maharaj N R Suresh And Co LLP
Chartered Accountants
New No. 9, (Old No 5), II Lane, II Main Road,
Trustpuram, Kodambakkam, Chennai – 600 024

Internal Auditor

M/s. R. Subramanian And Company LLP
Chartered Accountants
No.6, (Old No.36),
Krishnaswamy Avenue,
Luz, Mylapore, Chennai – 600 004

Secretarial Auditor

M/s. V Suresh Associates
Practicing Company Secretaries
28, Ganapathy Colony,
III Street, Teynampet,
Chennai – 600 018

Banks

UCO Bank
Punjab National Bank

Registered Office

“Esvin House”,
13, Old Mahabalipuram Road,
Perungudi, Chennai – 600 096
Phone: 91 – 44 – 24960335
/ 24963552, 24961785
Email: hebcnn@highenergy.co.in
Web: www.highenergy.co.in

Email ID for Investor Grievance

investor@highenergyltd.com

Corporate Identity Number

L36999TN1961PLC004606

ISIN: INE783E01023

BSE Code: 504176

Factory

Pakkudi Road, Mathur – 622 515
Pudukkottai District
Phone: 0431 – 2660323 / 2660324
Email: info@highenergyltd.com

Registrar & Transfer Agent

M/s. Cameo Corporate Services Ltd
“Subramanian Building”,
5th Floor,
No. 1, Club House Road,
Chennai – 600 002.
Phone: (044) 28460390
Email: investor@cameoindia.com



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HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN: L36999TN1961PLC004606

Regd. Office: "Esvin House", 13, Old Mahabalipuram Road, Perungudi, Chennai-600 096.

Phone: 044 - 24960335 / 24963552 / 24961785

Email: hebcnn@highenergy.co.in, Web: www.highenergy.co.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **63rd Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held on Saturday, the 08th June, 2024 at 11.00 A.M. through Video Conference (VC) / Other Audio-Visual Means (OAVM)** to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT the Audited Financial Statements of the Company for the year ended 31st March, 2024, together with the reports of the Board of Directors' and Auditors' thereon be and are hereby considered and adopted."

2. Dividend Declaration

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT

- (i) a dividend of ₹ 3/- (Rupees Three only) per Equity share for the financial year 2023 - 24 be and is hereby declared on 89,63,840 equity shares of ₹ 2/- each fully paid-up;

- (ii) the dividend be paid to the shareholders whose names appear in the Register of Members of the company in the case of physical holding and to the beneficial owners of shares recorded with the Depositories in the case of demat holding as per details furnished by the National Securities Depository Limited / Central Depository Services (India) Ltd as on Thursday, the 23rd May, 2024."

3. Re-appointment of retiring Director

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to Section 152 of the Companies Act, 2013 and relevant rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof, for the time being in force, Mr. N. Gopalaratnam (DIN: 00001945), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby reappointed as a Director of the Company, liable to retire by rotation."

(By order of the Board)

For **HIGH ENERGY BATTERIES (INDIA) LIMITED**

V ANANTHA SUBRAMANIAN
Company Secretary

Chennai
04th May, 2024

NOTICE TO THE SHAREHOLDERS

I. NOTES:

1. AGM THROUGH VIDEO CONFERENCE (VC):

In accordance with framework provided in the MCA General Circular Nos. 20/20 dated 05.05.2020, Nos.14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 22/2020 dated 15.06.2020, 33/2020 dated 28.09.2020, 39/2020 dated 31.12.2020, 10/2021 dated 23.06.2021, 20/2021 dated 08.12.2021, 03/2022 dated 05.05.2022, 11/2022 dated 28.12.2022 and No.09/2023 dated 25.09.2023 and other applicable circulars issued in this regard and further in accordance with the applicable provisions of the Act and the said Circulars issued by MCA and SEBI, Companies are allowed to hold General Meetings through Video Conferencing (VC) upto 30th September, 2024 without the physical presence of members at a common venue. In compliance with the circulars and in view of the continuing social distancing norms, the 63rd Annual General Meeting of the Company will be held through Video Conference (VC) / Other Audio-visual Means(OAVM). The registered office of the Company shall be deemed to be the venue for the AGM.

2. QUORUM / PROXY FORM/ ATTENDANCE SLIP:

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a shareholder of the company.

However, as this AGM is being held through VC / OAVM, physical attendance of shareholders is dispensed with. Accordingly, the facility for appointment of proxies by the Members is not applicable for this e-AGM. Hence the proxy form and attendance slip are not being annexed to this Notice and the resultant requirement for submission of proxy forms does not arise.

Members attending the AGM through VC/OAVM will be counted for the purpose of

reckoning the quorum under Section 103 of the Companies Act, 2013.

Pursuant to Section 113 of the Companies Act, 2013 Body Corporates are entitled to appoint authorized representatives and requested to send a duly certified copy of Board Resolution authorizing their representative(s) to attend and vote at the e-AGM.

3. PARTICULARS OF DIRECTORS:

In terms of the Regulation 36(3) of the Listing Regulations, read with Secretarial Standards on General Meeting, particulars of Directors, who are proposed to be reappointed in this AGM, is given in **Appendix – A** to this Notice which forms part of the Annual Report.

4. EXPLANATORY STATEMENT:

A statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Resolution to be transacted at the meeting is annexed hereto.

5. BOOK CLOSURE:

Pursuant to Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of members and Share Transfer Books of the Company will remain closed from Friday, the 24th May, 2024 to Saturday, the 08th June, 2024 (Both days inclusive).

6. RECORD DATE:

The Record Date, for the purpose of determining the entitlement of Members to the Dividend declared for the Financial Year 2023-24, will be Thursday, the 23rd May, 2024.

7. DIVIDEND:

Dividend on declaration will be paid on or before Friday, the 14th June, 2024, electronically to those members who have updated their bank details with their Depository Participants (DP) or with the Company / Registrar and Transfer Agent (RTA). The payment of such dividend is subject to deduction of tax at source.

NOTICE TO THE SHAREHOLDERS

Members are requested to update their KYC with their Depository Participants (DP) or with the Company / RTA to receive the Dividend directly into their bank account on the payout date.

8. TAX DEDUCTION AT SOURCE:

Members may note that the Income Tax Act, 1961, (“the IT Act”), as amended by the Finance Act, 2020, mandates that Dividend paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of Members. The details in this regard are given in **Appendix - B** to this Notice.

9. Form 15G / 15H:

Declaration in Form No. 15G (applicable to any person other than a Company or a firm) / Form No. 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions to claim exemption from deduction of tax at source should be sent to the RTA on or before Friday, the 24th May, 2024. Please download Form 15G / 15H from the Income Tax website www.incometaxindia.gov.in.

10. UNCLAIMED DIVIDEND:

In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the “Report on Corporate Governance”, forming part of the Annual Report.

Members who have not encashed their Demand Drafts in respect of the above period are requested to make their claim(s) by surrendering the un-encashed Demand Drafts immediately to the Company.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website <https://www.highenergy.co.in/investor-info/> under the section “Unpaid Dividend” and also on the website of MCA viz., www.iepf.gov.in.

11. ATTENDING E-AGM:

The Company has appointed Central Depository Services Limited (CDSL), to provide VC / OAVM facility. The detailed procedure and manner for participating in e-AGM through VC/OAVM is given.

12. VOTING RIGHTS:

The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company, subject to the provisions of Companies Act, 2013, as on cut-off Saturday, the 01st June, 2024.

13. VOTING PROCESS:

Shareholders can cast their votes through Remote e-Voting or at the AGM through e-Voting. The detailed process and instructions which form part of this notice.

14. MAILING OF AGM NOTICE & ANNUAL REPORT:

The Electronic copies of Notice and the Annual Report of the 63rd AGM inter alia indicating the process and manner of e-voting along with instructions to attend the Annual General Meeting through Video-Conferencing / Other Audio-Visual Means (VC/OAVM) will be sent only by email to those Members whose email address has been made available to the Company / RTA/ Depository Participants. Members who have not registered their email addresses, can register the same as per the procedure given in the Notice. The physical

NOTICE TO THE SHAREHOLDERS

copies of Annual Report 2023-24 will be sent only to such of those shareholders who would make a valid request in this regard and had not registered their e-mail IDs with the Company.

As per the extant MCA / SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.highenergy.co.in/financials/annual-reports/>. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

The notice and the Annual Report are available at the following link- <https://www.highenergy.co.in/financials/annual-reports/> (Company's website) and also at www.bseindia.com (official website of M/s. BSE Limited).

15. PROCEDURE FOR OBTAINING THE ANNUAL REPORT, AGM NOTICE AND E-VOTING INSTRUCTIONS BY THE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DPS/ RTA:

Shareholders are advised to register/ update their email address and mobile number immediately; in case they have not done so earlier:

- In case of shares held in Demat mode, with their respective DPs.
- In case of shares held in physical mode, the shareholders are requested to send an email to our RTA – M/s. Cameo Corporate Services Limited at investor@cameoindia.com mentioning the Name of Member(s), Folio number along with the self-attested copy of PAN card.
- After due verification, the RTA – M/s. Cameo Corporate Services Limited will send login credentials for attending

the AGM and voting to the registered email address.

- Shareholders are advised to send the above documents to the RTA before the book closure date i.e., Friday, the 24th May, 2024 to receive the Annual Report for the FY 2023 –24 through email.
- Please note that as a valued shareholder of the Company, you are always entitled to request and receive all such communication in physical form free of cost. Further, the documents served through email are available on the Company's website <https://www.highenergy.co.in/> and are also available for inspection at the Registered Office of the Company during specified business hours (Monday to Saturday 09:00 AM to 05:00 PM).
- Any person who becomes a shareholder of the company after dispatch of the AGM Notice and holding shares as on the cut-off date may obtain the user Id and password by contacting the RTA at investor@cameoindia.com mentioning the Name of Member(s), Folio number along with the self-attested copy of PAN card.

16. INSPECTION:

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred in notice will be available for inspection in electronic mode. Shareholder can send an email for this purpose to hebcnn@highenergy.co.in.

17. ROUTE MAP:

Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

NOTICE TO THE SHAREHOLDERS

II. Explanatory Statement (Pursuant to Section 102 of the Companies Act, 2013 and forming part of the Notice)

Item No. 3: Re-appointment of retiring Director

Mr. N Gopalaratnam [DIN:00001945], has been associated with our company since 1991. He comes under the promoter category.

Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018 effective from 01st April 2019 requires that special resolution is to be passed by the shareholders for the appointment of a person or his continuance in the directorship of a company if he has attained the age of 75 years. Since Mr. N Gopalaratnam has attained the age of 75 years, it is proposed to pass a special resolution for the current re-appointment.

Mr. N Gopalaratnam, who is the present non-executive Chairman of the Company, associated with the company since 1991 is very active and under his stewardship, the

Company has witnessed tremendous growth. In the opinion of the Board, he is suitable for being continued as a Director of the company.

Particulars required under Regulation 36(3) of the Listing Regulations are given in **Appendix – A** that forms part of this Notice.

Except Mr. N Gopalaratnam, no other Director or key managerial personnel of the Company or their relatives are concerned or interested financially or otherwise, in this item of business.

The Board accordingly recommends the Special Resolution set out in Item No.3 of the Notice for approval of the Members of the Company.

(By order of the Board)

For **HIGH ENERGY BATTERIES (INDIA) LIMITED**

V ANANTHA SUBRAMANIAN
Company Secretary

Chennai
04th May, 2024

APPENDIX-A

**Details of Directors seeking reappointment at the 63rd Annual General Meeting
[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015] and Secretarial Standards 2 issued by the Institute of Company Secretaries of India.]**

Disclosure Particulars	Details
Name of the Director seeking reappointment	Mr. N Gopalaratnam
Director Identification Number (DIN)	00001945
Date of Birth / Age	15.04.1947 / 77 Years
Nationality	Indian
Date of First Appointment on the Board	06.06.1991
Qualification	B.Sc., (Physics), B.E. (Mech Engg)
Experience & Expertise	Long and Varied experience in Management of Projects, Operations and overall management of diverse industries engaged in Pulp, Paper, Sugar and Batteries.
Terms & Conditions of re-appointment	Proposed to be re-appointed as Non-Executive Director, liable to retire by rotation.
Details of Shares held in the Company	51000 Shares [0.57%].
Remuneration proposed to be paid	Sitting fee and Commission as decided by Board within the ceiling approved by shareholders.
Remuneration last drawn	Sitting fee - ₹ 2 lakhs, Commission - ₹ 2 lakhs
Relationship with other directors, manager and key managerial personnel	Nil
Number of Board meetings attended during the year 2023 – 24	Held: 6 Attended: 6
Directorship in other listed companies	Chairman 1. M/s. Seshasayee Paper and Boards Limited 2. M/s. Ponni Sugars (Erode) Limited
Memberships/ Chairmanship of Committees in Other Listed Companies	Chairman 1. Stakeholders Relationship Committee and CSR Committee – M/s. Ponni Sugars (Erode) Limited Member 1. Stakeholders Relationship Committee, CSR Committee and Audit Committee – M/s. Seshasayee Paper and Boards Limited 2. Nomination and Remuneration Committee – M/s. Ponni Sugars (Erode) Limited
Resignation of directorships from listed entities during past three years	Nil

APPENDIX-B

Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961, for Resident and Non-Resident shareholder categories, on the Dividend payment:

As per Indian Income Tax Act, 1961 (Act), dividend paid or distributed by a company is taxable in the hands of shareholders at the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / Invalid PAN/ PAN not linked with Aadhar/ not registered their valid PAN details in their account or classified as "specified person" in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

a. Resident Individuals

No tax shall be deducted on the dividend payable to resident individuals if:

- i. Total dividend amount to be paid to them during the Financial Year (FY) 2024 - 25 does not exceed ₹ 5,000/- or
 - ii. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatorily to be filled up and Company may at its sole discretion reject the form, if it does not fulfill the prescribed requirement under the Act. The Declaration in Form 15G (applicable to any person other than a Company or a firm) and 15H (applicable to an Individual who is 60 years and older) based on the conditions applicable on 'case to case' basis, could be downloaded from the Income Tax website www.incometaxindia.gov.in.
 - iii. Exemption certificate is issued by the Income-tax Department, if any along with the self-attested copy of PAN Card.
- b. Provisions of Section 194 will not be applicable for dividend payments to the Life Insurance corporation of India, the General Insurance, Corporation of India and any other insurer in respect of any shares owned by it or in which it has full beneficial interest.

II. For Non-resident Shareholders

a. As per Domestic Tax Law

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

b. As per Double Tax Avoidance Agreement (DTAA)

As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if they are

APPENDIX-B

more beneficial to them. For this purpose, i.e., to avail DTAA benefit, the non-resident shareholders are required to submit the following:

- i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident.
- iii. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 01, 2023 to avail the benefit of DTAA.
- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement.

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

PAYMENT OF DIVIDEND

The dividend on Ordinary Shares for FY 2023-24 will be paid after deducting the tax at source as mentioned in the earlier paragraphs. The following provisions under the Act will also be considered to determine the applicable TDS rate:

a. TDS to be deducted at higher rate in case of non-filers of Return of Income

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/ credited to specified person:

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The non-resident who does not have the permanent establishment and resident who is not required to file a return under section 139 of the Act are excluded from the scope of a specified person.

However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the Income-tax department for determination of "Specified Person" for the purpose of Section 206AB of the Act.

b. TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply

APPENDIX-B

to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions will be effective from July 01, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking.

c. Declaration under Rule 37BA

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

d. For shareholders having multiple accounts under different status / category

Shareholders holding Ordinary shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

e. General

You may note that the Company has notified record date for the purposes of Final Dividend for the FY 2023-24 as Thursday, the 23rd May, 2024 to the stock exchange.

The afore-mentioned documents, as applicable, are required to be e-mailed to investor@cameoindia.com.

All required documents should reach us on or before 24th May, 2024 in order to enable the Company to determine and deduct appropriate TDS / withholding tax. Documents submitted after 24th May, 2024 will not be considered for payment of dividend.

If the tax on said Dividend is deducted at a higher rate in absence of receipt of or satisfactory completeness of the afore-mentioned details/documents, the shareholder may claim an appropriate refund in the return of income filed with their respective Tax Authorities.

No claim shall lie against the Company for such taxes deducted.

The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Dividend.

Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://eportal.incometax.gov.in>.

Shareholders are requested to refer to the Income Tax Act, 1961, and Rules thereunder for full details.

UPDATE OF BANK ACCOUNT DETAILS

In order to facilitate receipt of dividend directly in your bank account, shareholders are requested to ensure that their bank account details in their respective Demat accounts/physical folios are updated, to enable the Company to make timely credit of dividend in their bank accounts.

NOTICE TO THE SHAREHOLDERS

III. Procedure for participation in the 63rd AGM through VC/ OAVM

1. The Company has engaged CDSL to provide VC/OAVM facility for its shareholders to participate in the e-AGM.
2. Shareholders will be able to attend the e-AGM by using their e-Voting login credentials.
3. Facility to join the meeting will open 15 minutes before the scheduled time of the e-AGM and will be kept open throughout the proceedings of the e- AGM.
4. Shareholders desiring to express their views/ ask questions during the meeting may register themselves as a speaker. Request for this may be mailed to hebcnn@highenergy.co.in on or before Wednesday, the 05th June 2024 (05:00 P.M.).
5. Only those shareholders who have registered themselves as a speaker will be allowed to speak or ask questions at the e-AGM. The company reserves the right to restrict the number of questions and number of speakers depending upon the availability of time for conduct of the e-AGM.
6. Shareholders who do not wish to speak during the AGM but have queries or views may send the same in advance to the company by sending an e-mail to hebcnn@highenergy.co.in in the same manner stated above. Their queries will be replied suitably by the company through email.
7. Shareholders are advised to quote their Name, DP ID / Client ID and Folio No. in all their communications.
8. Recorded transcript of the e-AGM will be uploaded on the website of the Company as soon as possible.

Help Center

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL or in physical mode	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cslindia.com or contact at toll free no.1800 22 55 33.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022- 4886 7000 and 022-2499 7000.

You may also refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under ‘help’ section.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Senior Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cslindia.com or contact at toll free no. 1800 22 55 33.

IV. Voting Process & Instructions

A) Remote e-Voting Facility

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies Management and Administration) Rules 2014, the company is pleased to provide to its shareholders the facility to

NOTICE TO THE SHAREHOLDERS

exercise their right to vote at the 63rd Annual General Meeting (AGM) on resolutions proposed to be considered thereat by electronic means. For this purpose, “remote e-Voting” facility is offered whereby a shareholder can cast his vote using an electronic system from a place of his choice.

2. The Remote e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. Remote e-Voting commences on **Wednesday, the 05th June, 2024 (09:00 A.M.)** and ends on **Friday, the 07th June, 2024 (05:00 P.M.)**. The e-Voting portal will thereupon be blocked by CDSL.

B) Login for Remote e-Voting / joining the meeting

I Demat Holders

1. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders’ resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

SEBI vide its notification dated January 24, 2022 had mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company for assistance in this regard.

As per SEBI circular number SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023, in case a holder of physical securities fails to furnish the PAN, KYC details, our RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002. The said circular was subsequently amended vide number SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17th November 2023 wherein the “Freezing” of folios were removed. Thus, the company is retaining those folios for whom KYC details are yet to be received. The said circulars are hosted in the company website:

<https://www.highenergy.co.in/wp-content/uploads/2023/11/SEBI-Circular-dated-17.11.2023.pdf>

<https://www.highenergy.co.in/wp-content/uploads/2023/11/SEBI-KYC-Circular-16.03.23.pdf>

NOTICE TO THE SHAREHOLDERS

2. In case of individual shareholders holding shares in Demat mode, access could be secured through respective Depositories CDSL/ NSDL e-Voting system. In case of non-individual shareholders in Demat mode and individual shareholders holding shares in physical mode, access could be secured only through CDSL e-Voting system.
3. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility.
4. In order to increase the efficiency of the voting process, all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants, will be able to cast their vote without having to register again with the E-voting Service Providers (ESPs).
5. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KFIN/ LINKINTIME/BIGSHARE/Purvashare, so that the user can visit the website of e-Voting service providers directly. 3. If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration or https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.

NOTICE TO THE SHAREHOLDERS

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” and under e-Voting services, you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS “Portal or click at: https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in Demat mode) login through their Depository Participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site. After successful authentication, you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

NOTICE TO THE SHAREHOLDERS

6. Registration of e-mail with DPs

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar card) by email to Company/RTA email id.
- ii) For Demat shareholders - please provide your email id and mobile no with your respective Depository Participant (DP).
- iii) For Individual Demat shareholders - please update your email id and mobile no with your respective Depository Participant (DP) which is mandatory while e-voting.

V. Login method for e-Voting and joining virtual meetings for shareholders (holding Physical / Demat form) and non-Individual shareholders

- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on “Shareholders” module.
- Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Physical shareholders and other individual shareholders holding shares in Demat.
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records, in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

NOTICE TO THE SHAREHOLDERS

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Select EVSN (Electronic Voting Sequence Number) of High Energy Batteries (India) Limited.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

C) Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting Only

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

NOTICE TO THE SHAREHOLDERS

- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; hebcnn@highenergy.co.in, if they have voted from individual tab & not uploaded the same in the CDSL e-voting system, for the scrutinizer to verify the same.

D) Voting at e-AGM

- The Company also offers the facility to the Shareholders for voting at AGM through e-Voting facility for shareholders participating through VC/OAVM.
- Shareholders who could not vote through remote e-voting may avail the above voting option provided at the AGM by CDSL. The procedure is the same as mentioned for Remote e-voting.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote during the AGM by availing the option of e-Voting facility.
- If a shareholder cast his vote in the e-AGM without being present, his vote will be treated as invalid.
- In case of joint holders attending the meeting, only the joint holder who is higher in the order of names will be entitled to vote at the e-AGM.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

E) General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as Saturday, the 01st June, 2024. Members holding shares as on this cut-off date alone are entitled to vote under either mode.
2. In case of persons who have acquired shares and become members of the company after the despatch of AGM Notice, the company would be mailing the 63rd Annual Report for 2023 – 24 to their registered email address as and when they become shareholders. They may follow the same procedure for voting.
3. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of Saturday, the 01st June, 2024.
4. In case a shareholder by inadvertence or otherwise has voted under both options, his voting by Remote e-Voting only will be considered.
5. Mr. A S Kalyanaraman, Practicing Chartered Accountant (Membership No. 201149) has been appointed as the Scrutinizer.
6. The Scrutinizer will after the conclusion of voting at the e-AGM:
 - (i) Unblock the votes cast through Remote e-voting / e-voting at the AGM.
 - (ii) The above exercise will be done in the presence of two witnesses not in the employment of the company.



NOTICE TO THE SHAREHOLDERS

- (iii) Make a Scrutinizer's report of the total votes cast in favor or against, if any, and submit to the Chairman.
- (iv) The Scrutinizer's report as above would be made soon after the conclusion of AGM and in any event not later than two days from the conclusion of the meeting.

F) VOTING RESULTS

- (i) The Chairman or a person authorized by him in writing will authenticate the result of the voting based on the Scrutinizer's report and have it declared.
- (ii) The results declared along with the scrutinizer's report will be placed on the company's website www.highenergy.co.in and in the website of CDSL www.evotingindia.com immediately after the result is declared and also communicated to BSE.
- (iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of e-AGM.

BOARD'S REPORT

Your Board hereby presents the 63rd Annual Report and the Audited Accounts for the year ended 31st March 2024.

1. OPERATING RESULTS

The Company's financial performance under review is summarized below:

(₹ in lakhs)

Particulars	For the year ended			
	2023 – 24		2022 – 23	
Sales (Net of GST)	7,722.51		9,253.80	
Other Operating Income	91.26	7,813.77	29.10	9,282.90
Other Income		349.41		73.12
Total Income		8,163.18		9,356.02
Profit / (Loss) before Finance Cost, Depreciation and Tax		2,604.71		3,182.14
Less:				
Finance Cost	196.41		314.76	
Depreciation	97.26	293.67	118.62	433.38
Profit / Loss before Tax		2,311.04		2,748.76
Less:				
Provision for Taxation:				
Current Tax	579.24		769.67	
Deferred Tax	15.93	595.17	(70.42)	699.25
Net Profit / (Loss)		1,715.87		2,049.51
Other Comprehensive Income		20.55		(1.70)
Total Comprehensive Income		1,736.42		2,047.81

The Company recorded a turnover of ₹ 7813.77 lakhs in the year FY 2023 – 24, as compared to ₹ 9,282.90 lakhs, during the previous Financial Year 2022 – 23.

2. DEPOSITORY SYSTEM

The total number of shareholders as on March 31, 2024 was 18,442 comprising 89,63,840 shares (Face value of ₹ 2/- each) and out of those, 18,319 shareholders comprising 88,47,915 shares are held in Demat form representing 98.71% of the total Equity Share Capital compared to 98.61% as on FY 2022 – 23.

3. DIVIDEND

Your Directors recommend a dividend of 150% (₹ 3/- (Rupees Three only)) per equity share of ₹ 2/- each for the financial year ended 31st March 2024, absorbing a sum of ₹ 268.92 lakhs, subject to the approval of shareholders at the ensuing 63rd Annual General Meeting.

4. PERFORMANCE REVIEW

a. SILVER ZINC BATTERIES

The Company achieved a turnover of ₹ 7160.85 lakhs through Silver Zinc Battery

BOARD'S REPORT Continued...

supplies during the FY 2023-24, as against ₹ 8844.40 lakhs, during the FY 2022-23.

b. NICKEL CADMIUM BATTERIES

During the year, the turnover of Nickel Cadmium Division was ₹ 561.66 lakhs, as against ₹ 409.40 lakhs during the previous year. Placement of orders by Air (HQ) for Nickel Cadmium Batteries is based on annual consumption versus stock position and hence the ordering cycle and order quantity, keeps varying.

The modernization goal of Railways including induction of long – haul, high speed trains, calls for development cum supply of both sintered plate type (high rate) and pocket plate type (medium rate) Nickel Cadmium (NICAD) batteries. Discussions are in progress with reputed companies abroad, to establish local manufacturing base, during FY 2024 – 25.

c. LEAD ACID BATTERIES (LAB)

As reported earlier, Lead Acid Battery division operations remained suspended since April, 2019 due to severe competition in the market resulting in non-remunerative prices. Our efforts for revival of the Plant keeping in mind the sustainability of the operations, has not yielded favorable results so far.

d. EXPORTS

During the year, the export turnover was ₹ 40.14 lakhs and the export turnover was NIL in the last year. On account of the on-going global conflicts and situation in the Middle East, many of the governments have cut short their procurement budget. All efforts are being made to secure export orders during the Current Year.

e. COVID – 19 IMPACT

Owing to Covid pandemic and the consequent impact, the Company had to face disruptions in supply chain and delays in receipt of imported materials, which continues till date.

f. FINANCE

The financial position of the Company was comfortable during the year, owing to our improved operations, supplemented by the support of our bankers, including reduction in interest rates. Though the Company is categorized as MSME, payment from Defence Departments gets delayed and bunched up due to issues pertaining to allocation of internal funds by Ministry of Defence (MOD) / Govt of India (GOI). On such occasions, the needed financial support was duly cognized and extended by our Bankers, to ensure smooth and sustained operations of our plant.

g. ISO 9001 / ISO 14001, OHSAS 45001 CERTIFICATION ACCREDITATION

Our Quality Management Systems “(QMS) ISO 9001:2015”, “Environmental Management Systems” (EMS) ISO 14001:2015 and OHSMS 45001: 2018 “Occupational Health and Safety Management Systems (OHSMS), continue to be accredited for both “Aerospace, Naval Battery” and “Lead Acid Battery” Divisions.

5. R & D – CURRENT YEAR (2024 – 25)

i. Underwater propulsion Battery

(a) **DRDO Program** – During the previous year, our R & D received orders from DRDO for the development cum supply of two different types of batteries involving Silver Zinc system of 270 kW power for Heavy Weight Torpedo (HWT) as well as Silver Chloride Magnesium Sea Water Activated Battery for Light Weight Torpedo (LWT) applications.

The design of the Silver Zinc cells also had distinct constructional features that will enable handling of cells to the minimum possible during battery preparation. On similar lines, the Sea Water Battery is of a much higher power levels of 100 kW

BOARD'S REPORT Continued...

that can be catered to for a typical LWT requirement.

Both the programs were completed satisfactorily within the stipulated period of less than a year. Supply of batteries is already effected, which will undergo sea firing user trials, leading to clearance for regular production, during the FY 2024 – 25.

- (b) **One Shot Battery** – During the year, a high-power one-shot primary reserve battery using magnesium Cuprous Chloride (Mg - CuCl) system was integrated at HEB with all the needed interface cum system requirements. The static discharge test of the battery was carried out during November 2023. Performance of the battery was found to be satisfactory and all the needed technical parameters were generated during the test, in co-ordination with Indian Navy (IN) Personnel. Expect IN to initiate a development cum supply program for this battery, during the FY 2024 – 25.

- ii. **Long Life Sea Water Battery** – Activities pertaining to the design, development cum evaluation of long endurance Sea Water battery was initiated last year through DRDO funded contract. It is progressing satisfactorily from the proto stage to the level of making full size battery, to provide power for underwater monitoring instruments for over a year continuously. This battery type is expected to get into production mode during FY 2024 – 25.

iii. **Energy related Centre for High Technology (CHT) Programs**

- (a) A development program pertaining to Hydrogen economy, was initiated last year funded by both Centre for High Technology (CHT) & ONGC Energy

Centre Trust (OECT) and with our participation. Based on the satisfactory performance of the proto units, scaling up of the Hydrogen unit is in progress and this project will get completed by FY 2024-25.

- (b) On similar lines CHT had initiated another program, with IOCL and GAIL as funding agencies and with our participation. The target of this two-year program is to come up with a low power Fuel Cell (FC) stack, for Power Generation using Hydrogen and Air.

On this, optimization of membrane, the catalysts, catalyst loading and small size 1kW proto type stack evaluation are in progress. The Process flow and control parameters for proto development is established and this program will be completed including the testing cum evaluation of a scaled up 2.5 kW plus level unit, during the FY 2024 – 25.

iv. **Vanadium based flow battery (VRFB)- Energy Storage**

Based on the satisfactory demonstration cum completion of the development program with OECT on 1 kW / 10kWh module carried out in co-ordination with IIT Chennai, OECT preferred to initiate the next level of funded program with our participation.

Main scope of the program involves scaling up of the system to 10 kW / 100 kWh rating and further evaluation, on stand-alone storage mode using Solar PV based energy harness. Activities pertaining to this contract had started from March 2024 and the proposed work will be pursued during the period FY 2024 – 25 & FY 2025 – 26.

BOARD'S REPORT Continued...

v. Lithium-Ion Battery (LIB)

The facility for cell screening, making battery pack assembly and testing as pack or battery on a low volume level using second life LIB packs, is now fully established.

We have made a number of standalone Solar PV based street lights which are regularly monitored and evaluated at different locations at Mathur village.

During FY 2024 – 25 this will be taken up on a regular production mode and also work on Lithium-Ion Battery (LIB) for other applications including low power off-grid UPS systems is planned, towards in-house development, testing and supply.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed discussion on the industry structure as well as on the financial and operational performance is contained in the 'Management Discussion and Analysis Report' that forms an integral part of this Report – **Annexure – 1**.

7. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance Report together with the certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance is given in **Annexure – 2**. The Corporate Governance Report also includes contents and disclosures required under Section 134(3) of the Companies Act, 2013 at relevant places that forms an integral part of this report.

8. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a copy of annual return for FY 2023 – 24

will be placed on the website of the company www.highenergy.co.in after conclusion of the 63rd AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, your Board confirms that:

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures from the same.
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care towards the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a "going concern" basis.
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD'S REPORT Continued...

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company did not avail or give any loan or Guarantee or provide any security or make any investment, which are covered under Section 186 of the Companies Act, 2013.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

The Company remains outside the purview of Section 188(1) read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, and the reporting requirements thereunder are not applicable.

12. MATERIAL CHANGES AND COMMITMENTS

There was no change in the nature of business of the Company during the year. There is no material change or commitment affecting the business operations and the financial position of the company since the close of the Financial Year as on 31st March 2024, to the date of this Report.

13. CONSERVATION OF ENERGY

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given in **Annexure – 3** that forms part of this report.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company is covered under the mandate of Section 135 of the Companies Act, 2013

for FY 2023 – 24. The CSR report in the prescribed form is given in **Annexure – 4** that forms part of this report.

15. PARTICULARS OF EMPLOYEES

The Statement of Disclosure of Remuneration under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure – 5** that forms part of this report.

16. CLASSIFICATION OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

The Company comes under MSME classification, since 01st July 2020 as “Small” Enterprises (UDYAM-TN-02-0000445). The said category was changed as “Medium” Enterprises from Small from 16th May, 2021. The Company complies with all the requirements of MSME and further, avails / utilizes the benefits, arising out of this reclassification including GOI / MOD contracts and Bank operations.

17. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

- (i) The Company has laid down adequate systems and well-drawn procedures for ensuring internal financial controls. It has appointed an external audit firm as Internal Auditors for periodically checking and review.
- (ii) Internal Auditors discuss the Internal Audit Reports at the Audit Committee meetings and present periodical compliances and observations, made by them and present.

BOARD'S REPORT Continued...

(iii) The Board of Directors have put in place budgetary control and monitoring measures for ensuring the orderly and efficient conduct of the business of the Company, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

(iv) Audit Trail requirements as per New Standards, are available in ERP system.

18. INDIAN ACCOUNTING STANDARDS (Ind AS)

The Financial Statements of the current year are prepared as per Ind AS, which was adopted since Financial Year 2017–18.

19. CASH FLOW STATEMENT

As required under Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Cash Flow Statement is attached to the Balance Sheet.

20. INDUSTRIAL RELATIONS

Relations between the Management and Employees were cordial throughout the year under review. The Management ensured that all necessary steps were taken to follow the guidelines / norms of safety and health mandated by the Government.

21. DIRECTORS

(a) Pursuant to Section 152 (6) of the Companies Act, 2013 and in accordance with Article 89 of the Articles of Association of the Company, Mr. N Gopalaratnam (DIN: 00001945), Chairman of the Company, retires by rotation at the ensuing 63rd AGM and being eligible offers himself for re-appointment through Special Resolution.

Necessary resolution is placed before the members for their approval.

(b) Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17 (1C) of SEBI LODR, Dr. Vijayamohan K Pillai (DIN:07308120) was reappointed as Independent Director of the Company for a second term of five years from 01st April, 2024 to 31st March, 2029 and appointed Cmde Saroj Kumar Patel (DIN:10474393) and Dr. R Subrahmaniya Sivam (DIN:02393209) as Independent Directors of the Company for a fixed term of five years from 01st April, 2024 to 31st March, 2029 by Special Resolution passed through Postal Ballot by the shareholders on 20th March, 2024.

22. AUDITORS

(i) The Company obtained the approval of Shareholders at the 61st AGM held on 29th June, 2022 for the appointment of M/s. Maharaj N R Suresh and Co LLP, Chartered Accountants as Statutory Auditors of the Company for a Second term of Five years to hold office from the conclusion of 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting of the Company.

(ii) On the basis of recommendation of Audit Committee, the Board at its meeting held on 28th January, 2023 appointed M/s R Subramanian & Company LLP, Chartered Accountants as Internal Auditor of the Company for a period of two (2) years, FY 2023 – 24 & FY 2024 – 25.

(iii) The Board at its Board meeting held on 18th March, 2023 appointed M/s. V Suresh Associates, Practicing Company Secretaries as Secretarial Auditor for a period of two (2) years, FY 2023 – 24 & FY 2024 – 25.

BOARD'S REPORT Continued...

Particulars of Statutory Auditor, Internal auditor and the Secretarial Auditor are given in the “**Corporate Governance**” Report that forms an integral part of this Report.

Secretarial Audit Report, as required by Section 204(1) of the Companies Act, 2013, is attached as **Annexure – 6**.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to:

- (i) all the valued customers viz., Defence Services, VSSC, ISRO, RCI, ASL, DRDO Laboratories and Ministry of Defence (MOD), NSTL, NPOL, NMRL, BDL, BrahMos (BAPL), Skyroot, BEL, HAL, ADE, ADA, L&T, Mahindra Defence, Agnikul and other Defence based organizations such as DGONA, DAPI, CVRDE, MGO, Air (HQ), HQMC for the whole-hearted support and encouragement, towards indigenous sourcing of Batteries for strategic applications, fulfilling Atma Nirbhar.
- (ii) all our valued Govt Statutory Bodies like IOF, PCB, Inspection cum Certifying agencies such as CEMILAC, DGAQA, DGNAI, MSQAA, SSQAG, R&QA for their timely and meticulous adherence of Quality Assurance / Product acceptance procedures.
- (iii) Educational Institutions viz., NIT(T), IIT Chennai for their co-operation and technical

support to our R & D progress. OECT, part of ONGC for initiating a program on Vanadium Redox Flow Battery (VRFB), Centre for High Technology (CHT) in partnership with OECT, IOCL and GAIL for initiating development activities pertaining to Fuel Cells and Electrolyzer based Green Energy using Hydrogen, Research Institutions like CECRI, for involving in our Indigenization efforts.

- (iv) the Overseas customers, who have reposed utmost faith and confidence in our products;
- (v) the Consortium of Bankers viz., UCO Bank Limited (UCO) and Punjab National Bank (PNB) for extending timely financial support for the continued positive performance of the Company;
- (vi) the Employees at all levels of the company for their co-operation, harmonious working and the sincere efforts put in, to sustain the performance.
- (vii) to all suppliers, vendors, service providers, sub-contractors and Shareholders for their continued trust and support.

(For Board of Directors)

Chennai
04th May, 2024

N GOPALARATNAM
Chairman
(DIN: 00001945)

ANNEXURE - 1 TO BOARD'S REPORT

**MANAGEMENT DISCUSSION AND ANALYSIS
REPORT**

**i. INDUSTRY STRUCTURE AND
DEVELOPMENTS**

High Energy Batteries (India) Limited was established in the year 1979 for manufacture of Silver Oxide Zinc batteries for MIG Aircraft starting and emergency application with the technical collaboration of M/s. Yardney Electric Corporation, USA.

HEB Aircraft battery was type tested and approved for bulk manufacture in the year 1981. Over the years, design features and product range for all the three services have been constantly upgraded to suit Indian conditions and improvements in life achieved through in-house R&D.

Silver Zinc Batteries, Nickel Cadmium Batteries and Silver Chloride Magnesium batteries designed, developed and manufactured by HEB are power sources intended for high-rate critical applications. These batteries are very strategic in nature and custom-designed for use in aviation, torpedo propulsion, Satellite Launch vehicles and Army Battle Tanks. The demand for our batteries is not regular in nature, as the ordering schedule is cyclic and also not in large quantities (volume based) since the application is for strategic Defence use.

The principal customers of the Company are the Department of Defence Supplies and VSSC / ISRO and therefore the Company is subject to certain provisions of the Official Secrets Act, 1923. The Company also requires prior permission from Ministry of Defence for export to other countries.

The Defence applications require high reliability products including mid-life upgradation of technology to meet the global challenges and any eventual system obsolescence.

DRDOs and Defence establishments have technology driven applications and provide us opportunities for even ab initio Engineering development which acts as a catalyst for the growth of our Company. The procurement policy currently pursued by the Government with thrust on Indigenization and "Atmanirbhar" in Defence procurement, encourages the domestic manufacturing sector and it augurs well for our Company with Design, Development, manufacturing cum testing capability to perform better.

HEB is a manufacturer of hi-tech batteries for use in Army, Navy, Air force and launch vehicles. The Company has a strong base of in-house R&D to design, develop and establish the manufacture of alkaline electrolyte-based silver zinc, nickel cadmium and seawater-based silver chloride magnesium for stringent applications such as under water propulsion, control guidance, communication, emergency starting, rail-road, industrial and aerospace applications. The Company regularly undertakes development activity and establishes the technology for the manufacture of electrochemical systems, for use in many critical applications.

The back-up power requirement is rapidly growing in Defence with the induction of advanced machinery/ weaponry. The Company received a number of awards for establishment of technology and Indigenization.

Supplementing the existing potential, the Energy sector at large, needs Energy Storage systems (ESS) like Flow Battery (FB) commensurate with Power Generation units like Fuel Cells (FC) and in turn, the resultant thrust on Green Energy cum Hydrogen Economy (Indian mission towards e-mobility). Currently, the company is working on such thrust – areas of global significance which provides the needed impetus to a great extent, for the growth and further prospects of our Company.

ANNEXURE - 1 TO BOARD'S REPORT

ii. OPPORTUNITIES AND THREATS

Opportunities

- A major player in silver zinc battery for Defence.
- In-house capability for technology development.
- Part of established business group.
- Dedicated talented pool of human resource with scientific and engineering background.
- Availability of dedicated Production cum Testing facility for the Manufacture of High-Power Batteries for Strategic Defence Applications.
- Huge capital expenditure planned by the Government of India for Batteries and ESS, in the Energy sector.
- High growth potential projected for E-mobility, Green Hydrogen and clean energy.

Threats

- Price rise in input materials.
- Import restriction and / or delays in receipt of critical materials / components.
- Change in Government policy of procurement, especially by Defence Departments.
- Adverse change in the global scenario, with introduction of advanced / disruptive systems.
- Need for HEB to get trained in the upcoming technologies and upgradation of production methods and equipment needed to tackle these challenges.

iii. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

HEB's revenue grew at a CAGR of 12 % over the last five years FY 2019-2024, backed by the Government's thrust on the Defence sector as well as its focus on awarding orders to indigenous players. In FY 2023 - 24, the revenue had dropped by 17 % Year on Year basis of ₹ 77.23 crores. The Company has a confirmed order book of around ₹ 35.73 crores with a possible order value of ₹ 58.46 Crores to be realized within the next 06 months, to be executed over the next 12-18 months period, providing adequate revenue visibility cum turnover possibility for FY 2024 – 25.

The Company supplies silver- zinc batteries to several Defence establishments including Navy, Army, Airforce and space research organizations. With limited competition in the Aerospace and Naval segment, HEB derives around 45% revenues from Navy & Naval Research Labs. Typical break – up of orders from different customer base indicates:

Customer	%
Navy & Naval Research Labs	45
DRDO Labs	11
Defence Public Sector	1
Aerospace & Others (NICAD, TDF and NuPro)	43
Total	100

HEB's EBITDA margins have improved substantially over the last five years, as a result of change in the product mix, better absorption of fixed costs and improved Banking operations. With due consideration of the possible uncertainties arising out of the flow of development orders, exposure to raw material price fluctuations and inconsistent import delivery commitments by approved

ANNEXURE - 1 TO BOARD'S REPORT

sources abroad, fluctuation in silver price volatility is monitored and addressed well in all our contracts. The Company strives its best to maintain a sustainable EBITDA margin of around 25%.

iv. OUTLOOK

Since inception, HEB had concentrated on specialized batteries for the Defence application and those used in aerospace, Railways, Army and Navy. The Company had so far developed and supplied batteries for Aerospace, various strategic applications and credited with several National awards, especially towards R&D and Indigenization. However, the procurement cycle of Indian Defence is normally of the order of four to five years which in recent years got shifted to six- or seven-year cycle or even more, in view of the midlife technical improvements done on both the dry storage life and wet service life of batteries. While some flexibility was available in product pricing in the earlier years, competitive pricing requirement impacts the operating margins severely. Export potential for the present range of our products on a continuous basis, appears limited in view of obsolescence and shift in Defence Policies of the various Governments. The prevailing war / conflict situation tantamounts to global economic slowdown which impacts Defence Budget allocation grossly.

The company is currently working on to expand its product range to include Fuel cells and Flow Battery mainly Vanadium Redox Flow Battery (VRFB), which will be used respectively in Power Generation using Hydrogen and Bulk energy storage applications. The Company will be focusing more on value added products including Battery/ Power Pack System Integration which would help the Company occupy a strong position in both Defence related and other non-Defence based markets in India.

v. RISK AND CONCERNS

HEB has a long working capital cycle, primarily due to the higher levels of inventory that need to be maintained, being Defence based. This service need will be there for silver zinc and other battery accessories, towards supply and / or replacement on priority and to cater for any emergency situation / vigil needs of Defence services.

The Company's Major revenue is from Defence sector and is dependent on Defence priorities and budget allocation. Continued thrust for indigenization and Atmanirbhar, especially of Ministry of Defence (MOD), provides a positive outlook, though there is risk as our product range falls under a niche category, catering to Strategic Defence requirements, without much of a possibility for spin – off.

The export market though limited, the Company keeps exploring possible markets like Poland, Vietnam and effects supplies to countries like Philippines, Malaysia, Algeria, Italy and Kyrgyzstan. The procurement procedure is more or less similar to that of our Government Defence agencies and here again the risk of budget allocation for Defence and the consequent review of ordering cycle exists. The Company has also appointed Authorized Agents on selective basis to cater to export markets.

HEB's major raw materials include Silver, Zinc and Copper, the prices of which are volatile due to external market factors. Only any abrupt increase in the raw material prices could lead to a compression of margins. Price volatility in silver price gets covered by the customers on a timely basis mostly built into the contract under a price variation clause, thus exposing the Company only to minimal impact. Price fluctuations that are gradual and regular, arising out of non-silver materials like Copper and Zinc, gets judiciously addressed

ANNEXURE - 1 TO BOARD'S REPORT

in cost estimates and pricing, to mitigate any abnormal escalation. Less than 10% of the total raw materials consumed are imported, liable to certain Forex variation, and / or Government restrictions, which again is factored adequately in cost workings, to ensure overall exposure level to be "Nil" to "as minimum as possible" on annual basis.

vi. INTERNAL CONTROL SYSTEMS

The Company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures function satisfactorily at all times and all policies are duly complied with, as required. These are considered adequate to reasonably safeguard its assets against loss or misappropriation through unauthorized or unintended use.

There is adequate and effective internal audit system that employs periodic checks as "on-going process". The Audit Committee of the Board of Directors regularly reviews the effectiveness of internal control system in order to ensure due and proper implementation and effective compliance with applicable laws, accounting standards and regulatory guidelines.

vii. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company as of 31st March, 2024 has 110 employees on its rolls out of which 61 are Managerial, and others being supervisory and production staff. Further it employs around 143 labourers/ workers on contract basis, depending upon time-to-time job requirements.

The relationship between Management and Employees was cordial and a harmonious work environment prevailed throughout the year under review.

viii. KEY FINANCIAL RATIOS

Description	Financial Year		Change – Increase or Decrease
	2023-24	2022-23	
Operating Profit Margin (PBIDT/Total Income)	0.32	0.34	(0.02)
Net Profit Margin (PBT/Total Income)	0.28	0.29	(0.01)
Interest Coverage Ratio (EBIT/Interest Expense)	12.77	9.73	3.04
Earnings per share	19.14	22.86	(3.72)
Debt Equity Ratio	0.06	0.29	0.23
Current Ratio	4.01	1.98	2.03
Debtors Turnover	3.15	3.83	(0.68)
Inventory Turnover	1.46	1.68	(0.22)

(For Board of Directors)

Chennai
04th May, 2024

N GOPALARATNAM
Chairman
(DIN: 00001945)

ANNEXURE - 2 TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

I. Applicability of Code of Corporate Governance

The Company belongs to Esvin Group, is professionally managed and is deeply committed to the core values of Corporate Governance concepts. Corporate Governance includes, among other things, compliance with various legal requirements, inculcating a sense of integrity and responsibility in all aspects, not only among the members of the Board of Directors, but amongst the people at all levels of the organization. Only such a culture which results from voluntary compliance from all ranks of employees of the Organization, that is built, practiced and sustained over a period of time, can result in compliance that is true to the spirit of law.

Furthermore, such a corporate governance culture will help in constantly reminding the management that they are, but only, trustees of the shareholders' capital. In the company form of business, the Board is the core of the Corporate Governance philosophy, endowed with the responsibility to ensure that the management serves and protects the best and long-term interests of all its stakeholders.

II. Board of Directors

(a.) The composition of the Board is devised in a manner to have optimal blend of expertise drawn from industry, Management and Finance.

(b.) The Board comprises of Non - Executive, Executive and Independent Directors. The Board consists of 9 Directors comprising of one Non-Executive, Non independent Chairman, two Executive Directors, five Independent Directors including a Woman Director and one Nominee Director as on 31st March 2024. No Director holds membership of more than 10 Committees of Board nor as Chairman of more than 5 such Committees.

(c.) The Managing Director is not liable to retire by rotation. The Chairman and the other non-independent Director viz. the Director (Operations) are liable to retire by rotation and in the normal course can seek re-appointment at the AGM. Brief resume of Directors seeking reappointment is given in the Notice of the AGM.

(d.) The ceiling for being Chairman / Director / Committee member of Board of Companies stipulated under the Act or Listing Regulations are complied with, for all Directors of the Company.

(e.) No Director is relative of any other Director.

(f.) The age of every Director, including independent Director, is above 21 years. Shareholder approval by special resolution is obtained at the 61st Annual General Meeting for appointing or continuing the directorship of non-executive Directors beyond 75 years of age.

ANNEXURE - 2 TO BOARD'S REPORT

III. Number of Board Meetings and Directors' Attendance Record

Name of Director/ DIN	Date of Initial Appointment	Category	No. of Equity Shares held	Attendance at Board Meetings during 2023-24			As on 31 st March 2024 (Including HEB)			Attendance at last AGM (24.06.23)
				No. of Meetings Entitled to Attend	No. of Meetings attended	%	No. of Directorships	Committee Membership		
								As Chairman	As Member	
Mr. N Gopalaratnam (DIN: 00001945)	06.06.1991	Promoter, Non-Executive Chairman	51000	6	6	100	5	2	5	YES
Dr. G.A. Pathanjali (DIN: 05297665)	30.05.2012	Managing Director	500	6	6	100	1	-	2	YES
Mr. M. Ignatius (DIN: 08463140)	01.06.2019	Director (Operations)	Nil	6	6	100	1	-	-	YES
Mr. A. L. Somayaji (DIN: 00049772)	23.03.2002	Independent	Nil	6	6	100	4	5	3	YES
Comde. R. P. Prem Kumar (Retd.) (DIN: 00049513)	08.06.2002	Independent	Nil	6	6	100	1	1	2	YES
Mr. M. Natarajan (DIN: 06954693)	30.09.2014	Independent	Nil	6	5	83	1	-	2	YES
Mrs. Lalitha Lakshmanan (DIN: 07140032)	28.05.2016	Independent	Nil	6	6	100	1	-	3	YES
Dr. Vijayamohan K Pillai (DIN: 07308120)	22.03.2019	Independent	Nil	6	4	67	1	-	-	YES
Mr. N. P. Sinha (DIN: 07980838)	28.01.2023	Nominee of Life Insurance Corporation of India	Nil	6	6	100	1	-	-	NA

IV. Directorship in other listed entities as on 31.03.2024

Sl. No	Name of the Director	Name of the other listed entity	Category
1	Mr. N Gopalaratnam	a) Seshasayee Papers and Boards Ltd b) Ponni Sugars (Erode) Limited	Executive Chairman Non-Executive Chairman – Non-Independent
2	Mr. A L Somayaji	a) Seshasayee Papers and Boards Ltd	Independent Director

ANNEXURE - 2 TO BOARD'S REPORT

V. Core Skill set, Expertise and Competence of Board of Directors

Our Company constitutes professionals of eminence with decades of hands-on experience in various fields as Directors, encompassing:

- Technology Development cum Project Management.
- Quality Standards (QR) of Advanced Strategic Defence Systems.
- Fundamental Research to Product Development.
- Design concept to Production Engineering of various Electrochemical Systems – Batteries, Fuel Cells and Flow Batteries.
- Finance, Insurance and Auditing Standards.
- Legal cum Government Regulatory norms.

The Board is satisfied that its Directors together possess the requisite skill sets for the effective functioning of the company.

VI. Directors Profile

Sl. No.	Name of Director	Skill set, expertise and competence
1	Mr. N Gopalaratnam	A technocrat with rich and varied experience in project and operational management.
2	Dr. G A Pathanjali	He has a Doctorate in Chemical Engineering from Indian Institute of Technology (IIT), Mumbai with four decades of hands-on experience in the Company. He has wide experience in design cum development activities involving Silver Zinc, Nickel Cadmium and project management. He is also a member in many committees of Energy and Power sector constituted by the Government of India.
3	Mr. M Ignatius	He is an Electrical engineer having four decades of experience in the Company involving design and development of high-tech batteries and has coordinated with the Navy, Indian Air Force and Defence Research and Development Organization (DRDO) during Battery type approval and Qualification.
4	Mr. A L Somayaji (upto 31.03.2024)	He is a Senior Advocate and the Former Advocate General of Tamil Nadu. He is an advisor for all legal and commercial matters of the Company.
5	Cmdr. R P Prem Kumar (upto 31.03.2024)	He has over three decades of experience in inspection and quality assurance of Naval Armaments. He has coordinated in several classified projects and Indian Defence Programs. He is a recipient of Vishist Seva Medal (VSM).
6	Mr. M Natarajan (upto 31.03.2024)	He is the retired Director General of DRDO and held the position of Scientific Advisor to the Defence Minister (SA to RM). He was involved in developing the state of art Main Battle Tank, MBT ARJUN. He was conferred with Padma Shree Award by the Government of India and is also a recipient of Sir C. V. Raman Birth Centenary Award.

ANNEXURE - 2 TO BOARD'S REPORT

Sl. No.	Name of Director	Skill set, expertise and competence
7	Mrs. Lalitha Lakshmanan	She is the retired Chief General Manager of Canara Bank and has rich experience in Banking, Finance and Management matters.
8	Dr. Vijayamohan K Pillai	He is a leading Electrochemist in India. He has worked in several areas of electrochemical power sources and holds 27 patents in both Electrochemistry and Materials Chemistry. He served as an Outstanding Scientist and Director at Central Electrochemical Research Institute, (CSIR – CECRI) Karaikudi. Currently, he is serving as Professor/ Chair in Indian Institute of Science Education and Research (IISER), Tirupati.
9	Mr. N P Sinha	He is the Nominee of Life Insurance Corporation of India (LIC) and he was in charge of Eastern Zone of LIC and has rich experience in Insurance Field.
10	Comde Saroj Kumar Patel (from 01.04.2024)	He started his career as a Quality Engineer in HAL Koraput. He was then commissioned into the Indian Navy and served in various capacities as CNAI (MB), CNAI (V) and DNAI. He served as Director of Missile System Quality Assurance Agency (MSQAA). He was also the founding Director of Directorate of Quality, Reliability and Safety (DQR&S) at DRDO. He has over four decades of experience in Defence & Quality.
11	Dr. R. Subrahmaniya Sivam (from 01.04.2024)	He is a Practicing Chartered Accountant and also member of Institute of Cost Accountants of India and Institute of Company Secretaries of India. He has held various posts in Industries and has over four decades of experience in Internal and Management audits, structuring costing models & systems.

VII. Independent Directors

- (a.) The Chairman is a non-executive, non-independent Director and comes under Promoter category. The number of Independent Directors is Five (05) and is more than one-half of the total strength of Nine (09) Directors in the Board. Any reduction in the strength of Independent Directors is filled within 3 months for ensuring the presence of minimum stipulated strength of Independent Directors in the Board.
- (b.) Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Regulation 17 (1A) of SEBI (LODR), approval was also obtained by way of Special Resolution stated above in the case of Directors who have completed or would be crossing 75 years of age during the tenure.
- (c.) The Independent Directors have been appointed / reappointed by way of special resolution passed by shareholders. Three Independent Directors upon completion of their second term retired by

ANNEXURE - 2 TO BOARD'S REPORT

31st March, 2024. Accordingly, one Independent Director was re-appointed and two Independent Directors were appointed with effect from 01st April, 2024 by shareholders through Special resolution by way of Postal Ballot.

Details of Independent Director

Name	DIN	Particulars	Tenure of Appointment / Re-appointment	
			From	To
Mr. A L Somayaji	00049772	Re-appointment	01.04.2019	31.03.2024
Cmde R P Prem Kumar	00049513	Re- appointment	01.04.2019	31.03.2024
Mr. M Natarajan	06954693	Re- appointment	01.04.2019	31.03.2024
Dr. Vijayamohan K Pillai	07308120	Re- appointment	01.04.2024	31.03.2029
Cmde Saroj Kumar Patel	10474393	Appointment	01.04.2024	31.03.2029
Dr. R Subrahmaniya Sivam	02393209	Appointment	01.04.2024	31.03.2029

(d.) Independent Directors are issued Letter of appointment with their consent and the terms thereof are posted on the company website.

The company had formulated a familiarization program for Independent Directors with the objective of making them familiar with their role, responsibilities, nature of the industry, business model and compliance management. The details of the Familiarization program are available in the link https://www.highenergy.co.in/wp-content/uploads/2023/03/FP_ID.pdf

(e.) All Independent Directors have renewed their registration in the “Independent Director’s Data bank” as maintained by Indian Institute of Corporate Affairs (IICA) and the details are furnished hereunder

Name of the Independent Director	Registration No. in Independent Director’s Data bank	Valid From	Valid Upto
Mr A L Somayaji (*)	IDDB-DI-202002-007850	05.02.2020	04.02.2025
Cmde R P Prem Kumar (*)	IDDB-DI-202002-007622	05.02.2020	04.02.2025
Mr. M Natarajan (*)	IDDB-DI-202002-007390	04.02.2020	03.02.2025
Dr. Vijayamohan K Pillai	IDDB-DI-202002-014567	25.02.2020	24.02.2025
Cmde Saroj Kumar Patel	IDDB-NR-202401-055070	27.01.2024	26.01.2029
Dr. R Subrahmaniya Sivam	IDDB-DI-202001-005554	18.01.2020	17.01.2027

(*) Retired and ceased to be Directors from 01st April, 2024.

In terms of the amended provision of Rule 6(a)(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors, except Cmde Saroj Kumar Patel, have been granted exemption from the online Proficiency test conducted by the IICA. Cmde Saroj Kumar Patel, who had enrolled in the Independent Directors’ Data bank on 27th January, 2024 has time until 26th January, 2024 to clear the mandatory online proficiency test.

ANNEXURE - 2 TO BOARD'S REPORT

(f.) All the Independent Directors have given the declaration affirming that they meet the criteria of independence as provided in Section 149 (6) of the Act and have complied with relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

(g.) In the opinion of the Board, (i) all the Independent Directors fulfill the conditions for being appointed as Independent Director as specified in the Act and Listing Regulations (ii) they possess the integrity and expertise, and have the experience required for their role as Independent Director of the company.

(h.) No Independent Director had resigned from the directorship of the company before the expiry of the term of appointment during the Financial Year ended 31st March 2024.

(i.) The company has proactively taken Insurance Cover for Directors and Officers, covering both independent and non-independent Directors, for such sum and risks as determined necessary and expedient by the Board.

VIII. Board Process

(a.) The Board meeting dates for the entire financial year are tentatively fixed before start of the year. An annual calendar of Board / Committee meetings is circulated to facilitate Directors plan their schedules for attending the meetings.

Notice for the Board meeting is issued normally 2 weeks in advance. Detailed Agenda papers are circulated one week in advance.

(b.) Board meetings are governed by structured Agenda, containing comprehensive information and extensive details, that is circulated at least one week in advance. Urgent issues and procedural matters are at times tabled at the meeting with prior approval of Chairman and consent of all Directors present. PowerPoint presentation is made to facilitate focus on the subject, pointed attention and purposive deliberations at the meetings.

(c.) The governance process includes an effective post – meeting follow – up, review of ATR (Action Taken Report) and reporting process for decisions taken pending approval of Board.

IX. Board Meetings

During the year 2023-24, Six (6) Board Meetings were held on 29.04.2023, 23.06.2023, 22.07.2023, 04.11.2023, 20.01.2024 and 15.03.2024. All the meetings were conducted in physical mode and VC facility was provided whenever requested by any director.

X. Board Committees

a. Audit Committee

The Audit Committee comprises of four Independent Directors. The Chairman of the Committee is a Non-Executive Independent Director. The Committee is entrusted with the responsibility of supervising the Company's internal controls and financial reporting process. The Committee met 4 times during the year on 29.04.2023, 22.07.2023, 04.11.2023 and 20.01.2024 and all the meetings were conducted as Physical mode and VC facility is provided whenever requested by any director. Details of its composition and attendance are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A L Somayaji	Chairman of the Committee	4	100
Cmdr. R P Prem Kumar	Member	4	100
Mr. M Natarajan	Member	4	100
Mrs. Lalitha Lakshmanan	Member	4	100

Members of the Audit Committee have requisite financial and management matters.

ANNEXURE - 2 TO BOARD'S REPORT

Effective 01.04.2024, the Audit Committee has been reconstituted as under:

Name of Member	Status	Category
Mrs. Lalitha Lakshmanan	Chairman of the Committee	Independent Director
Mr. N P Sinha	Member	Nominee Director
Cmde Saroj Kumar Patel	Member	Independent Director
Dr. R Subrahmaniya Sivam	Member	Independent Director

b. Nomination and Remuneration Committee (NRC)

Pursuant to Section 178 of the Companies Act, 2013, NRC comprises of 3 Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. The Nomination and Remuneration Committee is vested with all the necessary powers and authority to ensure the criteria for:

- (a.) appointment of Executive, Non-Executive and Independent Directors to the Board.
- (b.) Determining the qualifications, positive attributes and independence of Directors.
- (c.) Recommending to the Board a remuneration policy for Directors, Key Managerial Personnel of management.
- (d.) formulation of criteria for evaluation of Independent Directors and the Board.
- (e.) Identifying candidates who are qualified to become Directors and who may be appointed as KMP and senior management, in accordance with the criteria laid down and recommend to the Board regarding their appointment.

The Committee met 3 times during the previous year on 20.01.2024, 09.02.2024 and 15.03.2024

and out of that one meeting held on 09.02.2024 was conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM).

Details of its composition and attendance are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A L Somayaji	Chairman of the Committee	3	100
Cmde R P Prem Kumar	Member	3	100
Mrs. Lalitha Lakshmanan	Member	3	100

The Chairman of the Committee is an independent Director.

The Committee at its meeting held on 09.02.2024 recommended the re-appointment of Dr. Vijayamohan K Pillai and the appointment of Cmde Saroj Kumar Patel and Dr. R Subrahmaniya Sivam as Independent Directors with effect from 01.04.2024.

Effective 01.04.2024, the Nomination and Remuneration Committee has been reconstituted as under:

Name of Member	Status	Category
Mrs. Lalitha Lakshmanan	Chairman of the Committee	Independent Director
Dr. Vijayamohan K Pillai	Member	Independent Director
Dr. R Subrahmaniya Sivam	Member	Independent Director

c. Stakeholders Relationship Committee (SRC)

The roles and responsibilities of the Committee are expeditious processing and approval of transactions in securities, compliance with

ANNEXURE - 2 TO BOARD'S REPORT

SEBI Regulations and Listing requirements and redressal of Investors' grievances.

Pursuant to Section 178, SRC comprises of 4 Directors. During the year, the Board at its Board meeting held on 29th April, 2023 approved the re-constitution of the committee by inducting Mr. A L Somayaji, Independent Director as a member. Further, the Board at its meeting held on 22nd July, 2023 approved the re-designation of Mr. A L Somayaji as Chairman of the Committee.

The Chairman of the Committee is a Independent Director. The Committee met 4 times during the previous year on 29.04.2023, 22.07.2023, 04.11.2023 and 17.01.2024. Out of this one meeting dated 17.01.2024 was held through Video Conference (VC) / Other Audio-Visual Means (OAVM). Details of its composition and attendance are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A L Somayaji	Chairman of the Committee (*)	3	100
Mr. N Gopalaratnam	Chairman	4	100
Dr. G.A. Pathanjali	Member	4	100
Mrs. Lalitha Lakshmanan	Member	4	100

(*) with effect from 22.07.2023.

The company has in place an adequate system for expeditious redressal of investor complaints.

Status of investor complaints is shown in the Shareholder Information section of this Report. Quarterly reports on the compliance of investor grievances are filed with the stock exchange. Annual compliance certificates signed by both the

company and the Registrar & Transfer Agent are filed within 30 days from the end of the financial year.

Effective 01.04.2024, the Stakeholders Relationship Committee has been reconstituted as under:

Name of Member	Status	Category
Mr. N Gopalaratnam	Chairman of the Committee	Non Executive Director
Dr. G A Pathanjali	Member	Executive Director
Mrs Lalitha Lakshmanan	Member	Independent Director

d. Corporate Social Responsibility (CSR) Committee

The Company is covered under Section 135 of the Companies Act, 2013 and this committee was constituted w.e.f 29th April 2023 since the CSR obligation exceeded 50 Lakhs which mandates the formation of the committee to approve the CSR expenditure.

The Committee met 4 times during the previous year on 22.07.2023, 04.11.2023, 18.01.2024 and 12.03.2024 and out of those, two meetings held on 18.01.2024 and 12.03.2024 were conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM).

Details of its composition and attendance are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. R P Prem Kumar	Chairman of the Committee	4	100
Mr. M. Natarajan	Member	4	100
Dr. G A Pathanjali	Member	4	100

ANNEXURE - 2 TO BOARD'S REPORT

The Company had spent ₹ 52.92 Lakhs as CSR during the FY 2023 – 24. The details of the CSR expenditure are described in the Annual CSR Report which forms part of this report.

Effective 01.04.2024, the Corporate Social Responsibility Committee has been reconstituted as under:

Name of Member	Status	Category
Dr. Vijayamohan K Pillai	Chairman of the Committee	Independent Director
Dr. G A Pathanjali	Member	Executive Director
Mr. N P Sinha	Member	Nominee Director
Comde Saroj Kumar Patel	Member	Independent Director
Dr. R Subrahmaniya Sivam	Member	Independent Director

e. Board / Committee Meetings Minutes

The minutes of the Board/ Committee meetings are prepared by the Secretary of the Company. After approval by the Chairman of the Meeting, it is circulated to all Directors / members. These are placed at the succeeding Meetings for confirmation and to take on record.

f. Circular Resolution

Circular resolution is made in exceptional and urgent cases that are recorded at the succeeding Board/Committee Meetings. During the year, one circular resolution was passed by the Stakeholder Relationship Committee and two circular resolutions were passed by the Board.

Circular Resolution passed in the Committee meeting

(a.) On 31.08.2023 the Stakeholder Relationship Committee passed the Circular resolution for

transmission of Shares to the legal heir, owing to the demise of the Original Shareholder of the Company.

Circular Resolution passed in the Board meeting

- (a.) On 15.02.2024, the Board of Directors passed the first Circular resolution for a) the re-appointment of Dr. Vijayamohan K Pillai as Independent Director b) appointment of Comde. Saroj Kumar Patel and Dr R Subrahmaniya Sivam as Independent Directors of the Company and c) approving the Postal Ballot Notice to seek shareholders' approval for the above Re-appointment / Appointments by Special Resolution
- (b.) Further on 28.03.2024, the Board of Directors passed the second Circular resolution for reconstitution of the following committees of the Board with effect from 01st April 2024;
 - i. Audit Committee;
 - ii. Nomination and Remuneration Committee;
 - iii. Stakeholders Relationship Committee and
 - iv. Corporate Social Responsibility Committee

xi. Governance Process & Policies

i. Policy on Director's Appointment & Remuneration

The Board on the recommendations of the Nomination cum Remuneration Committee meeting held on 26th March 2015 had approved a Nomination and Remuneration Policy. It inter alia deals with the manner of selection of Board of Directors, Managing Director and fixing their remuneration. This policy is framed as per Section 178(3) of the Companies Act, 2013.

1. Criteria for selection of Non-Executive Directors

- (a.) The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director.

ANNEXURE - 2 TO BOARD'S REPORT

- (b.) Directors would be chosen from diverse fields of expertise drawn from industry, management, finance and other disciplines.
- (c.) In case of appointment of Independent Directors, the Committee will satisfy itself with regard to the independent nature of the directors vis-à-vis the company conforming in entirety to the conditions specified under Section 149 of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder and the Listing Regulations.
- (d.) The Committee will ensure that the candidate identified for appointment as a Director is not disqualified in any manner under Section 164 of the Companies Act, 2013.
- (e.) In the case of reappointment of Non-Independent Director(s), the Board will take into consideration the engagement level and the performance evaluation of the Director(s).

2. Remuneration Policy

The remuneration policy aims at attracting and retaining suitable talent and devising a remuneration package commensurate with competition, size of the company, its nature of business and considered appropriate to the respective role and responsibilities.

The remuneration policy seeks to ensure that performance is recognized and achievements are rewarded. Remuneration package is transparent, fair and simple to administer, besides being legal and tax compliant.

The Policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2020/12/Nomination-and-Remuneration-Policy-1.pdf> .

3. Remuneration of Directors & Key Managerial Personnel (KMP)

The Nomination and Remuneration Committee recommends the remuneration of Directors

and KMP which is approved by the Board of Directors and wherever necessary further approved by the shareholders through ordinary or special resolution, as applicable.

- (a.) Managing Director and Director (Operations) are the Executive Directors, entitled for managerial remuneration.
- (b.) On the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on 15.03.2024 approved a commission of ₹ 36 lakhs to be paid to Managing Director for the financial year 2023 – 24, in addition to the salary and perquisites. This is in compliance, as per the resolution approved by the members at the 62nd Annual General Meeting held on 24.06.2023.
- (c.) Based on the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on 15.03.2024 approved the payment of commission of ₹21 lakhs to be paid to Director (Operations) for the financial year 2023 – 24, in addition to the salary and perquisites. This is in compliance, as per the resolution approved by the members at the 61st Annual General Meeting held on 29.06.2022.
- (d.) Mr. R Swaminathan, Chief Financial Officer (CFO) and Mr. V. Anantha Subramanian, Company Secretary are the other Key Managerial Personnel.
- (e.) No Director or his relative holds an office or place of profit in the Company. Other than direct or indirect equity holding and sitting fee, there is no pecuniary relationship or transaction between the company and its non-executive Directors. No Stock option has been issued by the company to executive Directors.

Remuneration particulars of the Directors and Key Managerial Personnel are given in Note No.36D of the financial statements.

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4. Remuneration of Directors

The Board in its meeting held on 29th April, 2023 increased the sitting fee from ₹ 15,000/- to ₹ 20,000/- per meeting of Board and Committee Meetings. The details of remuneration paid to Non-Executive Directors during the year by way of sitting fee for attending the Board / Committee Meetings are as under: -

(In Rupees)

Directors	Sitting Fee for		Total
	Board Meeting	Committee Meeting (*)	
Mr. N Gopalaratnam	1,20,000	80,000	2,00,000
Mr. A L Somayaji	1,20,000	2,00,000	3,20,000
Cmdr. R P Prem Kumar	1,20,000	2,20,000	3,40,000
Mr. M Natarajan	1,00,000	1,60,000	2,60,000
Mrs. Lalitha Lakshmanan	1,20,000	2,20,000	3,40,000
Dr. Vijayamohan K Pillai	80,000	-	80,000
Mr. N P Sinha-Nominee of LIC	1,20,000	-	1,20,000
Total	7,80,000	8,80,000	16,60,000
(+) Remuneration paid for the FY 2023 – 24			14,00,000
Grand Total			30,60,000

(*) Audit Committee, Stakeholder Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee

(ii) Performance Evaluation

The Board of Directors on the recommendations of the Nomination and Remuneration Committee held on 26th March 2015, approved the Board evaluation framework. It had laid down specific criteria for performance evaluation covering:

- Subject of Evaluation
- Evaluation of Board process
- Frequency of Board Evaluation
- Responsibility of Board Evaluation

- Review of Board Evaluation
- Evaluation of Committees
- Individual Evaluation of Board members and the Chair person
- Individual Evaluation of Independent Directors

The Board Evaluation is internally done on an annual basis, using templates incorporating specific attributes. Commonly agreed comments and remarks are recorded against each attribute.

The Nomination and Remuneration Committee during the year evaluated the performance of all Directors at its meeting held on 15.03.2024.

The Director whose performance is being evaluated did not participate during that part of the meeting.

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The Committee had expressed overall satisfaction on such evaluation.

The Board at its meeting held on 15.03.2024 evaluated the performance of each of the Independent Directors (excluding the Independent Director being evaluated) and recorded its overall satisfaction and decided in terms of Para VIII (2) of Schedule IV to the Act that all the Independent Directors be continued in their respective offices.

Further the Board evaluated the functioning of each of the Committees and evaluated its own performance on the basis of the criteria approved by the Nomination and Remuneration Committee.

There was no specific observation made during Board evaluation.

The Independent Directors in their exclusive meeting held on 15.03.2024 did the evaluation on the performance of Chairperson, Managing Director, non-independent directors and the Board as a whole and expressed overall satisfaction. All the independent directors were present during the meeting.

(iii) Insider Trading

In deference to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board reformulated the:

- i. Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (Reg 8); and
- ii. Minimum Standards for Code of Conduct to regulate, Monitor and report Trading by Insiders (Reg 9).

The Policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2023/05/ITP.pdf>

These codes apply to all directors and designated persons. It is hereby affirmed that all Directors and designated persons have complied with the codes as applicable during FY 2023 – 24 and a

confirmation to this effect was obtained from each of them.

The trading window shall remain closed during the period when designated persons in terms of the Regulations can reasonably be expected to have possession of unpublished price sensitive information. In any event, the trading window shall remain closed from the end of every quarter till 48 hours after declaration of financial results. Periodic Intimation of this is given to stock exchange.

The company is maintaining a Structured Digital Database (SDD) containing the details of persons/entities with whom unpublished price sensitive information is shared. This database is maintained with adequate controls and checks such as time stamping and audit trails to ensure that the database cannot be tampered.

Pursuant to Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 a Compliance certificate duly certified by the Company Secretary of the Company was filed with the Stock Exchange for each quarter.

Pursuant to SEBI Circular no. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated July 19, 2023, and CDSL communique nos. CDSL/OPS/RTA/POLCY/2023/197 dated September 14, 2023 and CDSL/OPS/RTA/POLCY/2023/133 dated July 19, 2023 and CDSL/OPS/RTA/POLCY/2022/170 dated September 26, 2022, BSE Notice No. 20231124-39 dated November 24, 2023 and NSE Circular No. NSE/CML/2023/79 dated November 17, 2023 regarding Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") – Extending framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level to all listed companies, the Company complied with the said requirement from January 01, 2024 which is the effective date.

No complaint under the Insider Trading Regulations was received during the FY 2023 – 24.

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(iv) Code of Conduct

The Board had formulated a Code of Conduct for Directors and Key Managerial Personnel of the Company which is posted in our Company website at <https://www.highenergy.co.in/wp-content/uploads/2022/05/code-of-conduct.pdf>. All the Directors and Key Managerial Personnel had complied with the Code and a confirmation to this effect was obtained from them individually for FY 2023 – 24.

Further, the Key Managerial personnel have declared to the Board that no material, financial or commercial transactions were entered into by them during FY 2023 – 24, where they have personal interest that may have a potential conflict with the interest of the Company at large.

Declaration signed by Managing Director affirming the above is attached as **Appendix – 1**.

(v) Related Party Transactions

The Board had formulated the policy on Related Party Transactions (RPTs) in line with Section 188 of the Companies Act, 2013. It further fixed the materiality threshold under this policy at 10% of the turnover as per the last audited Annual financial statements. Transactions with a related party individually or taken together in a financial year crossing this 10% threshold would be considered material.

The Policy has been uploaded in the Company's website at https://www.highenergy.co.in/wp-content/uploads/2019/11/Related_Party_Transaction_Policy.pdf.

(vi) Risk Management

The company has a robust risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize adverse impact on the business objective and enhance the company's

competitive advantage. It aims at ensuring that the executive management, controls the risk through a properly defined framework.

The company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business. Pursuant to the Regulation 21(5) of SEBI (LODR), the company is not currently required to constitute a Risk Management Committee.

(vii) Whistle Blower Policy

In deference to Section 177 (9) of the Act read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism overseen by the Audit Committee.

The updated policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2023/05/WBP.pdf>.

No complaint under this facility was received during the FY 2023 – 24.

(viii) Policy for Prevention of Sexual Harassment at Workplace

The company has in place a Policy for Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The updated policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2019/11/S.H.W.A.Policy.pdf>.

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No complaint on sexual harassment was received during the FY 2023 – 24.

(ix) Document preservation

Pursuant to Regulation 9 of the SEBI LODR, the company has formed a policy for preservation of records. This policy covers all corporate records of the company whether in paper or digital form and applies to all departments and business functions of the company. All the documents and records are preserved, during FY 2023 – 24.

The updated policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2019/11/preservation>

(x) Other Compliances

(a.) Management Discussion and Analysis

Management Discussion and Analysis Report is made in conformity with Regulation 34(2) (e) of the Listing Regulations and is attached to the Board's Report forming part of the Annual Report of the Company.

(b.) Quarterly Financial Results

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Quarterly Financial Results are approved by the Board on the recommendations of the Audit Committee. These are filed with Bombay Stock Exchange (BSE) through online, after the conclusion of the Board Meeting and the abstract of the results are published in leading local dailies, as required, within the stipulated time. These are also posted immediately on the company's website www.highenergy.co.in.

(c.) Quarterly Compliance Report

The Company had submitted for each of the four quarters during FY 2023 – 24, the Compliance

Report on Corporate Governance to Stock Exchange, within the time limit stipulated, from the close of each quarter.

(d.) Disclosure of material events or information

Pursuant to Regulation 30 of the Listing Regulations, the company discloses the information/events specified under Schedule III of the Listing Regulations to the Stock Exchange, within the stipulated time.

(e.) SCORES and SMART ODR

SEBI requires all listed companies to process Investor complaints in a centralized web-based complaint system called "SEBI Complaints Redressal System" (SCORES). All complaints received from shareholders of listed companies are posted in this system. Listed companies are advised to view the complaints and submit Action Taken Report (ATR) with supporting documents in SCORES.

During the year, there were no Investor complaints of our company, posted on the SCORES site.

Pursuant to SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated 31st July 2023 read with SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/ 2023/135 dated 04th August 2023, the Company communicated to the shareholders about the SMART Online Dispute Resolution (ODR) portal for Online Dispute mechanism. The Company did not receive any complaints in that portal. The communication has been updated in the website at: https://www.highenergy.co.in/wp-content/uploads/2023/10/Comm_SH.pdf.

(f.) Accounting Treatment

In the preparation of Financial Statements, no accounting treatment different from that prescribed in any Accounting Standard has been followed.

ANNEXURE - 2 TO BOARD'S REPORT

(g.) Cost Audit

The Company does not come under the threshold limit as specified under Companies (Cost Records and Audit) Rules, 2014, and hence, Cost Audit is not applicable. However, as stipulated by Audit Committee and the Board, all necessary compliances are ensured.

(h.) Reconciliation of Share Capital

Reports/Certificates to Stock Exchange

Description	Frequency	For the Quarter ended	Furnished on
Reconciliation of Share Capital Audit Report to Stock Exchange on the total admitted Capital with NSDL/CDSL and the total issued & Listed Capital	Quarterly	30.06.2023	18.07.2023
		30.09.2023	28.10.2023
		31.12.2023	16.01.2024
		31.03.2024	29.04.2024

(i.) Secretarial Standards & Secretarial Audit

Pursuant to Section 118 (10) of the Companies Act, 2013 every company shall observe secretarial standards with respect to general and Board meetings as specified by the Institute of Company Secretaries of India. The company had complied with all applicable Secretarial Standards during the year.

Pursuant to Section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company appointed Mr. V Suresh a Practicing Company Secretary (Membership No. F2969, C.P.No. 6032) to undertake the secretarial audit of the company for FY 2023 – 24. The Secretarial Audit Report was placed before the Board on 04.05.2024 and there is no qualification therein. It is enclosed as **Annexure – 6** to Board's Report.

(j.) Annual Secretarial Compliance Certificate

All the Listed Companies as per Regulation 24 (A) of SEBI LODR have to file Annual Compliance Certificate issued by a Practicing Company Secretary with Stock Exchanges within 60 days of the end of the financial year. The Company obtained the certificate from Mr. V Suresh (PCS) and that will be filed with the Stock Exchange in time.

(k.) Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013 the company appointed M/s. R Subramanian and Company LLP (Firm Regn.No.004137S/S200041), Chennai to conduct internal audit of the functions and activities of the company for FY 2023 – 24. The Internal Auditor reports directly to the Audit Committee.

(l.) Certificate on “No Disqualification”

Certificate from Mr. V Suresh, Practicing Company Secretary confirming that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continued as Directors of companies by SEBI / MCA or any such statutory authority is provided in **Appendix– 2**.

(m.) Auditors' Certificate on Corporate Governance

Certificate of Statutory Auditors M/s. Maharaj N R Suresh and Co LLP been obtained on the compliance of conditions of Corporate Governance in deference to Para E of Schedule V of the Listing Regulations and the same is annexed as **Appendix – 3**.

(n.) CEO and CFO certification

CEO certification by Dr. G A Pathanjali, Managing Director and CFO certification by

ANNEXURE - 2 TO BOARD'S REPORT

Mr. R Swaminathan, Chief Financial Officer as required under Regulation 17 (8) of the Listing Regulations were placed before the Board at its meeting on 04.05.2024. The certification has been enclosed as **Appendix – 4**.

(o.) Review of Directors' Responsibility Statement

The Board in its Report had confirmed that the annual accounts for the year ended 31st March 2024 has been prepared as per applicable accounting standards and policies, and that sufficient care was taken to maintain adequate accounting records.

(p.) Subsidiary Companies

The Company has no subsidiary.

(q.) Deposits

The company has not accepted deposits from the public.

(r.) Peer review of Auditors

Regulation 33 (d) of the Listing Regulations stipulates that limited review/ audit reports shall be given only by an Auditor who has subjected himself to the Peer review process and holds a valid certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors of the Company M/s. Maharaj N R Suresh and Co LLP have undergone the peer review process and obtained the certificate. The Peer Review certificate is valid till 30th September 2026 and that was placed already before the Audit Committee.

(s.) Disclosures

1. No strictures / penalties had been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.

2. No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the “going concern status” and / or the company’s operations in future.

(t.) Website

The Company maintains a functional website <https://www.highenergy.co.in>. It contains basic information about the company and disseminates all the information spelt out in Regulation 46 of the Listing Regulations. Updates are uploaded within two working days of change in content in respect of matters specified in Regulation 46 (2).

xi Means of Communication

(a.) Intimation of Board Meeting

The Company intimates Stock Exchange the Notice of Board Meeting to consider financial results. The results are furnished to Stock Exchange immediately on conclusion of Board Meeting and concurrently uploaded in company’s website, www.highenergy.co.in.

(b.) Audited / Unaudited Financial Results

Period	Date of Approval by the Board	Date of Publication	Newspaper
Quarter ended 30th June, 2023(*)	22.07.2023	24.07.2023	Business Standard and MakkalKural
Quarter ended 30th September, 2023(*)	04.11.2023	06.11.2023	
Quarter ended 31st December, 2023(*)	20.01.2024	22.01.2024	
Year ended 31st March, 2024(**)	04.05.2024	06.05.2024	
*Unaudited **Audited			

The Company will continue to publish extract of Quarterly / Half yearly financial results in the Local Newspapers as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Full format of the Financial Results are made available on the Stock Exchange

ANNEXURE - 2 TO BOARD'S REPORT

Website (www.bseindia.com) and concurrently in our Company Website (www.highenergy.co.in) upon approval by the Board of Directors.

(c.) General Shareholder Information

(i) Details for 63rd AGM

Day, Date and Time	Saturday, the 08 th June, 2024 at 11.00 A.M
Venue / Mode	Participation through Video Conference (VC)/ Other Audio-Visual Means (OAVM)
Book Closure	From Friday, the 24 th May, 2024 to Saturday, the 08 th June 2024 (Both days inclusive)
Cut –off date for e-voting	Saturday, the 01 st June 2024
Dividend	₹ 3/- per Equity Share
Dividend Payment Date (if declared)	On or before Friday, the 14 th June, 2024

(ii) Stock Exchange Details

Name & Address	BSE Phiroze & Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Ph:022-2272 1233 /2272 1234 Fax:022-2272 2082 E-mail: corp.relations@bseindia.com Web Site: www.bseindia.com
Listed from	May 1962
Stock Code	504176

The Listing fee of Stock Exchange, for the FY 2024 – 25, had been paid to BSE.

(iii) Dematerialisation

The Equity Shares of the Company are traded in compulsory Demat form and are available for trading under both the Depository Systems in

India, namely, CDSL and NSDL. The sub-division exercise was completed and the Company obtained New International Securities Identification Number (ISIN) **INE783E01023** replacing the previous ISIN INE783E01015.

Shareholders were advised to convert their holdings from physical mode to Demat mode considering overall merits of the depository system and total prohibition on transfer of shares in physical mode from 01.04.2019. Transposition and Transmission are, however, exempted from this amendment. No request for Transfer of shares in physical mode was received during the FY 2023 – 24.

The details of dematerialized and physical holding of shares, as on 31st March 2024:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	123	0.67	1,15,925	1.29
Demat	18,319	99.33	88,47,915	98.71
Total	18,442	100	89,63,840	100

(iv) Registrar and Share Transfer Agent

The Company has appointed M/s. Cameo Corporate Services Ltd as our Registrar and Share Transfer Agent (RTA). For Physical and Demat Segments:

M/s. Cameo Corporate Services Ltd.
“Subramanian Building”, 5th Floor
1, Club House Road, Chennai 600 002
Phone: 044-28460390(5 Lines),
Fax: 044-28460129
E-mail: investor@cameoindia.com

Shareholders holding shares in electronic form shall address their correspondence to their respective Depository Participants.

(v) Nomination facility

Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 72 of the Companies Act,

ANNEXURE - 2 TO BOARD'S REPORT

2013 are requested to submit to the Registrar and Transfer Agent in the Form No.SH.13 prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules,2014 which can be availed on request or downloaded from Company / MCA website (www.mca.gov.in). In the case of Demat holding, shareholders shall submit the same to their Depository Participants.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 and Original SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, the Company sent communication to all the Physical holders to furnish PAN, KYC details and Nomination to RTA M/s. Cameo Corporate Services Limited. The Circulars are uploaded in the website at:

<https://www.highenergy.co.in/wp-content/uploads/2023/11/SEBI-KYC-Circular-16.03.23.pdf>

<https://www.highenergy.co.in/wp-content/uploads/2023/11/SEBI-Circular-dated-17.11.2023.pdf>

(vi) Share Transfer System

The Stakeholders Relationship Committee (SRC) of our Board, will deal and approve regular transactions in securities of small amount. Investor requests are attended to, within 15 days from the date of receipt of request.

(vii) Investor Correspondence

As regards transfers, change of address or status, dividend mandate and other share related queries, investors shall communicate with –

1. respective Depository Participants, in case of Demat holding
2. the Registrar & Transfer Agent, in case of Physical holding

(viii) Functional Website and Exclusive email ID for investor benefit

Pursuant to SEBI's directive and Regulation 46 (2) (i) of Listing Regulations, the Company

has created an exclusive Email ID investor@highenergyltd.com for redressal of investor grievances. The Company also maintains a functional website <https://www.highenergy.co.in/> and it contains basic information about the Company and disseminates all the information about the company spelt out in Regulation 46 of the listing regulations.

(ix) Annual Report

All queries on Annual Report, dividend and other clarifications may be addressed to the Registered office of the Company at: "ESVIN House", 13, Old Mahabalipuram Road, Perungudi, Chennai 600 096.

Phone: 91-44-24960335

Email: hebcnn@highenergy.co.in

Website: www.highenergy.co.in

(x) Credit Rating

Details of Credit Rating obtained from M/s. India Ratings & Research Private Limited as on March 2024, for facilities availed from Bank.

Facility	Amount (₹ Crores)	Rating	Rating Action
Long term Fund based Bank Facilities	30	IND BBB-/ Positive	Outlook revised to Positive from Stable; Affirmed
Short term Non-Fund Based Bank Facilities	45	IND A3	Affirmed

(xi) Compliance Officer

Mr. V. Anantha Subramanian, Company Secretary is the Compliance Officer under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and under Chapter

ANNEXURE - 2 TO BOARD'S REPORT

III read with Regulation 6(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) Grouping of Listed Indian Companies

Pursuant to SEBI Circular SEBI/ HO/ AFD/ AFD – PoD – 2/ CIR/P/ 2023/ 148 dated August 24, 2023, the Company intimated BSE that it belongs to “ESVIN Group”.

(xiii) Transaction in Shares

Powers are delegated to the Managing Director and Company Secretary to deal with regular transactions in securities, while other cases /issues are decided by the Stakeholders Relationship Committee (SRC). Investor requests are attended to within 7-15 days from the date of receipt.

(xiv) Compliance Certificate

A summary of such approved transactions is placed at every Board Meeting / Stakeholders Relationship Committee Meetings. The Company obtains from a Company Secretary in practice, half-yearly Certificate of Compliance with the Share Transfer formalities, as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchange.

(xv) Particulars of complaints received during FY 2023 – 24

Complaints from	Received	Redressal
Shareholders/Investors	Nil	Nil
Depositories/Depository Participants	Nil	Nil
SEBI	Nil	Nil
Department of Company Affairs/ Registrar of Companies	Nil	Nil
Stock Exchanges	Nil	Nil
Total	-	-

(xvi) Share Quotes

High/ Low in prices and volume of trading during each month during the last financial year

FY 2023 – 24 are as follows: (as reported by “Bombay Stock Exchange Limited”):

Month	High	Low	Close	Volume Traded
	₹	₹	₹	No of Shares
Apr-23	380.00	312.60	365.20	1,82,467
May-23	438.40	345.00	407.80	5,54,807
Jun-23	535.00	402.00	512.50	5,68,976
Jul-23	576.15	465.00	576.15	3,14,474
Aug-23	609.00	499.80	499.80	2,25,664
Sep-23	563.95	485.10	538.45	2,24,109
Oct-23	750.00	542.05	693.75	5,36,529
Nov-23	735.00	531.00	569.55	5,17,265
Dec-23	586.00	532.80	560.50	2,55,633
Jan-24	642.00	521.15	619.65	5,68,707
Feb-24	632.20	555.20	572.50	2,70,654
Mar-24	629.95	516.90	601.15	2,66,139
Total Volume Traded				44,85,424

(xvii) Distribution of Shareholding as on 31.03.2024

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
2 – 5000	18230	98.86	17,26,605	19.26
5001 – 10000	100	0.54	3,69,758	4.13
10001 – 20000	56	0.30	4,00,827	4.47
20001 – 30000	15	0.08	1,82,765	2.04
30001 – 40000	8	0.04	1,47,172	1.64
40001 – 50000	2	0.01	45,188	0.50
50001 – 100000	16	0.09	6,29,963	7.03
100000 – and above	15	0.08	54,61,562	60.93
Total	18,442	100.00	89,63,840	100.00

(xviii) Shareholding Pattern as on 31.03.2024

Category	No. of Share holders	Percent (%)	No. of Equity Shares	Percent (%)
		%	Total	%
Promoters(*)	10	0.05%	37,00,135	41.28%
FIs and Banks	1	0.01%	5,37,107	5.99%
Bodies Corporate	68	0.37%	2,19,509	2.45%
Hindu Undivided Families	289	1.57%	1,00,506	1.12%
IEPF	1	0.01%	1,66,395	1.86%
NRI – Non-Promoter	298	1.61%	1,72,567	1.92%
Public	17,775	96.38%	40,67,621	45.38%
Total	18,442	100.00	89,63,840	100.00

(*)The BSE approved the re-classification of Mrs. Shyamala Vaidyanathan as Public category vide letter dated August 16, 2023. Accordingly, her holdings of 12,500 Shares (0.14%) was disclosed under Public Category.

(xix) Plant Location:

Factory and R & D Lab:
Pakkudi Road,
Mathur Industrial Estate, Mathur 622 515,
Pudukkottai District, Tamil Nadu, India
Phone: 0431- 2660323, 2660324;
Email: info@highenergyltd.com
Website: www.highenergy.co.in

(xx) Particulars of past 3 AGMs

AGM	Year	Venue	Date	Time
60 th	2020 - 21	Video Conference /	07.08.2021	11.00 A.M.
61 st	2021 – 22	Other Audio-Visual Means.	29.06.2022	11.00 A.M.
62 nd	2022 – 23	(Deemed venue: Registered office of the Company)	24.06.2023	11.00 A.M.

No Extraordinary General Meeting was convened during the FY 2023 – 24.

(xxi) Postal Ballot

One Postal Ballot was conducted during the FY 2023 – 24 for seeking the approval of the shareholders for the following Special Resolutions on 16.02.2024;

- (a.) Re-appointment of Dr. Vijayamohan (DIN: 07308120) as Independent Director of the Company for a Second term of five years from 01st April, 2024 to 31st March, 2029.
- (b.) Appointment of Cmde Saroj Kumar Patel (DIN: 10474393) as Independent Director of the Company for a fixed term of five years from 01st April, 2024 to 31st March, 2029.
- (c.) Appointment of Dr. R Subrahmaniya Sivam (DIN: 02393209) as Independent Director of the Company for fixed term of five years from 01st April, 2024 to 31st March, 2029.

The Company declared the voting results of the Postal Ballot, based on the Scrutinizer's report on 20.03.2024. All the above three Special resolutions as mentioned in the Notice of Postal Ballot was duly passed with requisite special majority.

(xxii) Dividend for 2023 – 24

Dividend, if declared at the Annual General Meeting, will be paid on or before Friday, the 14th June, 2024 to the members whose names appear on the Register of Members on Thursday, the 23rd May, 2024 or as per their mandates. In respect of shares held in demat mode, dividend will be paid to the beneficial owners of shares recorded with the Depositories as on that date, as per details to be furnished by NSDL / CDSL for the purpose.

Members are therefore advised to upload their updated Bank details with their Depositories (in case of Demat holding) or with our RTA (for physical holding).

(xxiii) Transfer of shares to IEPF

The Company in terms of section 124(6) of the Act is required to transfer the underlying equity shares where dividend has not been paid or claimed by shareholders for Seven (7) consecutive years to the Investors Education and Protection Fund (IEPF) Suspense Account in accordance with the Investor and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

During the FY 2023 – 24, the company is not obligated to transfer unpaid dividend cum shares to IEPF.

(xxiv) Claim from IEPF

Shareholders may however note that both the unclaimed dividend and the shares transferred to IEPF Authority's Demat Account including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority after following the due process prescribed under Section 125 and other applicable provisions of the Companies Act, 2013. Shareholders are advised to contact the Registrar and Transfer Agent or the Company at its registered office for necessary guidance in this regard.

(For Board of Directors)

Chennai
04th May, 2024

N GOPALARATNAM
Chairman
(DIN: 00001945)

ANNEXURE - 2 TO BOARD'S REPORT

Appendix – 1

DECLARATION

[Pursuant to Para D of Schedule V of the SEBI
(Listing Obligations & Disclosure Requirements) Regulations, 2015]

I, G. A. Pathanjali, Managing Director of High Energy Batteries (India) Limited, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management for the FY 2023 – 24.

Place : Chennai
Date : 04.05.2024

Dr. G A Pathanjali
Managing Director
(DIN: 05297665)

Appendix – 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
High Energy Batteries (India) Limited
“Esvin House”, Perungudi,
Chennai –600 096.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. High Energy Batteries (India) Limited having CIN:L36999TN1961PLC004606 and having registered office at Esvin House,Perungudi, Chennai - 600 096 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority;

ANNEXURE - 2 TO BOARD'S REPORT

S No.	Name of Director	DIN	Date of appointment
1	Mr. Gopalaratnam Natarajan	00001945	06/06/1991
2	Mr. Lakshminarasimha Ayyalu Somayaji	00049772	21/07/2014
3	Mr. Palaniandy Premkumar Rajah	00049513	21/07/2014
4	Mr. Manthiram Natarajan	06954693	30/09/2014
5	Mrs. Lalitha Lakshmanan	07140032	30/07/2016
6	Mr. Kunjukrishna Pillai Vijayamohan	07308120	03/08/2019
7	Mr. Navin Sinha	07980838	28/01/2023
8	Mr. Gnana Bhaskara Agneeswara Pathanjali	05297665	30/05/2012
9	Mr. Maria Joseph Ignatius	08463140	01/06/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Place : Chennai
Date : 04.05.2024

Peer Review Cert. No. 667/2020
UDIN: F002969F000308967

ANNEXURE - 2 TO BOARD'S REPORT

Appendix – 3

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Shareholders of M/s. High Energy Batteries (India) Limited

We have examined the compliance of conditions of Corporate Governance by M/s. High Energy Batteries (India) Limited, for the year ended on March 31, 2024, as stipulated in Regulations 34(3) and in Para E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Regulations.

We state that no investor grievance is pending for period exceeding one month against the Company, as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **M/s. MAHARAJ N R SURESH AND CO LLP**

Chartered Accountants

Firm Regn. No. 001931S/S000020

N R Suresh

Partner

Membership No. 021661

UDIN: 24021661BKFNFU3369

Place : Chennai

Date : 04.05.2024

ANNEXURE - 2 TO BOARD'S REPORT

Appendix – 4

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION:
SCHEDULE II : PART B READ WITH REGULATION 17(8) OF SEBI (LODR), 2015**

We, Dr. G.A. Pathanjali, Managing Director and Mr. R. Swaminathan, Chief Financial Officer (CFO) of M/s. High Energy Batteries (India) Limited, to the best of our knowledge and belief, certify that,

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulators.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violative of the our Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware of and also enumerated the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee;
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) That there is "Nil" Instance of any significant fraud of which we have become aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : 04.05.2024

Dr. G.A. Pathanjali
Managing Director

R Swaminathan
Chief Financial Officer

ANNEXURE - 3 TO BOARD'S REPORT

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo
[Section 134 (3)(m) of the Companies Act, 2013,
Read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

Steps taken on conservation of energy:

- Timer provision for Air Conditioners and Dehumidifier.
- Switching over to LED bulbs from conventional tube lights.
- Switching over to CFL instead of Sodium Lamp for street lighting.
- Provision of Solar – PV based campus lighting.

B. TECHNOLOGY ABSORPTION

1. Research and Development (Totally in-house)

- Development of Primary activated Reserve Type Silver Zinc Batteries for Aero Space applications.
- Design and Development of high power, Ag Zn Pile battery.
- Development of PEM Fuel Cells.
- Design, development and Demonstration of 1kW/ 10kWh Vanadium Redox Flow Battery (VRFB).
- Development work on 2nd Life Lithium-Ion Battery (LIB).
- Development of Solar PV Based Street Lights.
- Development of Long Endurance Battery.
- R & D work on Alkaline Electrolyzer.

2. Benefits derived as a result of above R & D

- Elimination of imports in their respective categories.
- Saving of substantial foreign exchange outgo.
- Indigeneous availability of Batteries for strategic Defence applications, without any restriction and / or embargo.
- Export of the Developed Batteries with earning of foreign exchange.

- Up gradation of technology to match the change in requirements.
- Indigenization, Upgradation and self-reliance in the critical field of batteries, fuel cell, Energy Storage for strategic defense and commercial applications.
- “Make in India” and “Atmanirbhar” concepts fully implemented over four decades.

3. Future Plan of Action

To continue Research and Development in the areas mentioned in Para B1 above.

4. Expenditure on R & D during the year

₹ in lakhs

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Capital	-	-
Recurring	368.85	169.63
Total	368.85	169.63

5 Technology Absorption and Adoption

During the year under review, no overseas technology was acquired.

6 Foreign Exchange Earnings and Outgo

₹ in lakhs

Particulars	Year Ended 31.03.2024	Year Ended 31.03.2023
Earnings	187.43	-
Outgo	696.08	1,190.14

(For Board of Directors)

Chennai
04th May, 2024

N GOPALARATNAM
Chairman
(DIN: 00001945)

ANNEXURE - 4 TO BOARD'S REPORT

Annual Report on CSR Activities
[Section 135 of the Companies Act, 2013 and Rule 8 of the Companies
(Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company

The Corporate Social Responsibility (CSR) mandate under Section 135 is applicable to the Company.

During FY 2023 – 24, the Company had pursued objectives in various avenues envisaged under Schedule VII of the Companies Act, 2013, the details which are described in clause 8 (c) of this report, are as follows: -

a. Education

The Company identified Government Schools near the location of the factory i.e., Mathur Village, Pudukkottai District and contributed for various infrastructure facilities.

b. Healthcare

In order to promote health care, the Company contributed by providing various infrastructures to The Leprosy Mission Hospital, Government Primary Health Centre in Mandaiyur Village and to Mount Tabor Hospital, Mathur Village.

c. Rural Development activities

The Company undertook several Rural Development activities with specific focus on areas like Water Pruning, access to drinking water, sanitation and hygiene, improvement on public infrastructure like lighting, strengthening Lake Bund, providing Borewell and hand pumps in remote area for easy access to water.

2. The Composition of CSR Committee

The Board had constituted the CSR committee at its meeting held on 29th April 2023. The details of the committee are as follows:

- Cmde R.P. Premkumar - Chairman of the Committee
- Mr. M Natarajan - Member
- Dr. G A Pathanjali - Member

Effective 01.04.2024, the CSR Committee has been reconstituted as under:

- Dr. Vijayamohanan K Pillai - Chairman of the Committee
- Dr. G A Pathanjali - Member
- Mr. N P Sinha - Member
- Cmde Saroj Kumar Patel - Member
- Dr. R Subrahmaniya Sivam - Member

3. Provide the web - link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

<https://www.highenergy.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub – rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The Impact Assessment is applicable for those companies having average CSR obligation of Ten Crore rupees or more in pursuance of subsection (5) of section 135 of the Act.

Hence, the Impact Assessment is not applicable to our Company.

5. Details of the amount available for set - off in pursuance of sub – rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.

ANNEXURE - 4 TO BOARD'S REPORT

Sl. No.	Financial Year	Amount available for set – off from preceding financial years (₹ in lakhs)	Amount required to be set – off for the financial year, if any (₹ in Lakhs)
1.	2021 – 22	6.63	6.63
2.	2022 – 23	1.10	1.10

6. Average net profit of the Company as per Section 135(5): ₹ 2,854.00 lakhs for FY 2022 – 23.
7. (a) Two percent of average net profit of the Company as per Section 135(5): ₹ 57.08 lakhs for FY 2022 – 23.
 (b) Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years: Nil
 (c) Amount required to be set – off for the Financial Year 2023 – 24, if any: 7.73 Lakhs
 (d) Total CSR obligation for the Financial Year 2023 – 24 (7a+7b-7c): ₹ 49.35 lakhs
- 8 (a) CSR amount spent or unspent for the Financial Year 2023 – 24:

Total Amount spent for the FY 2023 – 24 (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
52.92	Nil		Nil		

- (b) Details of CSR amount spent against ongoing projects for the financial year: Nil
 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

SL NO	DESCRIPTION	BENEFICIARY DETAILS	BREAK UP OF ITEMS	ACTUAL AMOUNT SPENT (IN LAKHS)	LOCATION	MODE OF IMPLEMENTATION DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH	
							CSR Regn No	Name
1	Promoting Education	Govt Schools	Bench Desk, Desktop, Projectors, RO Water	10.09	Villages located around Mathur (Pakkudi, Aavoor, Rasipuram, Mandaiyur, Malampatti and Thirupattur	Yes		
			Infrastructure facilities	4.45				
			Construction of Library / Computer Room	7.50				
			TOTAL – A	22.04				
2	Promoting Health Care	Leprosy Trust Govt Primary Health Centre Mount Tabor Hospital	Various testing Equipments	6.18	Kallakurichi District Mandaiyur Village Mathur Village	Yes		
			Infrastructure facilities	3.18				
			Stretchers and Wheel Chairs	1.86				
			TOTAL – B	11.22				
3	Rural Development Activities	Mathur Panchayat	Provision of Solar Powered Street Lights, High Mast Lights, Borewell and erection of Pump and Strengthening Lake Bund	19.66	Mathur Village	Yes		
			TOTAL – C	19.66				
GRAND TOTAL				52.92				

ANNEXURE - 4 TO BOARD'S REPORT

- (d) Amount spent in Administrative Overheads: Nil
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable
 (f) Total amount spent for the Financial Year FY 2023 – 24 (8b+8c+8d+8e): ₹ 52.92 lakhs
 (g) Excess amount for set-off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	49.35
(ii)	Total amount spent for the Financial Year	52.92
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	3.57
(iv)	Surplus arising out of the CSR Projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set – off in succeeding financial years [(iii) – (iv)]	3.57

9. (a) Details of Unspent CSR amount for the preceding three Financial Years: Nil.
 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s): Nil.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset – wise details): Nil.
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable.

Place : Chennai
 Date : 04.05.2024

Sd/-
Dr. G.A. Pathanjali
 Managing Director
 (DIN: 05297665)

Sd/-
Dr. Vijayamohan K Pillai
 Chairman - CSR Committee
 (DIN: 07308120)

ANNEXURE - 5 TO BOARD'S REPORT

**Disclosure under the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014
Statement of particulars of remuneration as per Rule 5(1)**

Sl. No.	Description		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director (MD)	4.49:1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	MD	Nil
		Director (Operations)	Nil
		Company Secretary	-
		CFO	-
3	The percentage increase in the median remuneration of employees in the financial year	Nil	
4	The number of permanent employees on the rolls of company	110	
5	Affirmation that the remuneration is as per the remuneration policy of the company	Yes. Remuneration is as per the remuneration policy of the company.	

Notes:

- (a) Non-Executive Directors were paid Sitting fee, Remuneration and Commission. (b) Ratio of Remuneration and percentage increase is provided only for Managing Director, since such data would not be meaningful in the case of other Directors.
- Remuneration is as per the remuneration policy of the company. Remuneration of MD / Director (Operations) is normally determined during appointment, once in 3 years, while Commission is determined annually.

(For Board of Directors)

Place : Chennai
Date : 04.05.2024

N GOPALARATNAM
Chairman
(DIN: 00001945)

ANNEXURE - 6 TO BOARD'S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2023-24

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s. High Energy Batteries (India) Limited
"Esvin House", Perungudi,
Chennai - 600096

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **High Energy Batteries (India) Limited (CIN: L36999TN1961PLC004606) (hereinafter called the "Company")**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **High Energy Batteries (India) Limited ("the Company")** for the financial

year ended on 31st March 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings-- (Not applicable to the Company during the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a.) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
 - (b.) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
 - (c.) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits

ANNEXURE - 6 TO BOARD'S REPORT

and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period).

(e.) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (Not applicable to the Company during the audit period).

(f.) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;(Not applicable).

(g.) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period).

(h.) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period).

(v) Other Laws applicable specifically to the Company:

(a.) The Batteries (Management and Handling) Rules, 2001

(b.) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

(c.) The E- waste (Management) Rules, 2016

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

This report is to be read with our letter of even date vide Annexure-1 that forms part of this report.

For **V Suresh Associates**
Practising Company Secretary

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Peer Review Cert. No. 667/2020
UDIN:F002969F000309011

Place : Chennai
Date : 04.05.2024

Annexure-1

To,
The Members,
High Energy Batteries (India) Limited
"Esvin House", Perungudi,
Chennai - 600096

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **V Suresh Associates**
Practising Company Secretary

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032

Place : Chennai
Date : 04.05.2024

Peer Review Cert. No. 667/2020
UDIN:F002969F000309011

MAHARAJ N R SURESH AND CO LLP

CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
M/S.HIGH ENERGY BATTERIES (INDIA) LIMITED**

Report on the audit of Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of HIGH ENERGY BATTERIES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Material Accounting Policy Information and other explanatory information hereinafter referred to as Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit (Including Other Comprehensive Income), the changes in Equity, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of Financial Statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Response to Key Audit Matters & Conclusion
<p>1. As on 31st March 2024, the Inventories (Note No 6 carrying value ₹ 3879.09 Lakhs) are valued at lower of cost and net realizable value.</p> <p>We considered the value of Inventories as key audit matter considering the relative size of it in the financial statements.</p>	<p>We understood and tested the design and operating effectiveness of control with respect to receipt, issues, year-end physical verification, and valuation of inventories.</p> <p>We applied standard audit procedures during physical verification including our presence during physical verification.</p> <p>We have verified the cost calculation with the relevant records.</p> <p>Based on the above audit procedures, we have concluded that the management's determination of the value of Inventories is reasonable and in accordance with Ind AS 2 – Inventories.</p>
<p>2. Note No 6 - Inventories - Raw Materials and Components as on 31.03.2024 includes Material in Transit of ₹ 350.10 Lakhs.</p> <p>This being a significant value to the total inventories held is considered a key audit matter.</p>	<p>We have tested the internal control procedures for usage of materials on customer account and receipt of Materials from Customers.</p> <p>We have carried out the audit procedures which include verification of documents relating to material in transit. Based on the test checks and audit procedures applied by us we are satisfied on the amount stated in the Balance Sheet.</p>
<p>3. Notes No.2, 29 and 35 - Provision for Impairment of Property, Plant and Equipment of Lead Acid Battery Division (LAB) is made for ₹ 101.65 Lakhs.</p>	<p>The LAB plant operations continued to remain suspended this financial year also. The excess of carrying value of PPE (other than land) over the estimated fair value as valued by Independent Chartered Engineers, is recognized as provision for impairment ₹ 101.65 lakhs.</p> <p>We have verified the valuation report obtained from the Independent valuer.</p> <p>Based on the audit procedures performed we are satisfied that the amount of impairment is in line with applicable accounting standards.</p>

Information Other Than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information in the Annual Report, comprising of the Board's report and its annexures, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibility and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance (including Other Comprehensive Income), Changes in Equity and Cash Flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in Internal Control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the Directors as on 31st March, 2024 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2024 from being appointed as a Director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As per the information and explanation given to us, the Company has no pending litigations as on 31st March 2024 which requires disclosure in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of the knowledge and belief, as disclosed in the note 34(D)(i)(a) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 34(D)(i)(b) to financial statements no funds have been received by the Company from any persons or entities, including foreign entities ("funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

- (c) Based on such audit procedures performed we have considered reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) contain any material mis-statement.
- v. a) The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act.
- b) As stated in note 13(f) to the financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination, which included test checks, the company, have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

MAHARAJ N R SURESH AND CO LLP

Firm Regn. No. 001931S/S000020

N R SURESH

Membership No. 021661

Partner

Chartered Accountants

UDIN : 24021661BKFNFU3369

Place: Chennai

Date: May 04, 2024

**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON
THE STANDALONE IND AS FINANCIAL STATEMENTS OF
HIGH ENERGY BATTERIES (INDIA) LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Controls Over Financial Reporting of **HIGH ENERGY BATTERIES (INDIA) LIMITED** (“the Company”) as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls Over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls Over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls Over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls System Over Financial Reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's Internal Financial Control Over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and Directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial statements

Because of the inherent limitations of Internal Financial Controls with reference to the financial statements of the Company, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to the financial statements of the Company to future periods are subject to the risk that the Internal Financial Control with reference to the financial statements of the Company may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the Financial statements of the Company and such Internal Financial Controls with reference to the Financial statements of the Company were operating effectively as at March 31, 2024, based on the Internal Control Over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

MAHARAJ N R SURESH AND CO LLP

Firm Regn. No. 001931S/S000020

N R SURESH

Membership No. 021661

Partner

Chartered Accountants

UDIN : 24021661BKFNFU3369

Place: Chennai

Date: May 04, 2024

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF EVEN DATE ON THE
STANDALONE IND AS FINANCIAL STATEMENTS OF HIGH ENERGY BATTERIES (INDIA) LIMITED**

The Annexure referred to in Paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date:

In terms of the information and explanations sought by us and provided to us by the Company and the books of account and records examined by us in the normal course of audit and to the best of knowledge and belief we state that:

- i (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
(B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) These Property, Plant and Equipment have been physically verified by the Management at the year end and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more were noticed.
- (b) The Company has been sanctioned working capital limits of ₹ 7500 Lakhs (Both fund and non-fund based) by banks. The quarterly returns or statements filed by the Company with the banks or financial are in agreement with the books of account of the Company.
- (iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties and hence reporting under this clause does not arise.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of investments, made by the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prime facie, the prescribed and such accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2024 for a period of more than six months from the date they became payable.
- (b) There are no dues of Goods and Services Tax, Employees Provident Fund and Employees State Insurance, Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, and Cess have not been deposited as on 31st March 2024 on account of disputes.
- (viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender;
- (b) The Company is not declared as a willful defaulter by any bank or financial institution or other lender;
- (c) The Company has not obtained term loans during the year. Hence, the reporting under this clause is not applicable.
- (d) The funds raised on short term basis have not been utilised for long term purposes;
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 is not arising;
- (xi) (a) The Company has not noticed or reported during the year any fraud by the Company or any fraud on the Company.

- (b) There is no report under sub-section (12) of section 143 of the Companies Act that has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) There are no complaints received during the year under whistle-blower Mechanism;
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business. We have considered the internal audit reports issued till date;
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
(c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India.
(d) We are informed that there are three core Investment Companies in the group which are exempted from registration.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no instance of any resignation of the statutory auditors occurred during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) The Company has spent the minimum amount required to be spent as stipulated in section 135 of the Companies Act and hence no transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. The Company does not have any on going projects under Section 135 (5) of the said Act.
- (b) There are no unspent amount towards Corporate Social responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provisions of sub section (6) of section 135 of the said act.
- (xxi) The Company has no subsidiaries and therefore this clause is not applicable.

MAHARAJ N R SURESH AND CO LLP

Firm Regn. No. 001931S/S000020

N R SURESH

Membership No. 021661

Partner

Chartered Accountants

UDIN : 24021661BKFNFU3369

Place: Chennai

Date: May 04, 2024

BALANCE SHEET AS AT 31st MARCH 2024

₹ in Lakhs

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
I ASSETS			
1 Non Current Assets			
a) Property, Plant and Equipment	2	3770.84	3775.38
b) Other Intangible Assets	2(a)	18.90	14.04
c) Financial Assets			
(i) Investments	3	158.14	128.01
(ii) Other Financial Assets	4	81.94	75.15
d) Other Non Current Assets	5	65.12	28.11
		4094.94	4020.69
2 Current Assets			
a) Inventories	6	3879.09	3536.97
b) Financial Assets			
(i) Trade Receivables	7	2038.83	2866.15
(ii) Cash and Cash Equivalents	8	67.61	75.61
(iii) Bank Balances other than (ii) above	9	109.07	52.35
(iv) Others	10	248.85	75.24
c) Current Tax Assets (Net)	11	69.86	-
d) Other Current Assets	12	322.17	824.73
		6735.48	7431.05
Total Assets		10830.42	11451.74
EQUITY AND LIABILITIES			
II EQUITY			
a) Equity Share Capital	13	179.28	179.28
b) Other Equity	14	8591.52	7168.86
		8770.80	7348.14
III LIABILITIES			
1 Non Current Liabilities			
a) Provisions	15	45.35	40.82
b) Deferred Tax Liabilities (Net)	16	335.98	318.66
		381.33	359.48
2 Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	477.07	2084.66
ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	18	130.76	98.48
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	211.70	173.73
iii) Other Financial Liabilities	19	248.02	815.24
b) Other Current Liabilities	20	541.34	274.25
c) Provisions	21	69.40	233.14
d) Current Tax Liabilities (Net)	22	-	64.62
		1678.29	3744.12
Total Equity and Liabilities		10830.42	11451.74

Notes to Financial Statements 1 to 41

Vide our Report of even date
For M/s. Maharaj N R Suresh and Co LLP
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Chairman

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Managing Director

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DR.VIJAYAMOHANAN K PILLAI
N.P. SINHA

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DR. R SUBRAHMANIYA SIVAM

Directors

N.R. Suresh
Partner
M.No: 021661
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M.IGNATIUS
Director (Operations)

R.SWAMINATHAN
Chief Financial Officer

V.ANANTHA SUBRAMANIAN
Secretary

Chennai
04-05-2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2024

₹ in Lakhs

S No	Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
I	Revenue from Operations			
	Revenue from sale of products and services	23a	7722.51	9253.80
	Other Operating Revenues	23b	91.26	29.10
II	Other Income	24	349.41	73.12
III	Total Income (I+II)		8163.18	9356.02
IV	Expenses			
	Cost of materials and components consumed	25	2217.02	3146.77
	Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress	26	207.51	(85.37)
	Employee Benefits Expense	27	1738.34	1597.30
	Finance Cost	28	196.41	314.76
	Depreciation and Amortisation Expenses	2 & 2(a)	97.26	118.62
	Other Expenses	29	1395.60	1515.18
	Total Expenses (IV)		5852.14	6607.26
V	Profit / (Loss) before exceptional items and Tax (III-IV)		2311.04	2748.76
VI	Exceptional Items		-	-
VII	Profit before Tax after exceptional items (V - VI)		2311.04	2748.76
VIII	Tax Expense	30		
	Current Tax		579.24	769.67
	Deferred Tax		15.93	(70.42)
	Total Tax Expense (VIII)		595.17	699.25
IX	Profit / (Loss) after Tax and exceptional items (VII-VIII)		1715.87	2049.51
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement benefit of defined benefit plans		(8.19)	(42.46)
	(ii) Income tax expense on remeasurement benefit of defined benefit plans		2.06	10.69
	(iii) Net fair value gain/(loss) on investment in equity instruments through OCI		30.13	32.29
	(iv) Income tax expense on gain on Fair valuation of investment in equity instruments through OCI		(3.45)	(2.22)
	Total other Comprehensive Income		20.55	(1.70)
	B. Items that will be reclassified to profit or loss		-	-
	Total Comprehensive income for the period (IX + X)		1736.42	2047.81
	Earning per Equity Share of face value of ₹ 2/- each (in ₹)			
	Basic	37	19.14	22.86
	Diluted	37	19.14	22.86

Notes to Financial Statements 1 to 41

Vide our Report of even date
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Secretary

Chennai
04-05-2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2024

A) Equity Share Capital

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Balance at the beginning of the reporting year	179.28	179.28
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	179.28	179.28

B) Other Equity

₹ In Lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1st April 2022	3.00	783.35	200.00	4313.82	89.80	5389.97
Additions during the year 2022-23						
Profit/(Loss) for the year 2022-23	-	-	-	2049.51	-	2049.51
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(31.77)	-	(31.77)
Net fair value gain on investment in equity shares	-	-	-	-	30.07	30.07
Reductions during the year 2022-23						
Dividend for FY 2021-22	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	(1500.00)	1500.00	-	-
Balance as at 1st April 2023	3.00	783.35	1700.00	4562.64	119.87	7168.86
Additions during the year 2023-24						
Profit/(Loss) for the year 2023-24	-	-	-	1715.87	-	1715.87
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(6.13)	-	(6.13)
Net fair value gain on investment in equity shares	-	-	-	-	26.68	26.68
Reductions during the year 2023-24						
Dividend for FY 2022-23	-	-	-	313.76	-	313.76
Transfer to General Reserve	-	-	-	-	-	-
Balance as at 31st March 2024	3.00	783.35	1700.00	5958.62	146.55	8591.52

Notes to Financial Statements 1 to 41

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Chennai
04-05-2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2024

₹ in Lakhs

Description	Refer Note No.	Year ended 31.03.2024		Year ended 31.03.2023	
A. Cash flow from Operating Activities:					
Profit before tax			2311.04		2748.76
Adjustments for:					
Depreciation and Amortisation Expenses	2 & 2(a)	97.26		118.62	
Interest Paid	28	196.41		314.76	
Interest received	24	(12.08)		(8.28)	
Dividend received	24	(3.12)		(1.31)	
Impairment of Property, Plant and Equipment	2 & 2(a)	101.65		195.18	
Loss on sale of Property, Plant and Equipment	29	0.29		0.61	
Profit on sale of Property, Plant and Equipment	24	(0.31)	380.10	-	619.58
Operating Profit before working capital changes			2691.14		3368.34
Adjustments for:					
Changes in Working Capital					
(Increase)/Decrease in Trade and Other Receivables	7	827.32		(896.39)	
(Increase)/Decrease in Inventories	6	(342.12)		5.84	
(Increase)/Decrease in Other Non-current assets	A	(40.64)		107.45	
(Increase)/Decrease in Other current assets	B	320.77		(394.65)	
Increase/(Decrease) in Provisions	C	(159.20)		(40.91)	
Increase/(Decrease) Other liabilities	17	-		(57.07)	
Increase/(Decrease) Trade and other payables	18 to 20	(229.90)	376.23	334.06	(941.67)
Cash generated from operations			3067.37		2426.67
Direct Tax paid net of refund			(716.88)		(697.15)
Net cash from operating activities (A)			2350.49		1729.52
B. Cash flow from Investing Activities:					
Purchase / Acquisition of Property, Plant and Equipment	2 & 2(a)		(199.87)		(1084.13)
Change in Intangible assets under development	2(b)		-		3.60
Sale of Property, Plant and Equipment			0.67		0.28
Term deposit with Bank	9		(56.72)		(72.34)
Interest received	24		12.08		8.28
Dividend received	24		3.12		1.31
Net cash used in investing activities (B)			(240.72)		(1143.00)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2024

Description	Refer Note No.	Year ended 31.03.2024		Year ended 31.03.2023	
C. Cash flow from Financing Activities:					
Working Capital Loan repaid (net)	17		(1607.60)		(333.77)
Term loan from Banks repaid	17		-		(34.22)
Dividend paid			(313.76)		(268.92)
Interest as per Statement of Profit & Loss	28	(196.41)		(310.10)	
Interest on Current Tax	28	-		(4.66)	
			(196.41)		(314.76)
Net cash used in financing activities (C)			(2117.77)		(951.67)
Net increase/(decrease) in cash and cash equivalents (A+B+C)			(8.00)		(365.15)
Cash and cash equivalents at the beginning of the year			75.61		440.76
Cash and cash equivalents at the end of the period	8		67.61		75.61

Note forming part of Statement of Cash Flow for the Year ended 31st March 2024

₹ in Lakhs

Particulars	Note No	Year ended 31.03.2024		Year ended 31.03.2023	
(A) (Increase)/Decrease in Other Non-current assets					
Other Financial Assets	4	(6.79)		102.63	
Other Non Current Assets	5	(37.01)		27.50	
Advance Income Tax (Net of provision) Considered Separately	5	3.17	(40.64)	(22.68)	107.45
(B) (Increase)/Decrease in Other current assets					
Current Financial Assets - Others	10	(173.60)		(62.51)	
Other Current Assets	12	502.56		(289.68)	
Items that will not be reclassified to Profit and Loss - Remeasurement benefit of defined benefit plans		(8.19)	320.77	(42.46)	(394.65)
(C) Increase/(Decrease) in Provisions					
Non-Current Provision	15	4.53		(1.92)	
Current Provision	21	(163.73)		(38.99)	
Items that will not be reclassified to Profit and Loss - Remeasurement benefit of defined benefit plans		-	(159.20)	-	(40.91)

(D) Corporate Social Responsibility Expenses incurred during the year is ₹ 52.92 Lakhs (Previous year ₹ 22.20 Lakhs)

(E) Cash and cash equivalents represent cash on hand and cash with Scheduled Banks including Term Deposit with original maturity of less than three months - Refer Note no. 8

(F) Cash from operating activities has been prepared following the indirect method.

(G) Figures for the previous year have been re-grouped wherever necessary.

Vide our Report of even date
For **M/s. Maharaj N R Suresh and Co LLP**
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Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Company Overview

High Energy Batteries (India) Limited is a Public Limited Company. The Company is incorporated under The Companies Act, 1956 and is domiciled in India. Its Registered Office is located at 'Esvin House', No. 13, Old Mahabalipuram Road, Seevaram Village, Perungudi, Chennai – 600 096. The Company is a battery manufacturer with its factory located at Mathur, near Trichy. The batteries are manufactured for use in Indian Army, Navy, Air Force and Launch Vehicles. The Company also has the facility to manufacture commercial batteries for auto and standby VRLA Applications. The Company's shares are listed in BSE Ltd. The Company is classified under "Medium" category since 16th May, 2021 vide MSME UDYAM Registration No.UDYAM-TN-02-0000445.

A. Material Accounting Policy information and Key Accounting Estimates and Judgments

1. Material Accounting Policy information

1.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

1.2 Basis of Preparation and Compliance

The financial statements are prepared in accordance with the historical cost convention except for certain items that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. The financial statements are prepared on a "going concern" basis using accrual concept except for the cash flow information.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "--" in these financial statements.

1.3 Current / Non-Current Classification

For the purpose of current / non-current classification, the Company has reckoned its normal operating cycle as twelve months based on the nature of products and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

Deferred tax assets and liabilities are classified as non-current.

1.4 Property, Plant and Equipment (PPE)

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

changes, if any, are treated as changes in accounting estimate. The useful lives are based on technical estimates and the management believes that the useful lives are realistic and fair approximation over the period of which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

Asset	Years
Factory Buildings	30
Fences, Walls, Tube wells	5
Buildings (other than factory buildings)	10
Plant and Equipment – Silver Zinc Plant	15
Plant and Equipment – Lead Acid Battery Plant	
Pump Motors and motorized pump stations	15
Moulds Humidifier & AC	10
Others	20
Computers	3
Servers	6
Furniture and Fixtures	10
Vehicles (Secondhand vehicles Based on Kilometers run maximum 12 years)	15
Office Equipment	5

Assets costing ₹ 5,000 and below are depreciated in full within the Financial Year.

The useful lives are based on the technical estimates made by the management which in the opinion of the management are realistic and fair approximation over the period over which assets are likely to be used.

1.5 Impairment of tangible assets

The Company annually reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to Sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

1.6 Revenue Recognition

Revenue from contract with customers

Effective from 1st April 2018, the company has applied IND AS-115 - Revenue from contracts with customers.

a. Revenue Recognition

Revenue on sale of Goods is recognized at a point in time on transfer of control of the products to the customer in an amount that reflects the consideration the company expects to receive in exchange for those products pursuant to the contract with the Customer i.e., Transaction price.

Transfer of control

Transfer of control happens

- a) In respect of Aerospace, Naval and power system batteries on issue of Inspection Note by the customer and delivery to the common carrier and
- b) In respect of Lead Acid Batteries when the goods are delivered to the common carrier.

Development-cum-supply contracts

- a. Revenue is recognized over a period of time based on output method and mile stones achieved when the performance obligations in respect of the development work is distinct and independent from supply of goods.
- b. Revenue is recognized over a period of time under the input method and mile stones achieved where developmental work and the supplies are inter-related or inter-dependent.
- c. When substantial portion of the developmental work has not been completed, the amount of expenditure incurred on the development work such as employees benefit expenses, materials and other direct expenses are carried forward as 'Work in progress'.

Significant financing component

Payment terms in Defence contracts are standardized and generally uniform across all customers. Typical payment terms are by way of advances, milestones achieved and 5%/10% payment on submission of BG or on the expiry of the warranty period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

The timing of the transfer of the goods is as specified by the customer in the contract. Advance from customers is for procuring specific materials having a long lead delivery time and specific to the products in nature and therefore the advances are not considered to have any significant financing component.

5% /10% payments are in the nature of retention towards performance warranty and do not carry any financing element and are moneys retained for reasons other than provision of finance. The retention moneys are payable on submission of bank guarantees and are classified as current.

Contract Assets (Included in Trade Receivables not due):

Contract Asset represents the Company's right to receive the consideration in exchange for the Goods or Services that the Company has transferred to the customer, when the right is conditioned on something other than passage of time.

Materials receivable from the customer in respect of products already supplied as per the terms of the contract is recognized and is disclosed as non-financial assets - other current assets.

Contract liabilities – Cash Advance from Customers are disclosed under Current/Non Current based on the delivery period as per the contract as amended from time to time.

Advances in the form of materials from Customer are secured by Bank Guarantees and are netted off against the Inventory carried as the advance is to be adjusted by supply of products and is disclosed in the notes to accounts.

Impairment of Trade Receivables

Receivables from Government Departments are generally treated as fully recoverable based on past experience. However, in respect of other customers, impairment on account of expected credit loss is assessed on a case to case basis in respect of dues outstanding for a significant period of time.

b. Insurance Claims

Insurance claims are recognized on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Grants are recognized in the Statement of Profit and Loss on a systematic basis over the period in which the Company recognises as expense the related costs which the grants are intended to compensate. Specifically, Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the Statement of Profit and Loss in the period in which they become receivable.

Grants related to income are presented in the Statement of Profit and Loss as 'other income'. Grant receivable is disclosed under "Other Financial Assets".

1.8 Inventories

Cost of raw materials and components, stores and spares is determined on weighted average basis. Loose Tools are estimated to have useful life of three years and are charged to statement of profit and loss in equal installments over the useful life. Loose tools are carried at cost less amortization. Finished goods/Work-in-progress are valued at cost and cost includes material, direct labour, overheads (other than administrative overheads that do not contribute to bring the inventories to the present location and condition and selling costs) incurred in bringing the inventory to their present location and condition.

Obsolete, slow moving and defective inventories are periodically identified and provision is made wherever necessary.

1.9 Employee Benefits

(a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

(b) Post-employment benefits

(i) Defined Contribution Plans

Contribution to Provident Fund (Defined Contribution Plan) as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is recognised as expense in the Statement of Profit and Loss and remitted to the Provident Fund Commissioner. The contribution to the Superannuation Fund (Defined Contribution Plan) is recognised as expense and funded with Life Insurance Corporation of India.

(ii) Defined Benefit Plans

The Company operates the Defined Benefit Gratuity Plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/(asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liabilities/asset) are recognized in other comprehensive income and taken to retained earnings. Such re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The entire liability towards gratuity is considered as current as the company is expected to contribute this amount to the gratuity fund within the next twelve months.

(c) Other Long-term Employee Benefits (Unfunded)

Entitlement to annual leave is recognized when they accrue to employees. Annual leave can be availed or encashed either during service or on retirement subject to a restriction on the maximum days of accumulation of leave. The Company determines the liability for such accumulated leave using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However Trade Receivables are recognized at Transaction Price.

1.11 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. However, trade receivables are measured at transaction price.

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost. The debt instruments carried at amortised cost include Deposits, Loans and advances recoverable in cash:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

b. Investments in equity instruments at FVTOCI

The Company has irrevocably designated to carry investment in equity instruments at Fair value through other comprehensive income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. On de-recognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to statement of Profit and Loss. However, the Company may transfer such cumulative gain or loss into retained earnings within equity.

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (see note 3). Fair value is determined in the manner described in note 1.2.

Dividends on these investments in equity instruments are recognised in the statement of profit or loss when the Company's right to receive same is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

c. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

For trade receivables, the Company applies 'simplified approach' which requires expected/lifetime losses to be recognized from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk, if there is significant increase in credit risk full lifetime ECL is used.

1.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.13 Operating Segments

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resource and assessing performance of the operating segments of the Company. The Managing Director is identified as the CODM.

Segment accounting policies are in line with the accounting policies of the Company. In addition, the specific accounting policies have been followed for segment reporting as under:

The Company has identified two business segments viz., 1. Aerospace, Naval and Power System Batteries and 2. Lead Acid Batteries. Revenue and expenses have been identified to respective segments on the basis of operating activities of the enterprise. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable revenue and expenses.

Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable assets and liabilities.

Inter segment revenue / expenditure – Not Applicable.

Geographical segment – Not Applicable.

B. Key Accounting estimates and judgments

1.1 Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

1.2 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Useful life of Property, Plant and Equipment

The Company reviews the estimated useful life of Property, Plant and Equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

b. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

c. Impairment loss

Impairment loss is recognized based on an independent valuation and cost to sell which are estimates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

2 Property, Plant and Equipment

Description	Gross Carrying Value			Depreciation			Impairment *			Net Carrying Value	
	As at 01-04-2023	Additions during the year	Deletions/Adjustment	As at 01-04-2023	Additions during the year	Deletions/Adjustment	As at 01-04-2023	Additions during the year	Deletions/Adjustment	As at 31-03-2024	As at 31-03-2023
	2954.01	-	-	2954.01	-	-	-	-	-	-	2954.01
Land	2954.01	-	-	2954.01	-	-	-	-	-	-	2954.01
Building	410.22	17.18	-	427.40	17.19	-	109.14	17.19	-	126.33	301.08
Plant & Equipment	1270.37	134.89	1.59	1403.67	57.10	1.24	635.98	57.10	1.24	691.84	439.72
Furniture & Fixtures	5.91	16.60	-	22.51	1.17	-	1.58	1.17	-	2.75	19.69
Vehicles	57.03	-	5.74	51.29	18.81	3.93	18.81	3.93	5.45	17.29	38.22
Office Equipment	34.52	7.66	0.61	41.57	18.53	0.58	18.53	5.33	0.58	23.28	15.55
Electrical Installation	26.94	-	-	26.94	20.65	-	20.65	-	-	20.65	6.29
Computers	41.71	15.35	-	57.06	25.46	9.18	25.46	9.18	-	34.64	16.25
TOTAL	4800.71	191.68	7.94	4984.45	93.90	7.27	830.15	93.90	7.27	916.78	3775.38

(i) All the above assets are owned by the Company.

(ii) Pari passu first charge on all Land & Building, Plant & Machinery and all other immovable fixed assets of the Company in favour of Banks towards working capital assistance.

(iii) Refer Note 29 & 35 for details of Impairment.

Description	Gross Carrying Value			Depreciation			Impairment			Net Carrying Value	
	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 31-03-2022
	1987.82	966.19	-	-	-	-	-	-	-	-	1987.82
Land	1987.82	966.19	-	2954.01	-	-	-	-	-	-	2954.01
Building	372.55	37.67	-	410.22	16.54	-	92.60	16.54	-	109.14	279.95
Plant & Equipment	1241.54	31.81	2.98	1270.37	555.80	2.10	555.80	82.28	2.10	635.98	685.74
Furniture & Fixtures	4.86	1.05	-	5.91	1.15	0.43	1.15	0.43	-	1.58	3.71
Vehicles	30.92	26.11	-	57.03	16.52	2.29	16.52	2.29	-	18.81	14.40
Office Equipment	30.43	4.09	-	34.52	13.97	4.56	13.97	4.56	-	18.53	16.46
Electrical Installation	26.94	-	-	26.94	20.64	0.01	20.64	0.01	-	20.65	6.30
Computers	34.61	7.10	-	41.71	15.88	9.58	15.88	9.58	-	25.46	18.73
TOTAL	3729.67	1074.02	2.98	4800.71	716.56	115.69	716.56	115.69	2.10	830.15	3013.11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

2 (a) Other Intangible Assets

₹ in Lakhs

Description	Gross Carrying Value		Amortisation		Impairment		Net Carrying Value	
	As at 01-04-2023	Additions during the year	As at 01-04-2023	Deletions/Adjustment during the year	As at 01-04-2023	Additions during the year	As at 31-03-2024	As at 31-03-2023
Computer Software	20.70	8.22	6.66	3.36	-	-	18.90	14.04
TOTAL	20.70	8.22	6.66	3.36	-	-	18.90	14.04

₹ in Lakhs

Description	Gross Carrying Value		Amortisation		Impairment		Net Carrying Value	
	As at 01-04-2022	Additions during the year	As at 01-04-2022	Deletions/Adjustment during the year	As at 01-04-2022	Additions during the year	As at 31-03-2023	As at 31-03-2022
Computer Software	10.60	10.10	3.71	2.95	-	-	14.04	6.89
TOTAL	10.60	10.10	3.71	2.95	-	-	14.04	6.89

2 (b) Intangible Assets under Development

₹ in Lakhs

Description	Gross Carrying Value		Amortisation		Impairment		Net Carrying Value	
	As at 01-04-2023	Additions during the year	As at 01-04-2023	Deletions/Adjustment during the year	As at 01-04-2023	Additions during the year	As at 31-03-2024	As at 31-03-2023
Intangible Assets under Development	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

₹ in Lakhs

Description	Gross Carrying Value		Amortisation		Impairment		Net Carrying Value	
	As at 01-04-2022	Additions during the year	As at 01-04-2022	Deletions/Adjustment during the year	As at 01-04-2022	Additions during the year	As at 31-03-2023	As at 31-03-2022
Intangible Assets under Development	3.60	-	-	3.60	-	-	-	3.60
TOTAL	3.60	-	-	3.60	-	-	-	3.60

Intangible Assets under Development represents the cost incurred for software under development

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

3 Investments

₹ in Lakhs

Particulars	No. of Shares	Face Value (₹)	As at 31.03.2024	As at 31.03.2023
Non Current Investments				
<u>A. Investments in Equity Instruments - at Fair Value through Other Comprehensive Income</u>				
<u>(i) Quoted Equity Shares:</u>				
Ponni Sugars (Erode) Limited	382	10	1.53	1.51
Seshasayee Paper and Boards Limited	51645	2	152.10	121.99
<u>(ii) Unquoted Equity Shares:</u>				
SPB Projects and Consultancy Limited	45000	10	4.51	4.51
GPC Technologies Limited				
- Cost	1500	10	0.15	0.15
- Provision for impairment			(0.15)	(0.15)
- Carrying value			-	-
Esvin Advanced Technologies Limited				
- Cost	830	10	0.08	0.08
- Provision for impairment			(0.08)	(0.08)
- Carrying value			-	-
Total			158.14	128.01
Aggregate amount of Quoted investments - at Cost			1.33	1.33
Aggregate amount of Quoted Investments - at Market Value			153.63	123.50
Aggregate amount of Unquoted Investments - at Cost			4.74	4.74
Aggregate amount of Impairment in Value of Investments			0.23	0.23
Refer Note 34 (B) for determination of fair value				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

4 Other Financial Assets

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Security Deposit - Electricity	23.37	18.24
Bank deposits with more than 12 months maturity *	56.10	53.39
Deposit - Export Credit Guarantee Corporation	0.71	1.76
Telephone Deposits	0.24	0.25
Deposit - Others	1.52	1.51
Total	81.94	75.15

* Includes Deposits held as a security by banks - ₹ 56.10 Lakhs (Previous year ₹ 53.39 Lakhs)

5 Other Non Current Assets

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Capital advances	24.13	-
Advances other than capital advances - Advance Income Tax (Net of provision)	8.00	4.83
Prepaid Expenses	32.99	23.28
Total	65.12	28.11

6 Inventories *

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Raw Materials and Components #	2264.24	1723.63
Less: Provision for Impairment	55.34	48.86
	2208.90	1674.77
Work In progress	1604.51	1669.76
Less: Provision for Impairment	18.49	32.24
	1586.02	1637.52
Finished Goods	-	142.26
Less: Provision for Impairment	-	-
	-	142.26
Stores and Spares	62.48	65.54
Less: Provision for Impairment	4.47	10.47
	58.01	55.07
Loose Tools	26.16	27.35
Less: Provision for Impairment	-	-
	26.16	27.35
Total	3879.09	3536.97
Details of Finished goods		
Aero Space, Naval and Power System Batteries	-	142.26
Total	-	142.26

* See Note 1.8 For method of valuation

Includes material in transit - ₹ 350.10 Lakhs (Previous year - Nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

7 Trade Receivables

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured		
a) Considered good	2038.83	2866.15
b) Which have significant increase in Credit risk	-	-
	2038.83	2866.15
Allowance for doubtful receivables	-	-
Total	2038.83	2866.15

Trade Receivables ageing schedule

₹ in Lakhs

Particulars	As at 31-03-2024						Total
	Not Due*	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	1273.32	765.51	-	-	-	-	2038.83
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
DISPUTED	-	-	-	-	-	-	-
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	1273.32	765.51	-	-	-	-	2038.83
Less : Allowance for bad and doubtful debts							-
Total							2038.83

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Particulars	Not Due*	As at 31-03-2023					₹ in Lakhs
		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	2162.52	703.63	-	-	-	2866.15	
(ii) Have significant increase in credit risk	-	-	-	-	-	-	
(iii) Credit impaired	-	-	-	-	-	-	
DISPUTED							
(iv) Considered good	-	-	-	-	-	-	
(v) Have significant increase in credit risk	-	-	-	-	-	-	
(vi) Credit impaired	-	-	-	-	-	-	
	2162.52	703.63	-	-	-	2866.15	
Less : Allowance for bad and doubtful debts						-	
Total						2866.15	
*Includes ₹ 456.03 Lakhs (Previous year ₹ 20.96 Lakhs) for which payment can be received from the customer after the completion of the supplies under the contract (Contract Assets).							

8 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Cash and Cash Equivalents		
Balance with Banks	66.07	73.91
Cash on hand	1.54	1.70
Total	67.61	75.61

9 Bank Balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Financial Assets - Bank Balances other than Cash and cash Equivalents		
Bank deposits with original maturity of more than 3 months but less than 12 months	107.80	51.86
Unpaid Dividend	1.27	0.49
Total	109.07	52.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

10 Current Financial Assets - Others

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Interest Receivable	0.06	0.05
Advance to Employees	1.70	1.19
Rental Deposit	11.67	11.54
Due from Development Project Agencies	171.98	-
Grant Receivable - DRDO & CHT (Refer Note 33 (b))	63.44	62.46
Total	248.85	75.24

11 Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Advance Income Tax (Net of provision)	69.86	-
Total	69.86	-

12 Non Financial Assets - Other Current Assets

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
<u>Unsecured Considered Good</u>		
Advances to Vendors	135.62	74.32
Prepaid Expense and Insurance	17.80	25.59
Gratuity fund	14.97	21.73
Balance with GST/Customs	0.03	-
Claims Receivable	41.10	2.26
Material Receivable from Customers	112.65	700.83
Total	322.17	824.73

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

13 Share Capital

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
37500000 (31.03.2023 - 37500000) Equity Shares of ₹ 2/- each	750.00	750.00
Issued, Subscribed and Fully paid up shares		
8963840 (31.03.2023 - 8963840) Equity Shares of ₹ 2/- each	179.28	179.28
Total	179.28	179.28

a) Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period

Equity Shares

₹ in Lakhs

Particulars	As at 31.03.2024		As at 31.03.2023	
	Nos	Value	Nos	Value
At the beginning of the year	8963840	179.28	1792768	179.28
Stock split at 5:1 during the year*	-	-	7171072	-
Outstanding at the end of the year	8963840	179.28	8963840	179.28

* The Company, during the year 2022-23, had done a Stock Split whereby the Equity Share of face value of ₹ 10/- each fully paid up was split in to 5 (Five) Equity Shares of face value of ₹ 2/- each fully paid up.

b) Terms / rights attached to Equity Shares:

The Equity shares of the Company having par value of ₹ 2/- per share rank pari passu in all respects including voting rights, dividend entitlement and repayment of capital.

c) Details of Shareholders holding more than 5% of shares

Name of Shareholder	As at 31.03.2024		As at 31.03.2023	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Seshasayee Paper and Boards Limited	1449650	16.17	1414555	15.78
Time Square Investments (P) Limited	832220	9.28	832220	9.28
Life Insurance Corporation of India (LICI ASM NON PAR)	537107	5.99	567794	6.33
Minal Bharat Patel	561335	6.26	572180	6.38
Ponni Sugars (Erode) Limited	500000	5.58	500000	5.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

d) Shares held by promoters at the end of the year 31.03.2024

Promoter Name	Number of Shares	Percentage of total shares	Percentage Change during the year
Seshasayee Paper and Boards Limited	1449650	16.17	0.39%
Time Square Investments (P) Limited	832220	9.28	Nil
Ponni Sugars (Erode) Limited	500000	5.58	Nil
Synergy Investments PTE Ltd	400000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	351000	3.92	Nil
Dhanashree Investments Private Limited	105105	1.17	Nil
N Gopalaratnam	51000	0.57	Nil
S Sridharan	9660	0.11	Nil
D Jayaraman	1000	0.01	Nil
G A Pathanjali	500	0.01	Nil
Total	3700135	41.28	

Shares held by promoters at the end of the year 31.03.2023

Promoter Name	Number of Shares	Percentage of total shares	Percentage Change during the year
Seshasayee Paper and Boards Limited	1414555	15.78	Nil
Time Square Investments (P) Limited	832220	9.28	0.05%
Ponni Sugars (Erode) Limited	500000	5.58	Nil
Synergy Investments PTE Ltd	400000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	351000	3.92	Nil
Dhanashree Investments Private Limited	105105	1.17	Nil
N Gopalaratnam	51000	0.57	Nil
V Shyamala W/o. R Vaidyanathan	12500	0.14	Nil
S Sridharan	9660	0.11	Nil
D Jayaraman	1000	0.01	Nil
G A Pathanjali	500	0.01	Nil
Total	3677540	41.03	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

e) Capital Management

The Company follows conservative capital management with the objective of maximising shareholders' value. For the purpose of Company capital management, capital includes issued capital and all other equity reserves attributable to the shareholders of the Company. The Company has been funding its growth and working capital requirements through a balanced approach of internal accruals and external debt from the banks and long term loans from companies. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt component of the Company.

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Equity	8770.80	7348.14
Debt	477.07	2084.66
Cash and Cash Equivalents	175.41	127.47
Net debt	301.66	1957.19
Total Capital (Equity+ Net debt)	9072.46	9305.33
Net debt to Capital Ratio	0.03	0.21

f) Dividend

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Dividend on equity shares paid during the year	313.76	268.92
Total	313.76	268.92

Proposed Dividend

The Board of directors at its meeting held on 4th May 2024 has recommended payment of dividend of ₹ 3/- (Rupees Three only) per Equity Share of face value of ₹ 2/- each for the Financial Year ended 31.03.2024. The same amounts to ₹ 268.92 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

14 Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as on 1st April, 2022	3.00	783.35	200.00	4313.82	89.80	5389.97
Additions during the year 2022-23						
Profit for the year 2022-23	-	-	-	2049.51	-	2049.51
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(31.77)	-	(31.77)
Net fair value gain on investment in equity shares	-	-	-	-	30.07	30.07
Dividend for FY 2021-22	-	-	-	268.92	-	268.92
Transfer to Reserves	-	-	(1500.00)	1500.00	-	-
Balance as on 1st April, 2023	3.00	783.35	1700.00	4562.64	119.87	7168.86
Add:						
Profit for the year 2023-24	-	-	-	1715.87	-	1715.87
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(6.13)	-	(6.13)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	26.68	26.68
Reductions during the year						
Dividend for FY 2022-23	-	-	-	313.76	-	313.76
Transfer to General Reserve	-	-	-	-	-	-
Balance as on 31st March, 2024	3.00	783.35	1700.00	5958.62	146.55	8591.52

Description of nature and purpose of each reserve:

Capital Redemption Reserve:

This represents the Reserves created on redemption of preference shares and can be utilized for issue of Bonus shares.

Securities Premium:

This represents the premium collected on issue of Equity shares and can be utilized for the purposes stated under Section 52 of the Companies Act, 2013.

General Reserve:

This Reserve is created from time to time by transferring profits from the retained earnings and this being a free reserve enhances the net worth of the Company and is available for distribution as Bonus share/dividend.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

15 Provisions

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Warranty	-	-
Provision for Leave Benefits	45.35	40.82
Total	45.35	40.82

16 Deferred Tax Liabilities/(Asset)

₹ in Lakhs

Particulars	Balance as on 01.04.2023	Recognised in P&L during the year	OCI 2023-24	Balance Sheet as at 31.03.2024
Deferred Tax Liability on account of:				
Differences in WDV of PPE as per Books and Income Tax	66.26	27.48	-	38.78
Fair Value of Land adopted as deemed cost	426.67	-	-	426.67
Total Deferred Tax Liability (A)	492.93	27.48	-	465.45

Particulars	Balance as on 01.04.2023	Recognised in P&L during the year	OCI 2023-24	Balance Sheet as at 31.03.2024
Deferred Tax Asset on account of:				
Disallowances under Sec. 43B and Other Disallowances	18.29	(0.64)	-	17.65
Provision for Impairment of Inventories/Trade Receivables & others	73.73	(42.77)	-	30.96
Remeasurement of defined benefit plans	84.47	-	2.06	86.53
Income Tax Expense on gain on Fair valuation of investment in equity instruments through OCI	(2.22)	-	(3.45)	(5.67)
Total Deferred Tax Asset (B)	174.27	(43.41)	(1.39)	129.47
Net Deferred Tax Liability (A)-(B)	318.66	(15.93)	(1.39)	335.98

17 Short Term Borrowings

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
<u>Secured Loans</u>		
<u>Working Capital Borrowings from Banks</u>		
Loan Repayable on Demand from Banks	477.07	2084.66
Total	477.07	2084.66

Working Capital Borrowings from Banks are secured by :

- Pari passu first charge on the entire current assets of the Company, namely stocks of Raw Materials, Semi-finished Goods, and Finished Goods, Stores and Spares not relating to Plant and Machinery (Consumable stores and spares) including book debts and mortgage and hypothecation over the land and building, plant and machinery and other immovable fixed assets of the Company.
- Lien on Fixed Deposits (including interest) aggregating to ₹ 56.10 Lakhs (Previous year ₹ 53.39 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

18 Trade Payables

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
a) Total Outstanding dues of micro enterprises and small enterprises	130.76	98.48
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	211.70	173.73
Total	342.46	272.21

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
i) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (but within due date as per the MSMED Act)		
a) Principal amount due to micro, small & Medium enterprise	130.32	96.94
b) Interest due on above	0.44	1.54
ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	1.54	25.44
iii) Amount of Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv) Interest accrued and remaining unpaid at the end of each accounting year	0.44	1.54
v) Further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise	-	-

Trade Payable ageing schedule

Particulars	Not due	As at 31-03-2024				₹ in Lakhs
		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	128.07	2.69	-	-	-	130.76
(ii) Others	130.78	79.84	-	-	1.08	211.70
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	258.85	82.53	-	-	1.08	342.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Particulars	Not due	As at 31-03-2023				₹ in Lakhs
		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years	
(i) MSME	98.48	-	-	-	-	98.48
(ii) Others	163.69	7.58	1.38	-	1.08	173.73
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	262.17	7.58	1.38	-	1.08	272.21

19 Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Employee benefits payable	230.27	290.46
Directors Remuneration Payable	13.14	12.60
Unpaid Dividends *	1.27	0.49
Payable for capital expenditure	1.43	500.00
Expenses Payable	1.91	11.69
Total	248.02	815.24

* No amount is due and outstanding to be credited to Investor Education and Protection Fund.

20 Non Financial Liability - Other Current Liabilities

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Advance received from customers #	147.07	14.39
GST Payable	290.47	198.67
Tax Deducted at Source	19.11	24.76
Other Statutory Liabilities	11.11	10.29
Grants received in Advance		
- Government (Refer Note 33)	72.46	17.56
- Others	-	7.48
Recoveries Payable to LIC	1.12	1.10
Total	541.34	274.25

Revenue recognised during the year from the opening advances - Refer Note No.23 a

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

21 Short Term Provisions

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for Leave Benefits	24.65	31.71
Provision for Warranty *	-	82.50
Provision for Liquidated Damages	44.75	118.93
Total	69.40	233.14

* Provision for warranty made for development order.

22 Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Current Tax Liabilities	-	64.62
Total	-	64.62

23 a. Revenue from Sale of Products and Services

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Aerospace, Naval and Power System Batteries		
Sale of Products		
Silver Zinc Batteries & Cells	6896.85	8844.40
Nickel Cadmium Cells	561.66	409.40
	7458.51	9253.80
Sale of Services		
Silver Zinc Batteries & Cells	264.00	-
Total	7722.51	9253.80
Disclosures relating to Revenue from Contract with Customers		
Gross Revenue from Customers	7722.51	9253.80
Revenue as per Statement of Profit and Loss	7722.51	9253.80
a) Geographical Region		
Domestic	7682.37	9253.80
Export	40.14	-
Total	7722.51	9253.80
b) Type of Customers		
Government / Government Undertaking	7525.14	9209.17
Others	197.37	44.63
Total	7722.51	9253.80

Revenue recognised during the year from opening advances - ₹ 13.81 Lakhs
(Previous year - ₹ 85.35 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

23 b. Other Operating Revenues

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Other Operating Revenues	91.26	29.10
	91.26	29.10

24 Other Income

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest Income on Financial Assets carried at amortised cost		
- Bank Deposits	10.65	6.10
- TNEB Deposits	1.43	2.18
Dividend Income from Equity Investments measured at FVTOCI	3.12	1.31
Profit on sale of Property, Plant and Equipment	0.31	-
Exchange Difference (Net)	-	0.75
Government Grant (Refer Note no. 33)	308.12	62.46
Waiver of Liquidated Damages	25.71	-
Miscellaneous Income	0.07	0.32
Total	349.41	73.12

25 Cost of Materials consumed

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Silver	530.82	780.10
Copper	63.68	72.98
Others	561.76	833.68
Components of Various Descriptions	1060.77	1460.01
Total	2217.02	3146.77

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

26 Changes in Inventories of Finished Goods and Work in Progress

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Inventory at the end of the year		
- Work in progress	1604.51	1669.76
- Finished Goods	-	142.26
	1604.51	1812.02
Inventory at the beginning of the year		
- Work in progress	1669.76	1726.65
- Finished Goods	142.26	-
	1812.02	1726.65
(Increase) / Decrease in Inventory	207.51	(85.37)

27 Employee Benefits

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Salaries, Wages and Bonus	1518.56	1414.20
Contribution to Provident and Other Funds (Refer Note no. 1.9)	70.42	53.89
Staff welfare Expenses	149.36	129.21
Total	1738.34	1597.30

28 Finance cost

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest on Borrowings	132.04	252.12
Interest on MSME Parties	0.44	1.66
Other Borrowing cost - BG, LC commission and Commitment charges	62.94	55.18
Interest on Deferment of Advance Tax	-	4.66
Interest on delayed payment of Statutory dues	0.99	1.14
Total	196.41	314.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

29 Other Expenses

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Consumption of Stores and Spares	72.54	74.80
Power and Fuel	138.69	136.38
Repairs and Maintenance		
- Plant and Machinery	31.41	27.34
- Buildings	28.63	26.04
- Others	61.41	53.21
Selling expenses	141.03	131.58
Reversal of warranty provision	(82.50)	(82.50)
Expenditure on Scientific Research (Refer Note no. 33)	368.85	169.63
Travelling and Conveyance	113.87	124.40
Payment to Auditors (Refer Note no. 31)	22.17	22.08
Professional and Legal Charges	132.01	179.99
Testing Charges	30.91	38.19
Remuneration to Non-executive Directors	14.00	14.00
Miscellaneous Expenses	238.05	225.75
Reversal of Provision for Bad/Doubtful debts	-	(1.77)
Corporate Social Responsibility expenses	52.92	22.20
Bad Debts written off	-	1.77
Claims	17.12	9.20
Liquidated Damages	-	118.93
Reversal of Provision for Liquidated Damages	(74.17)	-
Loss on Sale of Property, Plant and Equipments	0.29	0.61
Provision for Non Moving Inventories	16.75	9.93
Reversal of Provision for Non Moving Inventory	-	(1.74)
Provision for impairment - Lead Acid Batteries Division		
- Inventories	(30.03)	19.98
- Property, Plant & Equipment	101.65	195.18
Total	1395.60	1515.18

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

30 Tax Expense

a) The Major components of Income tax Expense for the year as under:

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Deferred Tax comprises:		
Liability on account of depreciation	(27.47)	(57.91)
Asset - Sec 43B Disallowances and other Temporary differences	0.63	3.30
Others	42.77	(15.81)
Total Tax Expense	15.93	(70.42)

b) Reconciliation of Tax expense and the accounting profit for the year is as under:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Applicable income tax rate in India applicable to the Company	25.168%	25.168%
Profit Before Tax	2311.04	2748.76
Tax expenses on Profit Before Tax at the Applicable income tax rate	581.64	691.81
Tax effect of the amounts which are not deductible / (not taxable) in calculating taxable income		
Tax on difference in Depreciation between Books and Income Tax	(1.47)	6.77
Tax on Disallowance u/s 43B (Net of earlier year disallowances allowed during the year) and other temporary Differences	(16.53)	63.96
Tax on Permanent Differences	15.60	7.13
Current Tax for the Year	579.24	769.67

c) Taxes on items of OCI

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
A Items that will not be reclassified to Statement of Profit and Loss		
(i) Income tax expense on remeasurement benefit of the defined benefit plans	2.06	10.69
(ii) Income Tax Expenses on Net Fair Value Gain/(Loss) on investment in equity instruments	(3.45)	(2.22)
B Items that will be reclassified to Statement of Profit and loss	-	-
Total	(1.39)	8.47

d) Applicable Tax Rate

The company has exercised the option under Section 115BAA of the Income Tax Act and the applicable tax rate is 25.168%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

31 Payment to Auditors

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Statutory Audit Fees	12.50	12.50
Tax Representation	2.00	2.00
Certification Charges	6.23	6.30
Reimbursement of Expenses	1.44	1.28
Total	22.17	22.08

32 Contingent Liabilities and Commitments

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(a) Contingent Liabilities	Nil	Nil
Counter Guarantees and Commitments on Letters of Credit *	-	-
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts not provided for	119.63	3.10
(ii) Silver supplied by Government secured by Bank Guarantee and is not included in Inventories.	278.01	59.53
(iii) Assets controlled by customers in possession of the Company	461.38	431.65

* In view of the nature of business, commitments for purchase of materials, etc., are considered as normal business commitments and hence not disclosed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

33 Government Grant and Research & Development

₹ in Lakhs

Particulars	Treatment in Accounts	Year ended 31.03.2024	Year ended 31.03.2023
(a) DRDO Development Project	Included in other income (Note 24)	66.30	62.46
(b) CHT Development Project 1	Included in other income (Note 24)	116.39	-
(c) CHT Development Project 2	Included in other income (Note 24)	125.43	-
		308.12	62.46
(d) Duty Draw back from Customs and other export benefits received	Included in other operating revenue (Note 23 b)	0.94	-
		309.06	62.46

Expenditure on Scientific Research

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
a) Expenditure		
In-house Programs	175.81	90.48
Other Programs	193.04	79.14
Total	368.85	169.62

₹ in Lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
b) Asset/Liability		
Grant Receivable - Asset (Refer Note 10)	63.44	62.46
Total Asset	63.44	62.46
Grant Received in Advance - CHT - Liability (Refer Note No.20)	72.46	17.56
Grant Received in Advance - Others - Liability (Refer Note No.20)	-	7.48
Total Liability	72.46	25.04

On successful completion of the respective Program, DRDO/CHT would have the control over the assets and technology, while the Company will have the rights to exploit the technology subject to the royalty payments as applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34 (A): Category - wise classification of Financial Instruments

₹ in Lakhs

Particulars	Refer Note	Non Current		Current	
		As at 31.03.2024	As at 31.03.2023	As at 31.03.2024	As at 31.03.2023
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in Quoted Equity Shares	3	153.63	123.50	-	-
Investments in Unquoted Equity Shares	3	4.51	4.51	-	-
		158.14	128.01	-	-
Financial Assets measured at amortised cost					
Others	4 & 10	81.94	75.15	248.84	75.24
Trade Receivables	7	-	-	2038.83	2866.15
Cash and Cash Equivalents	8	-	-	67.61	75.61
Other Balances with Banks	9	-	-	109.07	52.35
		81.94	75.15	2464.35	3069.35
Financial Liabilities measured at amortised cost					
Loans repayable on demand - Cash Credit	17	-	-	477.07	2084.66
Trade Payables	18	-	-	342.46	272.21
Unpaid/Unclaimed Dividend	19	-	-	1.27	0.49
Others	20	-	-	246.74	814.74
		-	-	1067.54	3172.10

1. The fair value of quoted investment in quoted equity shares measured at quoted price on the reporting date.
2. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.
4. Investment in equity shares are held as promoter and not held for disposal and are therefore classified as Fair value through Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34 (B) : Fair value Measurements

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

As at 31st March, 2024

₹ in Lakhs

Financial Assets/Financial Liabilities	Fair value as at 31.03.2024	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	153.63	153.63	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

As at 31st March, 2023

₹ in Lakhs

Financial assets	Fair value as at 31.03.2023	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	123.50	123.50	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

(ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34 C : Financial Risk Management - Objectives and Policies

The company's financial liabilities comprise mainly of working capital borrowings from banks, trade payables and other payables. The company's financial asset comprises mainly cash equivalents, other balances with banks, trade receivables, other receivables and investments.

The Company has financial risk exposure in the form of market risk, credit risk and liquidity risk. The risk management policies of the Company are monitored by the Board of Directors. The present disclosure made by the Company summarizes the exposure to the financial risks.

1) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises two types of risks viz., Currency risk and other price risk. The financial instruments affected by market risk include rupee term loan and loans & advance.

a) Interest Rate Risk exposure

The Company is having Working Capital facility limit of ₹ 3000 lakhs with Banks which including Bill discounting also. The interest rate is @ 9.75% for both UCO Bank and Punjab National Bank depending upon the change in MCRL Rate.

Interest Rate Sensitivity analysis

The Company considering the economic environment in which it operates has determined the interest rate sensitivity analysis (interest exposure at the end of the reporting period). The Company has only working capital limits which carry floating interest rate. Sensitivity analysis is prepared assuming that the working capital limit was outstanding for the whole year. A 50 basis points +/- 0.50% fluctuation in interest rate is used for disclosing the sensitivity analysis.

₹ in lakhs

Sensitivity Basis	Impact on Profit before tax
Interest rates - increased by 50 basis points	(15.00)
Interest rates - decreased by 50 basis points	15.00

The interest rate sensitivity analysis is done holding on the assumption that all other variables remain constant.

The increase/ decrease in interest expense is chiefly attributable to the Company's exposure to interest rates on its variable rate of borrowings.

b) Foreign currency risk exposure

The Company imports Silver Bullion, Silver Foil, Magnesium Sheets, other Raw materials and Stores and spares for which payables are denominated in foreign currency. The Company is exposed to foreign currency risk on these transactions. Since the company imports materials mostly on advance payment basis, the company does not perceive major risk and accordingly they are not hedged.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

In respect of batteries, exports are made against advances received or against confirmed LCs of usance period not exceeding 90 days.

2) Credit Risk

The credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, other balances with banks and other receivables.

The credit risk arising from the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counterparties are public sector banks.

The Company sells its products of Aerospace, Naval and Power System Batteries to Defence Customers where the payment terms are definite. From the Defense Organisations and Government of India, payments are all received as per the terms of the contracts. The risk is restricted to the Liquidated damages clause for delayed supplies as per the contract terms and there is no irrevocable credit loss risk.

3) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly to meet obligations when due. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company manages the liquidity risk by –

- (i) maintaining adequate and sufficient cash and cash equivalents including and
- (ii) Making available the funds from realizing timely maturities of financial assets to meet the obligations when due.

The management monitors rolling forecast of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Also, the Company manages the liquidity risk by projecting cash flows considering the level of liquid assets necessary to meet the obligations by matching the maturity profiles of financial assets and financial liabilities and monitoring balance sheet liquidity ratios. Further, liquidity risk management involves matching the maturity profiles of financial assets and financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34. (D) Additional Regulatory Information:

Additional Regulatory Informations required under Division II to Schedule III of Companies Act, 2013

Sl. No.	Disclosure requirement as per amended Schedule III	Reason for non-disclosure
1	Title deeds of immovable property not held in the name of the company	Title deeds of all immovable properties are held in the name of the Company.
2	Fair value of investment property	The Company has no Investment property. Hence Not Applicable.
3	Revaluation of property, plant and Equipment	The Company has not revalued the property plant and equipment. Hence Not Applicable.
4	Revaluation of intangible assets	The Company has not revalued the Intangible Assets. Hence Not Applicable.
5	Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties	Nil
6	Capital work-in-progress (CWIP)	Nil
7	Intangible Assets under Development	Nil
8	Details of benami property held	The Company does not hold any Benami property.
9	Borrowings secured against current assets	Refer Note (ii) below.
10	Willful defaulter	The Company is not declared as wilful defaulter by any bank or financial institution or other lender. Hence Not Applicable.
11	Relationship with struck off companies	The Company has no transactions with any struck off company.
12	Registration of charges or satisfaction with Registrar of Companies (ROC)	There are no Charges which were not registered/satisfied with the Registrar of Companies (ROC).
13	Compliance with number of layers of Companies	The Company has no subsidiary, associate and joint venture. Hence not applicable.
14	Analytical Ratios	Refer Note (iii) below
15	Compliance with approved scheme (s) of Arrangement	No scheme of arrangements has been approved or pending for approval by the Competent Authority in terms of sections 230 to 237 of the Companies Act,2013.
16	Utilisation of borrowed funds and share Premium through intermediaries or for benefit of third party beneficiaries.	Refer Note (i) below.
17	Undisclosed income	Nil
18	Details of Crypto Currency or Virtual Currency	The Company has not traded or invested in crypto currency or virtual currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34. (D) Additional Regulatory Information Contd...

(i) Utilisation of borrowed funds and share Premium through intermediaries or for benefit of third party beneficiaries:

- a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, its subsidiary, associate to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company, its subsidiary, associate (Ultimate Beneficiaries).
- b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company, its subsidiary, associate, shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company, its subsidiary, associate (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) Borrowings secured against current assets

The Quarterly returns or statements of current assets filed by the Company with Banks are in agreement with the book of account.

For the year ended 31.03.2024

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-23	UCO Bank	Current Assets	6585.76	6585.76	-	-NA-
Sep-23	UCO Bank	Current Assets	5034.36	5034.36	-	-NA-
Dec-23	UCO Bank	Current Assets	5605.52	5605.52	-	-NA-
Mar-24	UCO Bank	Current Assets	5917.92	5917.92	-	-NA-

For the year ended 31.03.2023

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account*	Amount as reported in the quarterly return/ statement*	Amount of difference	Reason for material discrepancies
Jun-22	UCO Bank	Current Assets	5768.08	5768.08	-	-NA-
Sep-22	UCO Bank	Current Assets	5750.30	5750.30	-	-NA-
Dec-22	UCO Bank	Current Assets	7453.51	7453.51	-	-NA-
Mar-23	UCO Bank	Current Assets	6403.12	6403.12	-	-NA-

*The amounts are reported without deducting the provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34. (D) Additional Regulatory Information Contd...

(iii) Analytical Ratios

₹ in Lakhs

Sl. No.	Particulars	Year ended 31.03.2024		Year ended 31.03.2023		Explanation for the change in Ratios by more than 25% from previous year
(a)	Current ratio (times) <u>Current Assets</u> Current Liabilities	<u>6735.48</u> 1678.29	4.01	<u>7431.05</u> 3744.12	1.98	Continued profitable operations helped in reduction of working capital borrowings resulting in the reduction of current liabilities
(b)	Debt-equity ratio (times) <u>(Total Debt /</u> Shareholder's Equity <i>(Note : Debt includes current and non-current borrowings)</i>	<u>477.07</u> 8624.25	0.06	<u>2084.66</u> 7228.27	0.29	Continued profitable operations helped in reduction of working capital borrowings
(c)	Debt service coverage ratio (times) <u>Earnings available for debt service</u> Debt Service	<u>2023.72</u> 196.41	10.30	<u>2706.24</u> 314.76	8.60	
(d)	Return on equity ratio <u>Net Profits after taxes –</u> Preference Dividend Average Shareholder's Equity	<u>1715.87</u> 7926.26	21.65%	<u>2049.51</u> 6353.86	32.26%	Due to reduction in net profits during the year and increase in shareholders' equity
(e)	Inventory turnover ratio (times) <u>Cost of goods sold or sales</u> Average Inventory	<u>5426.33</u> 3708.03	1.46	<u>5937.57</u> 3539.89	1.68	
(f)	Trade receivables turnover ratio (times) <u>Net Credit Sales</u> Avg. Accounts Receivable	<u>7722.51</u> 2452.49	3.15	<u>9253.80</u> 2417.96	3.83	
(g)	Trade payables turnover ratio (times) <u>Net Credit Purchases</u> Average Trade Payables	<u>5768.45</u> 307.34	18.77	<u>5931.73</u> 341.89	17.35	
(h)	Net capital turnover ratio (times) <u>Net Sales</u> Working Capital	<u>7722.51</u> 5057.19	1.53	<u>9253.80</u> 3686.93	2.51	Reduction in sales during the year and increase in the working capital
(i)	Net profit ratio <u>Net Profit</u> Net Sales	<u>1715.87</u> 7722.51	22.22%	<u>2049.51</u> 9253.80	22.15%	
(j)	Return on capital employed <u>Earning before interest and taxes</u> Capital Employed	<u>2507.45</u> 9437.30	26.57%	<u>3063.52</u> 9631.59	31.81%	
(k)	Return on investment <u>Income from Investments</u> including fair value change Investments	<u>37.67</u> 300.02	12.56%	<u>36.82</u> 261.48	14.08%	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

34. (D) Additional Regulatory Information Contd...

(iv) CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in Lakhs

Sl. No.	Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	Disclosure with regard to CSR activities		
(i)	Gross amount required to be spent by the Company during the year	49.35	21.10
(ii)	amount of expenditure incurred	52.92	22.20
	(a) Construction/acquisition of any asset	38.83	-
	(b) On purposes other than (a) above	14.09	22.20
(iii)	shortfall at the end of the year	-	-
(iv)	total of previous years shortfall	-	-
(v)	reason for shortfall	NA	NA
(vi)	nature of CSR activities		
	Promoting Education	22.04	22.20
	Promoting health care	11.22	-
	Rural development activities	19.66	-
(vii)	details of related party transactions	Nil	Nil
(viii)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA
(ix)	Excess amount spent during the year and carried forward to next year	3.57	1.10

35 Impairment Assessment of PPE

Lead Acid Batteries Division operation continues to remain suspended. Based on valuation obtained from an Independent Chartered Engineer, impairment provision of ₹ 101.65 Lakhs was recognised during the year for PPE and impairment provision of ₹ 30.03 Lakhs was reversed during the year for inventories which are sold as scrap during the year and corresponding loss on sale of inventories is charged to Statement of Profit and Loss during the year.

₹ in Lakhs

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Impairment of PPE (other than land)	101.65	195.18
Impairment of inventories	(30.03)	19.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

36 Information on Related party transactions as required by Ind AS 24 - Related Party Disclosure for the year ended 31st March 2024

A. Related Party as per Companies Act, 2013

Name	Relationship
Time Square Investments Private Limited	As per Sec.2(76) of Companies Act, 2013
Seshasayee Paper and Boards Limited	As per Sec.2(76) of Companies Act, 2013

B. Entities where Directors have significant influence

Esvi International (Engineers & Exporters) Limited

C. Key Managerial Personnel

i.	Dr. G A Pathanjali	Managing Director
ii.	Mr. M Ignatius	Director (Operations)
iii.	Mr. R Swaminathan	Chief Financial Officer
iv	Board of Directors	
	Name	Designation
	Mr. N Gopalaratnam	Chairman
	Mr. A L Somayaji	Director
	Mr. R P Prem Kumar	Director
	Mr. M Natarajan	Director
	Mrs. Lalitha Lakshmanan	Director
	Dr. Vijayamohan K Pillai	Director
	Mr. N P Sinha	Director (Nominee of LIC)

D Transactions with related parties

₹ in Lakhs

Particulars	Esvi International (Engineers & Exporters) Limited		Seshasayee Paper and Boards Limited	
	Year ended 2023-24	Year ended 2022-23	Year ended 2023-24	Year ended 2022-23
Transaction Details				
Rent paid	5.40	5.40	-	-
Purchase of paper	-	-	0.88	0.83
Expenses reimbursed	-	-	1.09	1.12
Balance at the year end				
Rent Payable	-	-	-	-
Rental Deposit	3.00	3.00	-	-
Expenses payable	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

(a) Remuneration to Managing Director and Key Managerial Personnel :

₹ in Lakhs

Current Year 2023-24	Dr. G A Pathanjali	Mr. M Ignatius	Mr.R Swaminathan
Short term employee benefits	76.32	47.04	35.00
Post Employee benefits (Gratuity) & Long term benefits (Superannuation Fund)	5.40	-	-
Contribution to Provident Fund	4.32	-	-
Total	86.04	47.04	35.00

Previous Year 2022-23	Dr. G A Pathanjali	Mr. M Ignatius	Mr.R Swaminathan
Short term employee benefits	62.52	47.04	33.41
Post Employee benefits (Gratuity) & Long term benefits (Superannuation Fund)	3.60	-	-
Contribution to Provident Fund	2.88	-	0.18
Total	69.00	47.04	33.59

(b) Sitting Fees/Remuneration to Directors:

₹ in Lakhs

Particulars	Year ended 2023-24	Year ended 2022-23
Sitting fees	16.60	12.00
Remuneration to Non-Executive Directors	14.00	14.00
Total	30.60	26.00

37 Earnings per Share

₹ in Lakhs

Particulars	Year ended 2023-24	Year ended 2022-23
Profit after Tax	1715.87	2049.51
Weighted average no of Shares	8963840	8963840
Face value per share	₹ 2/-	₹ 2/-
Basic earnings per share (₹)	19.14	22.86
Diluted earnings per Share (₹)	19.14	22.86

Note : Earning Per Share (EPS) for previous year was recalculated, as per the new Face Value of ₹ 2/- per Share, consequent to the sub-division of Equity Shares during the year 2022-23.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

38 Disclosures relating to Provisions

₹ in Lakhs

Particulars	Provisions for Warranties		Provision for Liquidated Damages	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Opening Balance	82.50	165.00	118.93	-
Additions	-	-	-	118.93
Utilisation	-	-	-	-
Reversal	82.50	82.50	74.17	-
Closing Balance	-	82.50	44.76	118.93

39 Employee Benefits

(i) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 48.98 Lakhs (Year ended March 31, 2023 ₹ 44.20 Lakhs) for Provident Fund contributions and ₹ 5.40 Lakhs (Year ended March 31, 2023 ₹ 3.60 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans:

Gratuity (Funded)

In respect of Gratuity, Actuarial valuation of Plan Assets and the defined benefit obligation as on the reporting date carried out by an Actuary. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan and the benefit Scheme of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to the funds managed by the Life Insurance Corporation of India.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk:

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk:

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk:

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

₹ in Lakhs

Particulars	Post Employment Benefit - Funded plan	
	As at 31.03.2024	As at 31.03.2023
(i) Changes in Defined Benefit Obligation		
Present Value of Opening Balance	326.20	357.35
Current Service Cost	13.29	0.28
Interest Cost	22.20	21.39
Actuarial (Gain)/Loss	5.24	36.35
Benefits paid	(50.64)	(89.17)
Present Value - Closing Balance	316.28	326.20
(ii) Changes in the Fair Value of Plan Assets		
Opening Balance	347.93	293.15
Other adjustments	23.06	-
Expected Return	25.92	21.40
Actuarial (gain) / loss	(26.01)	(6.11)
Contributions by employer	11.00	128.66
Benefits paid	(50.65)	(89.17)
Closing Balance	331.25	347.93
(iii) Amounts recognised in the Balance Sheet (as at year end)		
Present Value of Obligations	316.28	326.20
Fair Value of Plan Assets	331.25	347.93
Net Asset / (Liability) recognised	14.97	21.73
(iv) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	13.29	15.31
Interest on obligation	(3.71)	(0.01)
Actuarial (Gain)/Loss recognised during the period	-	(15.03)
Total included in Employee benefit expense	9.58	0.27
(v) Expenses recognized in Other Comprehensive Income		
Remeasurement on the net defined benefit liability		
- Actuarial Gain and Losses arising from changes in demographic adjustment	-	-
- Actuarial Gain and Losses arising from changes in financial Assumption	(8.17)	(8.00)
- Actuarial Gain and Losses arising from changes in experience adjustment	13.41	44.35
Return on plan assets	(2.95)	(6.11)
Net cost in Other Comprehensive Income	8.19	42.46
Asset information		
- Insurer managed	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

Principal actuarial assumptions

Particulars	As at 31.03.2024	As at 31.03.2023
Mortality	Indian assured Lives Mortality (2012-2014)	
Discount rate (%)	6.97%	7.38%
Future Salary increase (%)	7%	8%
Expected Rate of return of plan assets (%)	7.38%	6.84%
Expected average remaining working lives of employees (years)	20.47	9.05
Expected contribution	10.00	10.00

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31.03.2024	31.03.2023
Discount Rate		
- 1% Increase	14.67	13.86
- 1% Decrease	(14.93)	(15.11)
Salary Growth Rate		
- 1% Increase	15.01	14.62
- 1% Decrease	(14.06)	(13.67)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 20.00 Lakhs (Previous year ₹ 10.00 Lakh).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

40 Segment Reporting

Factors used to identify Reporting Segments:

The company has the following reportable Operating segments, which are its reporting segments. These segments offer different types of batteries to different types of customers and are managed separately because they require different technology and production process. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker.

Reportable Segment	Products Offered
Aerospace, Naval and Power System Batteries	Silver-based and Nickel-based Batteries are manufactured in this segment, the customers in majority being the Defence Ministry of Indian Government.
Lead Acid Batteries	Batteries for commercial application are manufactured in this segment.

The measurement principles of segment are consistent with those used in Material Accounting Policy Information.

There is no Inter-Segment transfer.

₹ in Lakhs

Particulars	Year 2023-24			Year 2022-23		
	Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
A. Segment Revenue	7769.93	43.85	7813.78	9282.90	-	9282.90
B. Segment Results	2478.42	(167.38)	2311.04	3425.95	(337.19)	3088.76
C. Specified Amounts included in Segment Results						
(i) Depreciation	48.46	48.80	97.26	39.94	78.68	118.62
D. Reconciliation of Segment Result with Profit After Tax						
Segment Results	2698.92	(167.38)	2531.54	3425.95	(337.19)	3088.76
Add/(Less):						
Interest Income			12.08			8.28
Finance Cost			(196.41)			(314.76)
Dividend Received			3.12			1.31
Income Tax Expenses			(595.17)			(699.25)
Other Unallocable Expenses net of Unallocable Income			(39.29)			(34.83)
Total of Unallocable Items			(815.67)			(1039.25)
Profit after tax as per Statement of Profit and Loss			1715.87			2049.51

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024

₹ in Lakhs

Particulars	As on 31.03.2024			As on 31.03.2023		
	Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
E. Other Information						
Segment Assets	10293.65	300.77	10594.42	10867.97	450.93	11318.90
Unallocable Assets			236.00			132.84
Total Assets			10830.42			11451.74
Segment Liabilities	1721.94	1.00	1722.94	3748.58	0.06	3748.64
Unallocable Liabilities			336.68			353.16
Total Liabilities			2059.62			4101.80
Provision for impairment						
Inventories	16.75	-	16.75	8.19	19.98	28.17
Property, Plant and Equipment	-	101.65	101.65	-	195.18	195.18

F Revenue from External Customers:

Four customers contribute to more than 10% of the revenue of Aerospace, Naval and Power Systems Segment.

41 Authorisation for issue of Financials

The financial statements have been authorised for issue by the Board of Directors at the Board Meeting held on 4th May, 2024.

Vide our Report of even date
For **M/s. Maharaj N R Suresh and Co LLP**
Chartered Accountants
Firm Reg No: 001931S/S000020

N.GOPALARATNAM
Chairman

Dr.G.A.PATHANJALI
Managing Director

N.R. Suresh
Partner
M.No: 021661
UDIN : 24021661BKFNFU3369

Chennai
04-05-2024

M.IGNATIUS
Director (Operations)

LALITHA LAKSHMANAN
DR.VIJAYAMOCHANAN K PILLAI
N.P. SINHA

R.SWAMINATHAN
Chief Financial Officer

Cmde.SAROJ KUMAR PATEL
DR. R SUBRAHMANYA SIVAM

Directors

V.ANANTHA SUBRAMANIAN
Secretary

Financial Highlights – Ten Years at a Glance

(₹ in Lakhs)

(Except number of shares & EPS)

For the Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total Income	3281.88	2294.71	4817.86	5983.13	4675.03	6166.02	7795.41	7973.16	9356.02	8163.18
Total Expenditure	3580.24	2927.36	4154.17	4801.19	3942.26	4602.60	4771.67	5007.72	6173.88	5558.47
PBITD	(298.36)	(632.65)	663.69	1181.94	732.77	1563.42	3023.74	2965.44	3182.14	2604.71
Finance Cost	616.91	547.85	417.40	590.27	552.58	566.35	512.49	378.09	314.76	196.41
Depreciation	153.69	122.23	132.01	128.64	123.63	115.98	112.43	113.45	118.62	97.26
Profit before exceptional items	(1068.96)	(1302.74)	114.28	463.03	56.56	881.09	2398.82	2473.90	2748.76	2311.04
Exceptional items	639.69	242.59	-	-	-	-	-	-	-	-
PBT	(429.27)	(1060.15)	114.28	463.03	56.56	881.09	2398.82	2473.90	2748.76	2311.04
Tax	(148.13)	(403.85)	(200.32)	134.57	12.93	320.90	565.89	678.92	699.25	595.17
PAT	(281.14)	(687.98)	(86.05)	328.46	43.63	560.19	1832.93	1794.98	2049.51	1715.87
Other Comprehensive Income	-	-	52.90	12.69	(7.04)	(46.49)	(14.99)	(150.44)	(1.70)	20.55
Total Comprehensive Income	-	-	(33.15)	341.16	36.59	513.70	1817.94	1644.54	2047.81	1736.42
EPS (₹)	(15.68)	(38.38)	(4.80)	18.32	2.43	31.25	102.24	100.12	*22.86	*19.14
Cash EPS (₹)	(7.11)	(31.56)	5.51	25.50	9.33	37.72	108.51	106.45	*24.19	*20.23
Dividend %	-	-	-	-	-	-	150	150	175	150
As at year end										
Gross Block	3591.81	3596.08	5572.15	5601.24	5617.39	5663.12	5742.24	5779.37	6829.76	6965.66
Net Block	1655.12	1537.16	3381.23	3281.67	3174.20	3103.95	3073.76	3013.10	3775.38	3770.84
Loan Funds	3719.48	2775.20	2704.95	2592.14	2858.01	2198.68	2790.68	2452.65	2084.66	477.07
Net Worth	915.03	227.06	1484.23	1825.39	1861.98	2375.68	4193.63	5569.25	7348.14	8770.80
No of Outstanding shares	1792768	1792768	1792768	1792768	1792768	1792768	1792768	1792768	*8963840	*8963840
Book Value per Share	51.04	12.67	14.56	101.82	103.86	132.51	233.92	310.65	* 81.68	* 97.85

* Based on the Sub Division of shares with face value of ₹ 10/- each fully paid up into Five equity shares of Face value of ₹ 2/- each fully paid up.



INTEGRATED SOLAR WITH VANADIUM BATTERY (VRFB) FOR EV – 2W CHARGING

