



# HIGH ENERGY BATTERIES (INDIA) LIMITED

SERVING THE NATION  
HEB  
SINCE 1979

(ISO 9001 : 2008 & ISO 14001 : 2004 Company) CIN L36999TN1961PLC004606

Registered Office :  
Esvin House,  
P.B. No.5068, Perungudi,  
Chennai - 600 096.  
India  
June 6, 2022

Ref: SECY/2022 - 23/030

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

Scrip Code: 504176

Dear Sirs,

**Sub: Submission of Notice of the 61<sup>st</sup> Annual General Meeting and Annual Report for the FY 2021 - 2022 – Reg**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Notice of the 61<sup>st</sup> Annual General Meeting (AGM) and the Annual Report of the Company for the FY 2021 – 2022.

The 61<sup>st</sup> Annual General Meeting (AGM) of the Company is scheduled to be held on Wednesday, the 29<sup>th</sup> June, 2022 at 11.00 A.M. at New Woodlands Hotel Pvt Ltd., 72-75, Dr Radhakrishnan Road, Mylapore, Chennai 600 004 with additional facility for stakeholders to participate through Video Conference (VC) / Other Audio Visual Means (OAVM). The Notice of AGM along with the Annual Report for the FY 2021 – 2022 will also be available on the Company's Website [www.highenergy.co.in](http://www.highenergy.co.in)

The cut-off date for e-voting is fixed on Wednesday, the 22<sup>nd</sup> June 2022 and the Remote e-Voting commences on Saturday, the 25<sup>th</sup> June 2022 (9.00 A.M.) and ends on Tuesday, the 28<sup>th</sup> June 2022 (5.00 P.M.).

Kindly note that soft copies of the Notice and Annual Report of the Company for the FY 2021 – 2022 are being dispatched by email only to all Members of the Company, whose email addresses are registered with the Company / RTA/ Depositories.

Please take the above on record.

Thanking you,

Yours faithfully,

For HIGH ENERGY BATTERIES (INDIA) LIMITED,

  
(S V RAJU)  
Company Secretary

Encl: as above

Phone : 91-44-24960335, 39279319 Fax: 91-44-24961785, E-mail: hebcnn@md4.vsnl.net.in

Works : Pakkudi Road, Mathur 622 515, Pudukottai District. Phone: 91-431- 2660 323, 2660 324 Fax: 91-4339-250 516 E-mail: info@highenergyltd.com

Accounts Office : Pakkudi Road, Mathur 622 515, Near Trichirappalli, India

Delhi Office : No. B-213, IInd Floor, Phase - 1, Naraina Industrial Area, New Delhi - 110 028. Phone : 91-11-25792559 Fax : 91-11-25792560

LAB / Unit : IV High Energy Batteries (India) Ltd., (Lead Acid Battery Plant) SFNo. 22-24, Rasipuram Road, Mathur - 622 515, Pudukottai Dist. Phone 91-431-2905554, 2905559

Website : [www.highenergyltd.com](http://www.highenergyltd.com)

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



**Sixty first Annual Report**

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**2021-2022**



**Champion Award - Import Substitution**



**Directors**

Mr.N.Gopalaratnam (Chairman)  
Dr. G. A. Pathanjali (Managing Director)  
Mr. M.Ignatius, Director(Operations)  
Mr. A. L. Somayaji  
Cmde. R.P. Prem Kumar, VSM (Retd.)  
Mr. M. Natarajan  
Mrs. Lalitha Lakshmanan  
Dr. Vijayamohanana K Pillai  
Mr. H Nanda (Nominee of LIC)

**Audit Committee**

Mr. A. L. Somayaji (Chairman)  
Cmde. R. P. Prem Kumar  
Mr. M. Natarajan  
Mrs. Lalitha Lakshmanan

**Nomination and Remuneration Committee**

Mr. A. L. Somayaji (Chairman)  
Cmde. R. P. Prem Kumar  
Mrs. Lalitha Lakshmanan

**Stakeholders Relationship Committee**

Mr. N. Gopalaratnam (Chairman)  
Dr. G. A. Pathanjali  
Mrs. Lalitha Lakshmanan

**Secretary**

Mr. S. V. Raju

**Chief Financial Officer**

Mr. R. Swaminathan

**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. B.K. Sundaram & Associates  
Practicing Company Secretaries  
30, Pandamangalam Agraharam,  
Woriur, Trichy – 620 003

**Banks**

UCO Bank  
Punjab National Bank

**Registered Office**

“Esvin House”,  
13, Old Mahabalipuram Road,  
Perungudi, Chennai – 600 096  
Phone: 91-44-24960335 / 43063545  
Email: hebcnn@highenergy.co.in  
Web: www.highenergy.co.in

**Email ID for Investor Grievance**

investor@highenergyltd.com

**Corporate Identity Number**

L36999TN1961PLC004606

**Plant**

Pakkudi Road, Mathur - 622 515  
Pudukkottai District  
Phone: 0431- 2660323/ 2660324  
04339 - 250444  
Email: info@highenergyltd.com

**Registrar & Transfer Agent**

M/s. Cameo Corporate Services Ltd  
“Subramanian Building”, 5<sup>th</sup> 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 / 43063545 Fax : 044 -24961785,

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

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the **61<sup>st</sup> Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held on Wednesday, the 29<sup>th</sup> June, 2022 at 11.00 A.M. at New Woodlands Hotel Pvt. Ltd., 72-75, Dr.Radhakrishnan Road, Mylapore, Chennai 600 004 with additional facility for stakeholders to participate through Video Conference(VC) or 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 for the year ended 31<sup>st</sup> March, 2022 and 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 a dividend of ₹ 15/- (Rupees Fifteen only) per Equity Share of the face value of ₹ 10/- (Rupees Ten only) be and is hereby declared for the Financial year 2021-2022."

**3. Reappointment of retiring Director**

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

"RESOLVED that Mr N Gopalaratnam (DIN: 00001945), who retires by rotation, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation".

**4. Appointment of Statutory Auditor**

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

"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the Company do hereby appoint M/s. Maharaj NRSureshAnd Co LLP, Chartered Accountants, Chennai (bearing LLP No.AAT9404, Firm Registration No. 001931S / S000020) as Statutory Auditors of the Company, for a second term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 66<sup>th</sup> Annual General Meeting of the Company, on such remuneration fixed by the Board of Directors of the Company on the recommendation of Audit Committee from time to time".

**SPECIAL BUSINESS**

**5. Reappointment of Mr M Ignatius as Whole Time Director**

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

"RESOLVED THAT pursuant to Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Act and pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval be and is hereby accorded for the re-appointment of Mr. M Ignatius (DIN: 08463140) as Whole time Director designated as Director (Operations) of the Company for a period of 3 years with effect



**NOTICE TO THE SHAREHOLDERS**

from 1<sup>st</sup> April 2022, (viz., from 01.04.2022 to 31.03.2025) whose office is liable to retire by rotation, under the Articles of Association of the Company, on the terms and conditions of appointment and remuneration as set out below and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration in accordance with the provisions of the Companies Act, 2013, as amended from time to time”.

**TERMS AND CONDITIONS**

1	Period	From 01.04.2022 to 31.03.2025
2	Salary	₹ 1,75,000 /- (Rupees One Lakh Seventy Five Thousand only) per month.
3	Commission	Equivalent to 1% of the net profits of the Company subject to a ceiling of an amount equal to the annual salary.
4	Perquisites	Perquisites will be in addition to salary and commission and shall be restricted to an amount equal to the annual salary.
	a) House Rent Allowance	₹ 25,000/- (Rupees Twenty Five Thousand only) per month.
	b) Medical Allowances	₹ 17,000/- (Rupees Seventeen Thousand only) per month.
	c) Personal Accident Insurance	Personal Accident Insurance of an amount, the annual premium of which does not exceed ₹ 5,000/- (Rupees Five thousand only) per annum.
	d) Leave	As per the Rules of the Company.
	e) Use of car	Car for use on Company's business will not be considered as perquisites.

**6. Adoption of Articles of Association (AOA) of the Company.**

To adopt new Articles of Association (AOA) of the company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass the following resolution as a **Special Resolution**.

“RESOLVED that pursuant to Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the total exclusion of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER that the Board of Directors of the company be and are hereby authorized to take all such actions or steps as may be necessary, desirable or expedient and do all such necessary acts, deeds and things that may be incidental or relevant to give effect to this resolution”.

**7. Alteration of Main Object Clause of Memorandum of Association (MOA) of the Company**

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

“RESOLVED THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to the approval of the concerned Registrar of Companies and consents as may be required from the



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appropriate authorities, the consent of the Members of the company be and is hereby accorded to append the following new clauses, after the existing clauses of the MOA of the company:

- 1) To carry on business of manufacturer and dealers in chemicals and chemical products of any nature and kind whatsoever and as wholesale and retail chemists and druggists, analytical chemists, dry salters, oil and colour men, importers, exporters and manufacturers of and dealers in heavy chemicals, alkalis, acids, drugs, tannins, essences, pharmaceutical, photographic, sizing, medical, chemical, industrial and other waters, cements, oils, paints, pigments and varnishes, compounds, drug, dyestuff organic or mineral intermediates, paints and colour grinders, makers of and dealers in proprietary articles of all kinds, and of electrical, chemical, photographic, surgical and scientific apparatus and materials.
- 2) To purchase, sell, and generally deal in chemicals and chemical compounds (both organic and inorganic), dyes and dyestuff, acids, basic and bulk drugs, formulations and allied products and act as importers, transporters, indentors, distributors, stockist agents, subagents, consignors, brokers, packers and movers or otherwise.
- 3) To carry on business as manufacturers, processors, chemical engineers, analytical and consulting chemists of chemicals of all mentioned in clause 2 above.
- 4) To carry on the trades or businesses of manufacturers of and dealers in explosives, ammunition, fireworks and other explosive products and accessories of all kinds and of whatsoever composition and whether for military, sporting, mining or industrial purposes or for pyrotechnical display or for any other purpose as permitted under applicable laws, for time being in force.
- 5) To carry on the business of manufacturers of every sort of missile, arms and weapons for warlike, sporting or other purposes as permitted under the applicable laws, for the time being in force.
- 6) To carry on the business of energy generation, transmission, distribution, power trading based on conventional and non-conventional energy sources such as coal, biofuel, gas based, thermal, hydroelectric, nuclear, wind, solar and tidal power including manufacturing, trading, export and import of power related equipment, spares and automated and non-automated systems.
- 7) To generate, distribute and / or supply power subject to such statutory regulations and are relevant for the said purposes and activities through coal, biofuel, gas and wind energy system, thermal energy, solar energy, hydroelectric power, Tidal wave energy, Municipal waste or any other mode.
- 8) To establish mechanical shops, install machinery for components manufacture, fabrication units and allied facilities for the purpose of in-house design and development and towards manufacture cum supply.
- 9) To establish a facility for manufacturing Precision components using high precision machines and tooling, establishing the needed tool-room, precision instruments, measurement and Calibration Lab.



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- 10) To establish laboratories for the purpose of testing of products involving Mechanical, Electrical, Electronics, Dynamic and climatic requirements and establish Chemical Testing facility including advanced instrumentation for analysis and make available the same for any external (third party) testing, analysis and measurement needs and for any other activity ancillary to the business.
- 11) To undertake the business of providing consultancy to and / or construction of, projects and other industrial units.
- 12) To establish the needed facility, machinery and process set-up for carrying out in-house activities as well as allied areas involving any existing branch of Science and Engineering, newer areas and upcoming fields and to undertake orders from external agencies, as a business proposal. Facility will include safe handling, processing, storage and up to disposal of scrap/waste, as required.
- 13) To carry on the business of packaging products/ industries, transportation, handling and storage.
- 14) To carry on the business in Hydrogen related areas, including its generation, handling, transportation and storage.
- 15) To carry on the business of Hydrogen as fuel source, produced and used in various applications towards Hydrogen economy.
- 16) To pursue all Hydrogen related activities, pertaining to all types of batteries , fuel cells, flow batteries, metal ion- based, metal-air based and the related electro chemical cells, batteries and systems.
- 17) To pursue activities that fall under the broad category of energy - related and or/ power - related systems, components, accessories and services.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all the requisite, incidental,

consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required to give effect to this resolution”.

**8. Subdivision of existing Equity Share of face value of ₹ 10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up.**

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

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, subject to such approvals and consents as may be required from appropriate authorities, the consent of the Members of the Company be and is hereby accorded for sub-division of Equity Share of face value of ₹ 10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up;

RESOLVED FURTHER THAT pursuant to the sub-division of Equity Shares of the Company, each of the authorized, issued, subscribed and paid up Equity Shares of the Company, of face value ₹ 10/- (Rupees Ten only) each existing on the record date, to be fixed by the Company, shall stand sub-divided into five Equity Shares of face value of ₹ 2/- (Rupees Two only) each fully paid up;

RESOLVED FURTHER THAT pursuant to the sub-division of the face value of Equity Shares as mentioned above, the share certificate(s) in relation to the existing issued Equity Shares of the face value of ₹ 10/- each, held in physical form shall be deemed to have been



**NOTICE TO THE SHAREHOLDERS**

automatically cancelled with effect from the record date to be fixed by the Board, and the Board be and is hereby authorized, without requiring to surrender the existing issued share certificate(s) by the Members, to issue new share certificate(s) in lieu of the existing share certificate(s), with regard to the sub-divided shares, and in case of the Equity Shares held in the dematerialized form, the number of sub-divided equity shares be credited proportionately to the respective beneficiary accounts of the Members with the Depository Participants, in lieu of the existing credits in their beneficiary accounts representing the Equity Shares of the Company before sub-division;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be required to obtain approvals in relation to the above mentioned Resolutions and do such further acts, deeds or things as may be required to give effect to sub-division of Equity Shares of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to:

- a) execute and file necessary applications, declarations and other documents with Stock Exchanges, Depositories, Registrar and Transfer Agents and/or any other statutory authority(ies), if any,
- b) settle any question or difficulty that may arise with regards to sub-division of the shares as aforesaid or on any matters connected therewith or incidental thereto; and
- c) do all such acts, deeds, things, including all other matters incidental thereto in order to implement the foregoing resolution”.

**9. Alteration of Capital Clause V of Memorandum of Association (MOA) of the Company**

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

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) existing Clause V of the Memorandum of Association (MOA) of the Company be and is hereby substituted with the following:

V The Authorised Share Capital of the Company is ₹ 7,50,00,000/- (Rupees Seven crore Fifty lakhs only) divided into 3,75,00,000 Equity Shares of ₹ 2/- (Rupees two only) each. The Company has the power to increase or reduce its capital from time to time subject to the provisions of Companies Act, 2013 and to issue any shares as Equity Shares and to attach to any class or classes of such shares, any rights, privileges, or priorities in payment of dividends or distribution of assets or otherwise over any other shares or to subject the same to any restrictions, limitations or conditions and to vary the class of shares and/or Regulations of the Company as far as may be deemed necessary to give effect to the same and upon the sub-division of any shares to apportion the right to participate in profits in any manner;

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto”.

(By order of the Board)

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

**S.V. RAJU**  
Secretary

Chennai  
7<sup>th</sup> May 2022

**NOTICE TO THE SHAREHOLDERS**

**NOTES:**

**1. AGM through Hybrid mode**

Ministry of Corporate Affairs (“MCA”) vide its recent circular (General Circular 02/2022) dated 05.05.2022 and the Securities and Exchange Board of India (“SEBI”) vide its circulars have allowed companies to hold their Annual General Meeting (“AGM”) through Video Conference (“VC”) or Other Audio Visual Means (“OAVM”) until December 2022.

However for the benefit of shareholders and for wider participation, the 61<sup>st</sup> AGM of the Company will be held in physical mode at the AGM venue (conforming to Covid-19 protocols) with additional facility for stakeholders to participate through Video Conference (VC) / Other Audio Visual Means (OAVM).

**2. Quorum / Proxy form / Authorisation**

**A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a member of the company.**

Appointment of proxies either for attending the meeting or for voting will not be applicable for shareholders participating through VC / OAVM.

Proxies in order to be effective, must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting.

The presence of shareholders at the venue or through VC / OAVM will be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013.

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

**3. Particulars of Directors**

Particulars of Directors seeking re-appointment pursuant to Regulation 36(3) of the Listing Regulations are given in **Appendix-A** that forms part of this Notice.

**4. Explanatory Statement / Special Business**

Statement pursuant to Section 102(1) of the Act in respect of the Special Business and Regulation 17(1A) of the Listing Regulations in respect of Special Resolutions to be transacted at the meeting is annexed hereto.

**5. Book Closure**

The Register of Members and the Share Transfer books of the Company will remain closed from Friday, 17<sup>th</sup> June, 2022 to Wednesday, 29<sup>th</sup> June, 2022 (both days inclusive).

**6. Dividend**

Dividend on declaration will be paid on Tuesday, the 5<sup>th</sup> July, 2022 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.

**7. Mailing of AGM Notice & Annual Report**

In compliance with MCA / SEBI circulars, the Notice of 61<sup>st</sup> AGM and the Annual Report for the FY 2021 - 2022 are being sent only by electronic mode to shareholders whose email address is registered either with the Company / Registrar & Transfer Agent (RTA)/ Depository Participants (DPs). However, the physical copy of the Annual Report shall be made available upon the request from the Member(s) from case to case basis.

In deference to Regulation 44 (4) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 [LODR] proxy form in Form no MGT-11 have been despatched to the shareholders whose email ids are not registered.

## NOTICE TO THE SHAREHOLDERS

The AGM Notice and Annual Report are available on the website of the Company [www.highenergy.co.in](http://www.highenergy.co.in) and on the website of the Stock Exchange i.e. BSE Ltd [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility and e-Voting System during the AGM) [www.evotingindia.com](http://www.evotingindia.com).

### **8. 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, send an email to our RTA – M/s. Cameo Corporate Services Limited at [investor@cameoindia.com](mailto: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 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 17<sup>th</sup> June 2022 to receive the Annual Report for the FY 2021 – 2022 through email.
- Any person who becomes a shareholder of the company after despatch of the AGM Notice and holding shares as on the cut-off date may obtain the user Id and password in the manner provided in the AGM Notice.

### **9. Attending AGM through VC /OAVM**

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

### **10. Members identification**

Members holding their shares in Demat form are requested to bring in their DP ID Number (Client ID Number) for ease of identification and recording of attendance at the meeting.

Members are requested to bring the attendance slips duly filled to the AGM and the identity proof to be produced, if and when required.

### **11. Inspection of documents**

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 by the members during normal business hours on any working day of the company.

### **12. Gifts**

No gifts, gift coupons or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in terms of Clause 14 of Secretarial Standard (SS-2) pertaining to distribution of Gifts at Annual General Meeting.

### **13. Route Map**

Route Map showing the location of and directions to reach the venue of the 61<sup>st</sup> AGM is attached pursuant to Secretarial Standard 2 on General Meetings.

### **Procedure for participation in the 61<sup>st</sup> AGM through VC / OAVM**

1. The Company has engaged CDSL to provide VC/OAVM facility as an additional option for its shareholders to participate in the AGM.
2. Shareholders will be able to attend the AGM in this mode by using their e-Voting login credentials.

**NOTICE TO THE SHAREHOLDERS**

3. Facility to join the meeting will open 30 minutes before the scheduled time of the AGM and will be kept open throughout the proceedings of the AGM.
4. Shareholders desiring to express their views/ ask questions during the meeting either in person or through VC /OAVM may register themselves as a speaker. Request for this may be mailed to hebcnn@highenergy.co.in on or before Friday, 24<sup>th</sup> June 2022 (5.00 PM).
5. Only those shareholders who have registered themselves as a speaker will be allowed to speak or ask questions at the 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 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 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. Help Centre**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b> or in <b>physical mode</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no: 1800 1020 990 and 1800 22 44 30

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022- 23058542/43

**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 members the facility to exercise their right to vote at the 61<sup>st</sup> 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 member 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 Saturday, the 25<sup>th</sup> June 2022 (9.00 A.M.) and ends on Tuesday, the 28<sup>th</sup> June, 2022 (5.00 P.M.). During



**NOTICE TO THE SHAREHOLDERS**

this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, the 22<sup>nd</sup> June 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

1. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 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.
2. 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).
3. Pursuant to said SEBI Circular, Login for e-Voting and joining virtual meetings for shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method.
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Shareholders (user) who have opted for CDSL's 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 URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a>. Then click on Login icon and select New System Myeasi.</li> <li>2) After successful login, the user will see the e-Voting Menu. On clicking the e-voting menu, he/ she will see the holdings along with links of the respective e-Voting service provider which is CDSL in our case. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>



**NOTICE TO THE SHAREHOLDERS**

<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility –</p> <ul style="list-style-type: none"> <li>(a) Please visit the e-Services website of NSDL <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>(b) 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.</li> <li>(c) Enter your User ID and Password.</li> <li>(d) After successful authentication, you will see e-Voting services.</li> <li>(e) Click on “Access to e-Voting” under e-Voting services and you will see e-Voting page.</li> <li>(f) Click on company name or e-Voting service provider name.</li> <li>(g) 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 &amp; voting during the meeting.</li> </ul> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Alternatively, the user can directly visit the e-Voting website of NSDL <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>. (a) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. (b) A new screen will open. Enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. (c) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (d) 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 and e-voting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>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, wherein 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 &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**NOTICE TO THE SHAREHOLDERS**

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/RTA/DEPOSITORIES.**

1. For Physical shareholders- send an email to our RTA – M/s. Cameo Corporate Services Ltd at investor@cameoindia.com mentioning the Name of Member(s), Folio number along with the self-attested copy of PAN card. Shareholders are advised to send the above documents to the RTA before the book closure date ie. Friday, the 17<sup>th</sup> June 2022.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) 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.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) 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.

- 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  * 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 <b>OR</b> 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.  * 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.

7. After entering these details appropriately, click on “SUBMIT” tab.
8. 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



**NOTICE TO THE SHAREHOLDERS**

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.

9. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Select EVSN (Electronic Voting Sequence Number) **220524001** of High Energy Batteries (India) Limited.
11. 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.
12. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
13. 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.
14. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
16. 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.

**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](http://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](mailto: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](mailto: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 favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. 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 [hebcnn@highenergy.co.in](mailto:hebcnn@highenergy.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## NOTICE TO THE SHAREHOLDERS

### Voting at AGM

1. The Company also offers the facility to the Shareholders for voting at AGM through two options i) Physical Ballot (Polling) paper, for shareholders present in person at AGM ii) e-Voting system facility for shareholders participating the AGM through VC/OAVM.
2. Shareholders who could not vote through remote e-voting may avail the above voting options provided at the AGM by CDSL.
3. 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 system facility.
4. 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 AGM.
5. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting in person (or) through VC/OAVM. However, they will not be eligible to vote at the AGM.

### GENERAL INSTRUCTIONS

1. The cut-off date for the purpose of e-voting has been fixed as Wednesday, the 22<sup>nd</sup> June 2022. 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 61<sup>st</sup> Annual Report for 2021 - 2022 to their registered email address as and when they become shareholders.
3. Voting rights of shareholders shall be in proportion to their shareholding in the

company as on the cut-off date of Wednesday, the 22<sup>nd</sup> June 2022.

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 AGM:
  - (i) First count the votes cast at the meeting through polling paper.
  - (ii) Then unblock the votes cast through Remote e-Voting / e-Voting at the AGM.
  - (iii) Both the above will be done in the presence of two witnesses not in the employment of the company.
  - (iv) Make a consolidated Scrutinizer's report (integrating the votes cast at the meeting and through Remote e-Voting) of the total votes cast in favour or against, if any, and submit to the Chairman.
  - (v) The Scrutinizer's report as above would be made soon after the conclusion of AGM and in any event not later than three days from the conclusion of the meeting.

### 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.
- (ii) The results declared along with the scrutinizer's report will be placed on the company's website [www.highenergy.co.in](http://www.highenergy.co.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared and also communicated to BSE.



**NOTICE TO THE SHAREHOLDERS**

(iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 3: Reappointment of retiring Director**

Mr N Gopalaratnam [DIN:00001945], aged 75 years, 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 1<sup>st</sup> 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 despite attaining the age of 75 years. The Board accordingly recommends his re-appointment by special resolution for the consideration of shareholders. 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 3 of the Notice for approval of the Members of the Company.

**Item No. 5 : Reappointment of Mr M Ignatius as Whole time Director**

The Board of Directors of the Company at the Board Meeting held on 26<sup>th</sup> March, 2022 have reappointed Mr. M Ignatius as Whole time Director designated as Director (Operations) of the Company with effect from 1<sup>st</sup> April, 2022 (viz. from 01.04.2022 to 31.03.2025) whose office is liable to retire by rotation. The Board approved the remuneration package on the recommendation of the Nomination and Remuneration Committee, subject to the approval of Members.

Mr M Ignatius, aged 61, is an Electrical Engineer having served our Company for more than 3 decades and is involved in the development and supply of batteries to DRDO, Defence and Space Quality requirements. He was fully involved in recent development of High Power Silver Zinc batteries for the future Torpedo Program and its Qualification, to meet the requirements of NSTL for under water defence applications.

During his tenure as Director (Operations) a number of developments in silver zinc batteries were completed. The Company is looking to strengthen and continue the level of production and operations, for improving the turnover cum profits. Also some new projects are being pursued, towards diversification and the Company is discussing many options wherein his involvement will be necessary. Accordingly, it is proposed to re-appoint Mr M Ignatius as Director(Operations) of the Company for a further period of three years with effect from 01.04.2022 to 31.03.2025.

Mr. M Ignatius is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

**NOTICE TO THE SHAREHOLDERS**

Mr. M Ignatius does not hold by himself or for any other person on beneficial basis, any shares in the Company. He is neither a director nor a member in any other Company registered in India.

The terms and conditions would be made available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day of the Company.

Mr. M Ignatius is not related to any Director of the Company. None of the other Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in this item of business.

The Board accordingly recommends the Ordinary Resolution set out in Item 5 of the Notice for approval of the Members of the Company.

**Item No. 6 : Adoption of Articles of Association (AOA) of the Company**

Our Company was incorporated on 25<sup>th</sup> September, 1961 as Simco Meters Ltd. It adopted the Articles of Association signed by the subscribers to the Memorandum on 14<sup>th</sup> September, 1961 with the provisions contained in the Companies Act, 1956 as well as Table-A of the First Schedule thereto. Its Articles of Association is comprehensive and provisions of said Table A would apply to the extent they are not inconsistent with the provisions contained in Articles of Association. The Company was awarded a fresh certificate of incorporation consequent on the change of name as High Energy Batteries (India) Limited on 12th September, 1983 and the Company has adopted the same Articles of Association till date.

The Company Law has since undergone a major change with the Companies Act, 2013 has come into force from 1<sup>st</sup> April, 2014. Table-F of Schedule-I

contains a model Articles of Association that may be followed by a company limited by shares. It is optional for a company to adopt the said Table-F either in totality or otherwise.

It is not mandatory for a Company to change its AOA pursuant to the new law. In case of a company registered under any provisions of the Company Law, the new provisions relating to AOA would not apply unless it chooses to amend its Articles under the new Act.

Since our Articles contain several clauses that bear reference to the old Company Law and outdated usages like Managing Agency System etc, it is but desirable and appropriate consequent upon the total substitution of Companies Act, 1956. Hence, we want to adopt a new set of Articles and substitute the old Articles of Association with a new set of Articles of Association.

It is hence proposed to totally replace the existing AOA with a new set of regulations based on the said Table-F. The proposed AOA is comprehensive and the provisions of the said Table-F would apply only to the extent specifically incorporated therein. Its draft is uploaded on the Company's website [www.highenergy.co.in](http://www.highenergy.co.in) for access and perusal by members. Copy of the new draft of AOA is also available for inspection by the members at the Registered office of the company during normal business hours on any working day of the Company.

No 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 at Item 6 of the Notice for approval of the Members of the Company.

**Item No. 7: Alteration of Main Object Clause**

**NOTICE TO THE SHAREHOLDERS**

**of Memorandum of Association (MOA) of the Company**

The Company was incorporated on 25<sup>th</sup> September, 1961 as Simco Meters Limited. It adopted the Memorandum of Association signed by the subscribers to the Memorandum on 14<sup>th</sup> September, 1961.

The Company was incorporated for manufacture of single phase and poly phase meters for measuring and recording the consumption of electricity in collaboration with Denis Ferranti Meters Company Limited, United Kingdom. In 1979, the Company wanted to diversify to manufacture all kinds of batteries including high energy batteries such as Silver Oxide Zinc batteries, Nickel Cadmium batteries etc, to serve the Defence, Airforce and Navy. The meter unit was hived off in 1983 and the Company was renamed as High Energy Batteries (India) Limited. The Company developed many high tech batteries for Navy and DRDO.

With the introduction of several technologies in the battery fields, and with the advent of new technologies, the Company could look for opportunities to diversify in other field like power generation, precision and pressed components, establishment of tool room and also national accredited testing laboratories. Since our Memorandum of Association was adopted in 1961, suitable amendments are to be made in the object clause to facilitate the Company to go for diversification in various fields.

This calls for the need to amend the Memorandum of Association of the Company under Section 13 of the Companies Act, 2013 and it requires the special resolution to be passed by the shareholders. The amendment will be included in the MOA after the approval of Registrar of Companies.

No 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 at Item 7 of the Notice for approval of the Members of the Company.

**Item No. 8 & 9: Sub-division of Equity Shares of the Company and Alteration of Capital Clause V of Memorandum of Association (MOA) of the Company**

Since the operations of the Company is growing and it is expected to grow significantly in the coming years, this has generated considerable interest in the Company's equity shares in the market. The market price of the shares has increased manifold. In order to improve the liquidity in the Company's Equity Shares and to make the shares more affordable for the investors, it is proposed to sub-divide each equity share having a face value of ₹ 10 /- fully paid up into five equity shares of the face value of ₹ 2/- each. This requires alteration of capital clause in the MOA and also requires approval by the members and by the Registrar of Companies. The Board shall determine the Record Date for sub division of equity shares at a later date.

Sub-division of shares requires the amendment to existing Clause V of the MOA. Presently, the authorized share capital is ₹ 7,50,00,000 (Rupees Seven Crore Fifty Lakhs only) consisting of 75,00,000 of equity shares of ₹ 10 /- each which shall be altered into 3,75,00,000 equity shares of ₹ 2 /- each.

The above mentioned sub-division of shares will not create any change in the voting percentage of shareholders. It is to be noted that, since the Company placed resolution for amendment of



**NOTICE TO THE SHAREHOLDERS**

AOA there is no need to change the Articles to effect the amendment of share capital (ie. after sub-division).

The Memorandum of Association (MOA), Articles of Association (AOA) and other relevant documents are available for inspection by the Members at the Registered Office of the company during normal business hours on any working day of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolutions except to the extent of their shareholding in their Company.

The Board accordingly recommends the Ordinary Resolution set out at Items 8 & 9 of the Notice for approval of the Members of the Company.

(By order of the Board)

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

**S.V. RAJU**  
Secretary

Chennai  
7<sup>th</sup> May 2022

**APPENDIX - A**

**Details of Directors seeking reappointment at the 61st Annual General Meeting**

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	Mr N Gopalaratnam
Director Identification Number (DIN)	00001945
Date of Birth	15.04.1947
Nationality	Indian
Date of Initial Appointment	06.06.1991
Qualification	B.Sc.,(Physics), B.E.(MechEngg)
Experience (including Expertise in specific functional areas)	Long and Varied experience in Management of Projects, Operations and overall management of diverse industries engaged in Pulp, Paper, Sugar and Batteries.
Terms and conditions of reappointment	Proposed to be re-appointed as Non Executive Director, liable to retire by rotation
Details of shares held in company	10200 Equity Shares
Directorship in other listed companies	Chairman 1. M/s. Seshasayee Paper and Boards Limited 2. M/s. Ponni Sugars (Erode)Limited
Committee position held in other listed companies	Chairman 1. CSR Committee, M/s. Seshasayee Paper and Boards Limited 2. Stakeholders Relationship Committee and CSR Committee, M/s. Ponni Sugars (Erode)Limited
	Member 1. Audit Committee & Stakeholders Relationship Committee, M/s. Seshasayee Paper and Boards Limited 2. Nomination and Remuneration Committee, M/s.Ponni Sugars (Erode)Limited
No.of Board Meetings attended during the Financial Year	Held : 5
	Attended : 5
Relationship with other Directors, Manager and key Managerial Personnel	Nil



**APPENDIX - A**

Name of the Director	Mr M Ignatius
Director Identification Number (DIN)	08463140
Date of Birth	15.05.1960
Nationality	Indian
Date of Initial Appointment	01.06.2019
Qualification	Electrical Engineer
Experience (including Expertise in specific functional areas)	Varied experience of Project, R&D, Operations and General Management in the Battery Industry
Terms and conditions of reappointment	Proposed to be re-appointed as Whole time Director designated as Director (Operations), liable to retire by rotation
Details of shares held in company	Nil
Directorship in other listed companies	Nil
Committee position held in other listed companies	Nil
No.of Board Meetings attended during the Financial Year	Held : 5
	Attended : 5
Relationship with other Directors, Manager and key Managerial Personnel	Nil



**BOARD'S REPORT**

Your Board hereby presents the 61<sup>st</sup> Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March 2022.

**OPERATING RESULTS**

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

(₹ in lakhs)

Particulars	For the year ended			
	2021 - 22		2020-21	
<b>Sales</b> (Net of GST)	7925.74		7752.75	
Other Operating Income	29.52	7955.26	30.72	7783.47
Other Income		17.90		11.94
<b>Total Income</b>		<b>7973.16</b>		<b>7795.41</b>
<b>Profit / (Loss) before Finance Cost, Depreciation and Tax</b>		<b>2965.44</b>		<b>3023.74</b>
Less:				
Finance Cost	378.09		512.49	
Depreciation	113.45	491.54	112.43	624.92
<b>Profit / Loss before Tax</b>		<b>2473.90</b>		<b>2398.82</b>
<b>Less:</b>				
Provision for Taxation :				
Current Tax	694.39		133.52	
Deferred Tax	(15.47)	678.92	432.37	565.89
<b>Net Profit / (Loss)</b>		<b>1794.98</b>		<b>1832.93</b>
Other Comprehensive Income		(150.44)		(14.99)
<b>Total Comprehensive Income</b>		<b>1644.54</b>		<b>1817.94</b>

The Company recorded a turnover of ₹ 7925.74 lakhs in the year, as compared to ₹ 7752.75 lakhs, during the previous year.

**DIVIDEND**

Your Directors recommend a dividend of ₹ 15/- (Rupees Fifteen only) per equity share of ₹ 10/- each for the financial year ended 31<sup>st</sup> March 2022, absorbing a sum of ₹ 268.92 lakhs, subject to the approval of shareholders at the ensuing Annual General Meeting.

**PERFORMANCE REVIEW:**

**SILVER ZINC BATTERIES**

The Company achieved a turnover of ₹ 7429.23 lakhs through Silver Zinc Battery supplies during the FY 2021-2022, as against ₹ 7548.49 lakhs, during the FY 2020-2021.

This was made possible by the regular and on-time placement of Orders by Defence establishments, DRDO and Indian Navy. Availability of orders on hand had made possible uninterrupted production



**BOARD'S REPORT (Continued)**

and completion of inspection cum testing without undue delays. Performance could have been better but for the sporadic lock-down in many of the cities during Q1.

**NICKEL CADMIUM BATTERIES**

During the year, the turnover of Nickel Cadmium Division was ₹ 496.51 lakhs, as against ₹ 204.26 lakhs during the previous year. Placement of orders by Air(HQ) for Nickel Cadmium Batteries is based on military urgency versus stock position on hand.

**LEAD ACID BATTERIES (LAB)**

As reported earlier, Lead Acid Battery division operations have been suspended temporarily since April, 2019 due to extensive competition in the market resulting in non-remunerative prices. Efforts were put in, for revival of the Plant keeping in mind the sustainability of the operations. None of the actions proceeded could materialise during FY 2021-2022, due to demand for quantity off-take versus pricing which was not remunerative. However, our efforts are continuing towards revival of Plant operations.

**EXPORTS**

During the year, the export turnover was ₹ 185.69 lakhs as compared to ₹ 32.36 lakhs last year. Our efforts to clinch export orders were not successful, as a result of Covid after-effect situation prevailing all over the world. One of our Overseas Defence customers, could only lift batteries of initial sample order for their evaluation at sea. Their user trials could not be carried out due to Covid Impact and consequently order for supply in bulk did not materialise. All efforts are being made to secure export orders by strengthening our export team and also reaching out to more newer territories abroad.

**PERSISTANT COVID -19 – IMPACT**

Owing to Covid pandemic and the consequent impact due to lock down during first quarter, the Company had to face difficulties of supply chain disruptions that prevailed both globally and within India. Inconsistent arrival of imported materials from overseas suppliers, continues till date resulting in loss of production or withholding of planned dispatches, affecting the turnover as well as profit and further leading to Working Capital Constraints.

On resumption of normalcy to a reasonable extent, from the Second Quarter of FY 2021-2022, the Company could accomplish the highest turnover so far.

**FINANCE**

Current Year the Company's Financial position is reasonably well placed at a comfort level, owing to our improved operations, supplemented by the support of our bankers, in terms of working capital enhancement and reduction in interest rates. The Company was also able to clear all inter corporate loans during the year. During Q4, Punjab National Bank was inducted as part of our consortium in place of Indian Bank and Canara Bank.

**ISO 9001 / ISO 14001 ACCREDITATION**

Our Quality Management Systems (QMS) ISO 9001:2015 and Environmental Management Systems (EMS) ISO 14001:2015, continue to be accredited for both Aerospace, Naval Battery Division and Lead Acid Battery Divisions.

**OHSAS 45001 CERTIFICATION**

During the year the Company secured re-certification of ISO 45001: 2018 certification pertaining to Occupational Health and Safety (OHSAS) Management System for Aerospace, Naval Battery Division and Lead Acid Battery Divisions.

**BOARD'S REPORT (Continued)**

**RESEARCH AND DEVELOPMENT**

**Underwater propulsion Battery**

- During FY 2021-2022, our R & D received orders from DOI (Navy) for the development cum supply of two distinct types of high power, high energy Silver Zinc Battery for underwater propulsion. The contract is for a period of two years and is a challenging one in terms of application – specific technical performance, and we do possess the needed resource to complete the programme satisfactorily, on time.

**Vanadium based flow battery**

- The development of 1kW / 10kWh Vanadium based Flow Battery (VRFB) for OECT, progressed in co-ordination with IIT, Chennai was demonstrated satisfactorily and the project was completed during FY 2021-2022, meeting the technical cum contractual requirements. Further, discussions are in progress with OECT and other funding agencies, to go for scaling upto 5kW level.

**Lithium Battery**

- An R & D programme for Lithium Battery pack assembly is established at Laboratory scale, with the needed equipment and test facility. In view of the safety and allied issues associated with Lithium Battery, work on our 2<sup>nd</sup> life program is continuing at a slow pace.

**SIDM Championship Award**

Our Honbl'e Raksha Mantri Sri Rajnath Singh awarded the Society of Indian Defence Manufacturers (SIDM) Champion Award to our Company on 28.09.2021 at New Delhi, for our

efforts on Import substitution, Battery for BrahMos Missile.

**DEPOSITORY SYSTEM**

As on March 31, 2022, Shares of 8045 Shareholders out of 8213 shareholders are held in Demat form and 1765392 shares were dematerialised, representing 97.95% of the total Equity Share Capital.

**CURRENT YEAR (2022- 23)**

With the orders on hand and the orders in pipeline which are at an advanced stage of release, the Company expects to make good performance. During current year, development of two major batteries for Indian Navy will be pursued, which will get into production mode in the next two year period.

**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**.

**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.

**BOARD'S REPORT (Continued)**

**EXTRACT OF ANNUAL RETURN**

Details forming part of the extract of the Annual Return in Form MGT-9 is given in **Annexure - 3**.

A copy of annual return for FY 2021 - 2022 will be placed on the website of the company [www.highenergy.co.in](http://www.highenergy.co.in) after conclusion of the 61<sup>st</sup> AGM.

**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.
- (b) the Directors have 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 for 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 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.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company did not give any loan or provided any Security or Guarantee or make investment, covered under Section 186 of the Companies Act, 2013, during the year.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY**

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

**MATERIAL CHANGES AND COMMITMENTS**

There was no change in the nature of business of the Company during the year.

There are no material changes and commitments in the business operations of the Company since the close of the financial year as on 31<sup>st</sup> March 2022 to the date of this Report.

**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 - 4**.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The company is covered under the mandate of Section 135 of the Companies Act, 2013 for FY 2021-2022. The CSR report in the prescribed form is given in **Annexure - 5** that forms part of this report.

**BOARD'S REPORT (Continued)**

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is furnished in **Annexure – 6**.

**CLASSIFICATION OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)**

The Company comes under MSME classification, since 1<sup>st</sup> July 2020 as Small Enterprises (UDYAM -TN-02-0000445). Further the Company, avails/utilises the benefits arising out of this reclassification including GOI / MOD contracts and Bank operations.

**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 monitoring the internal control measures.
- (ii) Internal Auditors are present at the Audit Committee meetings where internal audit reports are discussed alongside of management comments and the final observations of the Internal Auditor. Periodical compliance report, on the observation points considered or implemented, is issued by the Internal Auditors.
- (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, 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.

**INDIAN ACCOUNTING STANDARDS (IndAS)**

The Financial Statements of the current year are prepared under IndAS which was adopted since Financial Year 2017–18.

**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.

**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 mandated by the Government to prevent the spreading of Covid pandemic.

**DIRECTORS**

In accordance with Article 106 of the Articles of Association of the Company, Mr N Gopalaratnam (DIN:00001945), Non Executive, Non Independent Director, retires by rotation at this meeting and being eligible offers himself for reappointment.

Necessary resolution is placed before the members for their approval.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 26<sup>th</sup> March 2022, have reappointed Mr M Ignatius as Director (Operations) of the Company for a further period of three years with effect from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025, liable to retire by rotation.

Necessary resolution is placed before the members for their approval.

On 07.05.2022, the Board in its meeting accepted the resignation of Mrs Jayashree Ajit Shankar (DIN: 08397093) Nominee Director, LIC, from

**BOARD'S REPORT (Continued)**

the Board of the Company. The Board wishes to place on record its appreciation for her involved participation in the deliberations at the Board meetings, during her tenure.

Life Insurance Corporation of India (LIC) has nominated Mr H Nanda as Nominee Director of LIC on the Board of the Company in place of Mrs Jayashree Ajit Shankar.

The Board in its meeting held on 07.05.2022 inducted Mr H Nanda (DIN: 09595835) as Nominee Director, LIC.

**AUDITORS**

The first term of five years for M/s Maharaj N R Suresh and Co, as Statutory Auditor ends on the conclusion of 61<sup>st</sup> AGM. Your Board of Directors on the recommendation of Audit Committee has proposed the appointment of M/s Maharaj N R Suresh and Co LLP (Firm Reg.No.001931S/S000020) as Statutory Auditors of the Company for a second term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 66<sup>th</sup> General Meeting of the Company.

Necessary resolution is placed before the Members for their approval.

Particulars of Statutory Auditors, 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 - 7**.

**ACKNOWLEDGEMENT**

Your Directors wish to express their sincere thanks to:

- (i) all the valued customers viz., Defence Services, VSSC, NSTL, RCI, ASL, DRDO Laboratories and Ministry of Defence (MOD),

BDL, BrahMos (BAPL), BEL,HAL, ADE, ADA and other defence based organizations such as DGONA, CVRDE, MGO, Air(HQ), HQMC for the whole-hearted support and encouragement, towards indigenous sourcing of Batteries for strategic applications.

- (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, etc for their co-operation to our R & D progress. OECT, part of ONGC for initiating a program on Flow Battery (VRFB), through IIT, Chennai. Research Institutions like CECRI, for involving in our Indigenisation efforts.
- (iv) the Overseas customers, who have reposed utmost faith and confidence in our products;
- (v) the Consortium of Bankers viz., UCO Bank and Punjab National Bank ( as of now) and UCO, Indian Bank and Canara Bank as consortium members in the past till Q3, for extending financial support for the continued positive performance of the Company;
- (vi) the Employees at all levels of the company for their co-operation and the sincere efforts put in towards improved performance.
- (vii) to all suppliers, vendors ,service providers, sub -contractors and Shareholders for their continued trust and support.

(For Board of Directors)

Chennai  
7<sup>th</sup> May 2022

**N GOPALARATNAM**  
Chairman



**ANNEXURE - 1 TO BOARD'S REPORT**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**COMPANY 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, launch vehicles etc. The demand for our batteries is not regular in nature by volume, as the ordering schedule is cyclic.

The principal customers of the Company are the Department of Defence Supplies and 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 and upgradation of technology to meet the global challenges. DRDOs and Defence establishments have opportunities for technology driven applications and this acts as a catalyst for the growth of our Company. The procurement policy currently pursued by the Government with thrust on Indigenisation and "Atmanirbhar" in

defence procurement encourages the domestic manufacturing sector and it augurs well for our Company, to perform better.

HEB is a manufacturer of hi-tech batteries for use of 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, silver zinc, nickel cadmium and silver chloride magnesium for stringent applications such as under water propulsion, control guidance, communication, emergency starting and for aerospace applications. The Company can undertake any development activity and establish the technology for the manufacture of electrochemical system 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 Indigenisation.

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). In turn, the resultant thrust on Green Energy cum Hydrogen Economy (Indian mission towards e-mobility), provides all its impetus for the growth prospects of our Company, to a great extent.

**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



**ANNEXURE - 1 TO BOARD'S REPORT**

- Availability of dedicated Production cum Testing facility for the Manufacture of High Power Batteries for Strategic Defence Applications
- Growing market potential with enhanced Defence outlay
- Huge capital expenditure planned by the Government of India for Batteries and Energy Storage Systems (ESS), in the Energy sector
- High growth potential projected for EV, e-mobility and clean energy.

**Threats**

- Price rise in the 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 the changes.

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

HEB's revenue grew at a CAGR of 28% over FY 2016-2021, backed by the Government's thrust on the defence sector as well as its focus on awarding orders to indigenous players. In FY 2021, the revenue grew by 26.6% Year on Year basis to ₹ 77.8 crores primarily due to the increased orders from Navy as well as a major order to develop high power battery for futuristic torpedo program. Showing an upward trend, the corresponding figures for FY 2021-2022 are 2.30% and ₹ 79.60

crores. The Company has a confirmed order book of around ₹ 80 crores, as of March / April 2022, to be executed over the next 18-24 months period, providing adequate revenue visibility.

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 60% revenues from Navy & Naval Research Labs. Typical break – up of orders from different customer base indicates:

<b>Customer</b>	<b>%</b>
Navy & Naval Research Labs	60
DRDO Labs.	10
Defence Public Sector	15
Aerospace & Others	15
	<b>100</b>

HEB's EBITDA margins have improved substantially to 133 % over the last five years, from 13.7 % during FY 2017, as a result of change in the product mix, better absorption of fixed costs and improved Banking operations. The EBITDA margins might sustain at 25% to 30% over FY 2022-2023 as well, 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 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%.

**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



**ANNEXURE - 1 TO BOARD'S REPORT**

supplied batteries for various strategic applications and credited with several National awards, especially towards R&D and Indigenisation. However, the procurement cycle of Indian Defence is of the order of four to five years. 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.

The company is currently working on to expand its product range to include Fuel cells and Flow Battery which will be used in Energy and EV applications, for which market offers tremendous opportunities. 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, both in the Indian and export markets.

**RISK AND CONCERNS**

HEB has a long working capital cycle, primarily due to the higher levels of inventory that need to be maintained mainly for silver zinc and other battery accessories, towards replacement on priority, in case defence based service need arises.

The Company's Major revenue is from defence sector and is dependent on Defence priorities and budget allocation. Recent thrust for indigenization and Atmanirbhar , provides a positive outlook, though there is risk that our product range falls under a niche category, catering to Strategic Defence requirements.

The export market though limited, the Company keeps exploring the markets and effects supplies, for countries like 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 Authorised Agents on selective basis to cater to export market.

HEB's major raw materials include Silver, Zinc and Copper, the prices of which are highly volatile due to external market factors. Any adverse 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, under a price variation clause, thus exposing the Company only to minimal impact of price fluctuations arising out of non-silver materials like Copper and Zinc. Around 10% of the total raw materials consumed are imported, liable to certain forex risks variation, and/ or Government restrictions.

**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 due compliance with applicable laws, accounting standards and regulatory guidelines.

**ANNEXURE - 1 TO BOARD'S REPORT**

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Particulars	FY 2021 – 2022 (in Ampere hours)	FY 2020 – 2021 (in Ampere hours)
Production	1584173	1384064
Sales	1584173	1384064
	<b>(₹ in Lakhs)</b>	<b>(₹ in Lakhs)</b>
Profit before Interest, Depreciation, Exceptional Items and Tax	2965.44	3023.74
Finance Cost	378.09	512.49
Depreciation	113.45	112.43
Exceptional Item	-	-

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES**

The Company as of 31 March, 2022 has 103 employees on its rolls out of which 61 are Managerial, and others being supervisory and production staff. Further it employs around 130 labourers/ workers on contract basis, depending upon time to time job requirements.

The relations between Management and Employees were cordial throughout the year under review. The three year wage agreement with employees expired on 31.03.2021 and negotiations are underway for entering into a new agreement

**KEY FINANCIAL RATIOS**

Description	Financial Year		% Change - Increase or Decrease	Reasons for change
	2021-22	2020-21		
Operating Profit Margin (PBIDT/Total Income)	0.37	0.39	(5.13)	Increase in operating cost, materials, manpower and overheads.
Net Profit margin (PBT/Total Income)	0.28	0.31	(9.67)	Increase in operating cost, materials, manpower and overheads.
Interest Coverage Ratio	7.84	5.90	32.88	Repayment of long term debts.
Earnings per share	100.12	102.24	(2.07)	Increase in operating cost, materials, manpower and overheads.
Debt Equity Ratio	0.45	0.77	(40.48)	Increased due to profitable operations coupled with repayment of debts has improved the ratio.
Current Ratio	1.74	1.39	25.15	This Ratio has increased working capital buildup, hedge the price escalation in key input materials.
Debtors Turnover	0.25	0.23	8.69	Increased despatch in last quarter.
Inventory Turnover	1.57	1.69	7.10	Inventory build up towards anticipated increase in turnover for next year coupled with increase in key material prices.

(For Board of Directors)

Chennai  
7<sup>th</sup> May 2022

**N GOPALARATNAM**  
Chairman

**ANNEXURE - 2 TO BOARD'S REPORT**

**REPORT ON CORPORATE GOVERNANCE**

**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 at all levels and amongst all ranks of employees, that is built, practised and sustained over a period of time, can result in compliance that is true to the spirit of law, and not just its letter.

Furthermore, such a corporate governance culture will help in constantly reminding the management that they are, but only, trustees of shareholders' capital. Like in any other aspect 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.

**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 31<sup>st</sup> March 2022. No Director holds membership of more than 10 Committees of Board nor is Chairman of more than 5 such Committees.
- c) The Managing Director is not liable to retire by rotation. All the other non-independent Directors are liable to retire by rotation and in the normal course 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, by 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 for appointing or continuing the directorship of non-executive directors beyond 75 years of age.

**ANNEXURE - 2 TO BOARD'S REPORT**

**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 2021-22		As on 31 <sup>st</sup> March 2022 (Including HEB)			Attendance at last AGM (07.08.21)
				No. of Meetings	%	No. of Directorships	Committee Membership		
							As Chairman	As Member	
Mr. N Gopalaratnam (DIN: 00001945)	06.06.1991	Promoter, Non-Executive Chairman	10200	5	100	5	4	3	YES
Dr. G.A. Pathanjali (DIN:05297665)	30.05.2012	Managing Director	100	5	100	1	-	1	YES
Mr. M Ignatius (DIN:08463140)	01.06.2019	Director (Operations)	Nil	5	100	1	-	-	YES
Mr. A L Somayaji (DIN:00049772)	23.03.2002	Independent	Nil	5	100	3	4	2	YES
Commodore R.P Prem Kumar (Retd.) (DIN:00049513)	08.06.2002	Independent	Nil	5	100	1	-	2	YES
Mr. M Natarajan (DIN:06954693)	30.09.2014	Independent	Nil	5	100	2	-	1	YES
Mrs. LalithaLakshmanan (DIN:07140032)	28.05.2016	Independent	Nil	5	100	1	-	3	YES
Dr. Vijayamohanan K Pillai (DIN:07308120)	22.03.2019	Independent	Nil	5	100	1	-	-	YES
Mrs. Jayashree Ajit Shankar (DIN:08397093)	22.03.2019	Nominee of Life Insurance Corporation of India	Nil	4	80	1	-	-	YES

**Directorship in other listed entities as on 31.03.2022**

Sl. No	Name of 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	c) Seshasayee Papers and Boards Ltd	Independent Director

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



**ANNEXURE - 2 TO BOARD'S REPORT**

**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, Under the aegis of our Chairman, who is an accomplished industry leader with rich experience in technology and overall management.

**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 Electrochemistry 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 batteries 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 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 Organisation (DRDO).
4	Mr A L Somayaji	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	Commodore R P Prem Kumar	He has three decades of experience in inspection and quality assurance of Naval weapons. He has coordinated in several classified projects and R&D Programmes. He is the recipient of Vishist Seva Medal (VSM).
6	Mr M Natarajan	He is the retired Director General of DRDO and held the position of Scientific Advisor to the Defence Minister. He was involved in developing the state of art Main Battle Tank Arjun. He was conferred with Padma Shri Award by the Government of India and is also the recipient of C. V. Raman Birth Centenary Award.

**ANNEXURE - 2 TO BOARD'S REPORT**

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 at CSIR – Central Electrochemical Research Institute, Karaikudi, Tamil Nadu. Currently, he is serving as Professor/ Chair in Indian Institute of Science Education and Research (IISER), Tirupati
9	Mrs Jayashree Ajit Shankar	She is the Nominee of Life Insurance Corporation of India (LIC) and has three decades of experience in insurance sector.

**Independent Directors**

- The Chairman is non-executive and falls under Promoter category. The number of Independent Directors is one-half of the total strength. Any reduction in the strength of Independent Directors is filled within 3 months for ensuring minimum stipulated strength of Independent Directors in the Board.
- The company has five Independent directors out of which 3 Independent Directors have been reappointed for a second term by way of special resolution through Postal Ballot obtained on 22.03.2019 as under

Sl No	Name	DIN	Re-appointment tenure	
			From	To
1	Mr. A L Somayaji	00049772	01.04.2019	31.03.2024
2	Cmde. R P Prem Kumar	00049513	01.04.2019	31.03.2024
3	Mr. M Natarajan	06954693	01.04.2019	31.03.2024

Further approval was also obtained by way of Special Resolution stated above in the case of Mr A L Somayaji and Cmde R P Prem Kumar who have crossed or would be crossing 75 years of age during the tenure.

Mrs Lalitha Lakshmanan (DIN: 07140032) was reappointed as Independent Director of the Company for a second term of five consecutive years w.e.f 01.04.2021 to 31.03.2026, by way of Special Resolution passed at the AGM held on 07.08.2021.

Dr Vijayamohan K Pillai (DIN: 07308120) was appointed as an Independent Director of the

Company for a fixed term of five consecutive years w.e.f 03.08.2019 by way of Special Resolution passed at the AGM held on 03.08.2019.

- Independent directors are issued Letter of reappointment with their consent and the terms thereof are posted on the company website.
- The company had formulated a familiarization programme for Independent Directors with the objective of making them familiar with their role, responsibilities, nature of the industry, business model and compliance management.

**ANNEXURE - 2 TO BOARD'S REPORT**

- e) The Independent directors have renewed their registration in the databank maintained by Indian Institute of Corporate Affairs (IICA). All the independent directors are exempted from undertaking the online proficiency test conducted by IICA.
- f) All the Independent directors have given the declaration affirming that they meet the criteria of independence as provided in Section 146 (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, (iii) the Board has taken note that all the independent directors have been issued the exemption certificate by IICA from passing the online proficiency test.
- 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 31<sup>st</sup> March 2022.
- i) The company has proactively taken Directors and Officers insurance, covering both independent and non-independent directors for such sum and risks as determined necessary and expedient by the Board.
- j) The Independent Directors met on 26.03.2022 in the financial year 2021-2022 and assessed the performance of the Company and other directors and advised the board accordingly.

**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 present. Powerpoint presentation is made to facilitate 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.

**Board Meetings**

During the year 2021-22, five (5) Board Meetings were held on 31.05.2021, 06.08.2021, 30.10.2021, 05.02.2022 and 26.03.2022. Out of which four meetings held on 31.05.2021, 06.08.2021, 30.10.2021 and 05.02.2022 were conducted through Video Conference (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rule, 2014, having regard to the Covid-19 pandemic and consequent social distancing norms and one meeting held on 26.03.2022 was conducted as Physical meeting.

**ANNEXURE - 2 TO BOARD'S REPORT**

**Audit Committee Meetings**

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 31.05.2021, 06.08.2021, 30.10.2021 and 05.02.2022 through Video Conference (VC) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014. Details of its composition and attendance are given hereunder: -

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

**Stakeholders Relationship Committee**

The role and responsibilities of the Committee are to expeditiously process transfers, transpositions, transmissions, sub-divisions and consolidations of securities complying with SEBI Regulations and Listing requirements and redressal of Investors' grievances.

The Committee comprises of 3 Directors. The Chairman of the Committee is a Non Executive Director. The Committee met 4 times during the previous year on 31.05.2021, 05.08.2021, 29.10.2021 and 04.02.2022 through Video Conference (VC). Details of its composition and attendance are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. N Gopalaratnam	Chairman	4	100
Dr. G.A. Pathanjali	Member	4	100
Mrs. Lalitha Lakshmanan	Member	4	100

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of 3 Non-Executive 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 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 in senior management as KMP in accordance with the criteria laid down and recommend to the Board regarding their appointment.

The Committee met 2 times during the previous year, on 26.05.2021 the meeting was conducted through Video Conference (VC) / Other Audio Visual Means (OAVM) and on 26.03.2022 the meeting was conducted as physical meeting.

Details of its composition and attendance are given hereunder:-



**ANNEXURE - 2 TO BOARD'S REPORT**

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A L Somayaji	Chairman	2	100
Comde. R P Prem Kumar	Member	2	100
Mrs. Lalitha Lakshmanan	Member	2	100

**Corporate Social Responsibility (CSR) Committee**

The Company is covered under Section 135 of the Companies Act, 2013. The Company had spent ₹ 8.55 lakhs as CSR during the FY 2021 – 2022 by way of supply of Medical Equipments to the Primary Health Centre, Pudukottai.

**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 record.

**Circular Resolution**

Circular resolution is made in exceptional and urgent cases that are recorded at the succeeding Board/Committee Meetings. During the year, two circular resolutions were passed. First Circular resolution was passed on 04.10.2021 for transmission of 900 Shares (bearing Folio No.002461) in the name of Mr Narain Parkash Singh on the demise of the Joint Holder Mrs Avtar Kaur and the second Circular resolution was passed on 13.12.2021 for Transmission of 100 shares (bearing Folio No.00003138) in the name of Mr Mihir Dinesh Shah on the demise of the Joint Holder Mr Dinesh Mohanlal Shah.

**Governance Process & Policies**

**(i) Policy on Director's Appointment & Remuneration**

The Board on the recommendations of the Nomination and Remuneration Committee

meeting held on 26<sup>th</sup> 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.
- (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 Agreement.
- (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 directors, the Board will take into consideration the performance evaluation of the director and his engagement level.

**2. Remuneration Policy**

The remuneration policy aims at attracting and retaining suitable talent and devising a

**ANNEXURE - 2 TO BOARD'S REPORT**

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.

**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.

Managing Director and Director (Operations) are the Executive Directors entitled for managerial remuneration.

On the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on 07.05.2022 approved a commission of ₹ 36 lakhs to be paid to Managing Director for the year 2021 - 2022, in addition to the salary and perquisites due to inadequacy of profits. This is in compliance, as per the resolution approved by the members at the Annual General Meeting held on 29.08.2020.

Based on the recommendation of the Nomination and Remuneration Committee,

the Board in its Meeting held on 07.05.2022 approved the payment of a special allowance of ₹ 21 lakhs to Director (Operations) for the year 2021-2022, in addition to the salary and perquisites due to inadequacy of profits. This is in compliance, as per the resolution approved by members at the AGM held on 03.08.2019.

Mr S.V. Raju, Company Secretary (CS) and Mr R Swaminathan, Chief Financial Officer (CFO) are the other Key Managerial Personnel.

The Board in its Meeting held on 07.05.2022, on the basis of recommendation of the Nomination and Remuneration committee approved the payment of incentive of ₹ 13 lakhs to CFO and ₹ 6.5 lakhs to the CS for the FY 2021-2022.

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.38 of the financial statements.

**4. Remuneration of Directors**

Non-Executive Directors are paid a sitting fee of ₹ 15000/- 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: -

**ANNEXURE - 2 TO BOARD'S REPORT**

(in ₹)

Director	Sitting Fee for		Total
	Board Meeting	Committee Meeting*	
Mr. N Gopalaratnam	75000	60000	135000
Mr. A L Somayaji	75000	80000	155000
Mr. R P Prem Kumar	75000	80000	155000
Mr. M Natarajan	75000	60000	135000
Mrs. Lalitha Lakshmanan	75000	140000	215000
Dr. Vijayamohan K Pillai	75000	-	75000
Mrs. Jayashree Ajit Shankar-Nominee of LIC	60000	-	60000
<b>Total</b>	<b>510000</b>	<b>420000</b>	<b>930000</b>
(+) Remuneration paid for the FY 2020 - 2021			1400000
<b>Grand Total</b>			<b>2330000</b>

\* Stakeholders Relationship Committee, Audit Committee and Nomination and Remuneration Committee.

**(ii) Performance Evaluation**

The Board of Directors in March 2015 on the recommendations of the Nomination and Remuneration Committee approved the Board evaluation framework.

Further, the Board of Directors in the meeting held on 26.03.2022 carried out the evaluation process on the recommendation of Nomination and Remuneration Committee. 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. Templates incorporating specific attributes are used. 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 26.03.2022.

The director whose performance is being evaluated did not participate during that part of the meeting. The Committee had expressed overall satisfaction on such evaluation.

The Board at its meeting held on 26.03.2022 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 2 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 on 26.03.2022 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.

**ANNEXURE - 2 TO BOARD'S REPORT**

**(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).

These have been intimated to the Stock Exchange and uploaded in the company's website.

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 2021 - 2022 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. Intimation of this was given to stock exchange.

The company is maintaining a structured digital database 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.

**(iv) Code of Conduct**

The Board had formulated a Code of Conduct for Directors and Key Managerial Personnel of the Company which is posted

on its website. All the Directors and Key Management Personnel had complied with the Code and a confirmation to this effect was obtained from them individually for FY 2021-2022.

Further, the Key Managerial personnel have declared to the Board that no material, financial or commercial transactions were entered into by them during FY 2021-2022, 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 (*Appendix-1*).

**(v) Related Party Transactions**

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

This policy was uploaded on the company's website.

**(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

**ANNEXURE - 2 TO BOARD'S REPORT**

plan for making desired changes in response to the dynamics of the business. 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. This policy has been uploaded on the Company's website.

No complaint under this facility was received in FY 2021-2022.

**(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. This policy has been uploaded on the Company's website.

No complaint on sexual harassment was received during FY 2021-2022.

**(ix) Document preservation**

Pursuant to Regulation 9 of the listing Regulations, the company has formed a policy for preservation of records, in conformity with applicable laws. 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. This policy has been uploaded on the Company's website.

**Other Compliances**

**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.

**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 dailies, as required, within the stipulated time. These are also posted immediately on the company's website [www.highenergy.co.in](http://www.highenergy.co.in).

**Quarterly Compliance Report**

The Company had submitted for each of the four quarters during FY 2021-2022, the Compliance Report on Corporate Governance to Stock Exchange, within the time limit stipulated, from the close of each quarter.

**Accounting Treatment**

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

**Cost Audit**

Since the Company does not come under the threshold limit as specified, under Companies (Cost Records and Audit) Rules, 2014, Cost Audit is not applicable.

**ANNEXURE - 2 TO BOARD'S REPORT**

**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 reconciliation of the total admitted Capital with NSDL/ CDSL and the total issued & Listed Capital	Quarterly	30.06.2021	28.07.2021
		30.09.2021	15.10.2021
		31.12.2021	24.01.2022
		31.03.2022	25.04.2022

**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 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. B Kalyanasundaram a Practicing Company Secretary (Membership No. A672, C.P.No.2209) to undertake the secretarial audit of the company for FY 2021 -2022. The Secretarial Audit Report was placed before the Board on 07.05.2022 and there is no qualification therein. It is annexed to Board's Report.

**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 2021 - 22. The Internal Auditor reports directly to the Audit Committee.

**CEO/ CFO certification**

CEO certification by Dr G A Pathanjali, Managing Director and CFO certification by 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 07.05.2022.

**Annual Secretarial Compliance Certificate**

All the Listed Companies 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 has obtained the certificate from Mr. B. Kalyanasundaram, that will be filed with the Stock Exchanges in time.

**Certificate on no disqualification**

Certificate from Mr B Kalyanasundaram, Practicing Company Secretary confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI / MCA or any such statutory authority is provided in (Appendix -2).

**Auditors' Certificate on Corporate Governance**

Certificate of Statutory Auditors has 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 (Appendix - 3).

**Review of Directors' Responsibility Statement**

The Board in its Report had confirmed that the annual accounts for the year ended 31<sup>st</sup> March 2022 have been prepared as per applicable accounting standards and policies, and that sufficient care was taken to maintain adequate accounting records.

**ANNEXURE - 2 TO BOARD'S REPORT**

**Subsidiary Companies**

The Company has no subsidiary.

**Deposits**

The company has not accepted deposits from the public.

**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 issued requisite certificate that was placed before the Audit Committee.

**Disclosures**

- (i) 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.
- (ii) No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and the company's operations in future.

**MEANS OF COMMUNICATION**

**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](http://www.highenergy.co.in).

**Audited / Unaudited Financial Results**

Period	Date of Approval by the Board	Date of Publication	Newspaper
Quarter ended 30 <sup>th</sup> June, 2021(*)	06.08.2021	07.08.2021	Business Standard and Makkal Kural
Quarter ended 30 <sup>th</sup> September, 2021(*)	30.10.2021	01.11.2021	
Quarter ended 31 <sup>st</sup> December, 2021(*)	05.02.2022	07.02.2022	
Year ended 31 <sup>st</sup> March, 2022(**)	07.05.2022	09.05.2022	

\*Unaudited \*\*Audited

The Company will continue to publish extract of Quarterly / Half yearly financial results in the 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 Website ([www.bseindia.com](http://www.bseindia.com)) and our Company Website ([www.highenergy.co.in](http://www.highenergy.co.in)) upon approval by the Board of Directors.

**General Shareholder Information**

**Details for 61<sup>st</sup> AGM**

Date and Time	Wednesday, the 29 <sup>th</sup> June, 2022 at 11.00 A.M
Venue / Mode	At New Woodlands Hotel Pvt. Ltd. 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004 with additional facility for stakeholders to participate through Video Conference (VC)/ Other Audio Visual Means (OAVM)
Book Closure	Friday, 17 <sup>th</sup> June, 2022 to Wednesday, 29 <sup>th</sup> June, 2022 (both days inclusive)
Cut-off date for e-voting	Wednesday, 22 <sup>nd</sup> June, 2022

**ANNEXURE - 2 TO BOARD'S REPORT**

**Listing**

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 financial year 2022 – 2023, had been paid to BSE.

**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, NSDL and CDSL. Its International Securities Identification Number (ISIN) is **INE783E01015**. Shareholders are 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 2021-2022.

The details of dematerialised and physical holding as on 31<sup>st</sup> March 2022 are furnished hereunder:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	168	2.05	27376	1.53
Demat	8045	97.95	1765392	98.47
<b>Total</b>	<b>8213</b>	<b>100.00</b>	<b>1792768</b>	<b>100.00</b>

**Registrar and Share Transfer Agent**

For Physical and Demat Segments:  
Cameo Corporate Services Ltd.  
“Subramanian Building”, 5<sup>th</sup> 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.

**Nomination facility**

Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 72 of the Companies Act, 2013 are requested to submit to the Registrar and Transfer Agent in the Form No.SH.13 prescribed under Rule 19 the Companies (Share Capital and Debentures) Rules,2014 which can be availed on request or downloaded from Company / MCA website. In the case of Demat holding, shareholders shall submit the same to their Depository Participants.

**Share Transfer System**

The Stakeholders Relationship Committee 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. A summary of transactions is placed in the Board Meeting.

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

**Investor Correspondence**

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



**ANNEXURE - 2 TO BOARD'S REPORT**

(a) respective Depository Participants, in case of demat holding

(b) the Registrar & Transfer Agent, in case of physical holding

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 / 39279318 / 43063545  
Fax: 044-24961785  
Email: hebcnn@highenergy.co.in  
Website: www.highenergy.co.in

**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.

**Credit Rating**

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

Facility	Amount (₹ Crores)	Rating
Long term Fund based Bank Facilities	30	IND BBB-/ Stable
Short term Non-Fund Based Bank Facilities	45	IND A3

**Compliance Officer**

Mr. S V Raju, our Company Secretary is the Compliance Officer under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations,

1993 and under Chapter III read with Regulation 6(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Transaction in Shares**

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

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.

**Particulars of complaints received during 2021-22**

Complaints from	Received	Redressed
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	Nil	Nil

**ANNEXURE - 2 TO BOARD'S REPORT**

**Share Quotes**

High/ Low in prices and volume of trading during each month in the last financial year are as follows: (as reported by "Bombay Stock Exchange Limited").

Month	High	Low	Close	Volume
	₹	₹	₹	No of Shares
April 2021	839.00	740.00	781.75	35384
May 2021	872.00	748.25	845.65	63008
June 2021	1379.00	925.10	1259.70	177452
July 2021	2921.50	1240.05	2211.05	268565
August 2021	2250.50	1435.20	1855.55	220850
September 2021	2277.20	1780.00	1939.00	90270
October 2021	2103.80	1775.00	1838.40	47678
November 2021	2018.70	1676.00	1712.05	40772
December 2021	2041.00	1590.00	1886.25	61550
January 2022	2533.75	1860.00	2428.80	107015
February 2022	2485.00	1525.25	1641.85	87131
March 2022	1762.90	1501.00	1515.95	40474
Total				1240149

**SCORES**

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 complaint and submit Action Taken Report (ATR) with supporting documents in SCORES.

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

**Distribution of Shareholding as on 31.03.2022**

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
1 – 1000	8099	98.61	332267	18.53
1001 – 5000	84	1.02	170293	9.50
5001 – 10000	12	0.15	100090	5.58
10001 – 20000	5	0.06	58755	3.28
20001 – 30000	1	0.01	21021	1.17
30001 – 40000	3	0.04	109205	6.09
40001 – 50000	2	0.02	99754	5.57
50001 – 100000	4	0.05	326054	18.19
Above 100000	3	0.04	575329	32.09
Total	8213	100.00	1792768	100.00

**Shareholding Pattern as on 31.03.2022**

Category	No. of Share holders	Percent (%)	No. of Equity Shares	Percent (%)
		%	Total	%
Promoters	11	0.14	734527	40.97
FIs and Banks	2	0.02	127055	7.09
Bodies Corporate	42	0.51	40384	2.25
Clearing Members	27	0.33	2935	0.16
Hindu Undivided Families	190	2.31	21400	1.19
IEPF	1	0.01	35376	1.98
NRI-Non-Promoter	143	1.74	22612	1.26
Public	7797	94.94	808479	45.10
Total	8213	100.00	1792768	100.00

Note: Out of above, Non Resident Indians/Overseas Corporate Bodies hold 102612 shares constituting 5.72%.

**Plant Location :**

Pakkudi Road,  
Mathur Industrial Estate, Mathur 622 515,  
Pudukkottai District, Tamilnadu, India  
Phone: 0431- 2660323, 2660324 ; 04339-250444  
Fax: 04339-250516,  
Email: info@highenergyltd.com,  
Website: www.highenergy.co.in

**ANNEXURE - 2 TO BOARD'S REPORT**

No. of Employees : 103

**Particulars of past 3 AGMs**

AGM	Year	Venue	Date	Time
58 <sup>th</sup>	2018 –19	New Woodlands Hotel Pvt. Ltd. 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	03.08.2019	11.00 A.M.
59 <sup>th</sup>	2019-20	Video Conference/ Other Audio Visual Means. (Deemed venue: Registered office of the company)	29.08.2020	11.00 A.M
60 <sup>th</sup>	2020-21		07.08.2021	11.00 A.M

No Extraordinary General Meeting was convened during the FY 2021 – 2022.

**Postal Ballot**

No special resolutions was passed by Postal Ballot in FY 2021 – 2022.

**Dividend for 2021-2022**

Dividend, if declared at the Annual General Meeting, will be paid by Tuesday, 5<sup>th</sup> July, 2022 to the members whose names appear on the Register of Members on Wednesday, 29<sup>th</sup> June, 2022 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 update their Bank details with their Depositories ( in case of demat holding) or with our RTA (for physical holding).

**Tax on dividend**

Dividend income is taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source

(TDS) for the same at the prescribed rates. The Company has already sent an email on 31.05.2022 to the shareholders advising TDS rates in force for different categories based on documents furnished by shareholders.

The Dividend for the FY 2021-22 will be paid after deducting the tax at source as follows:

*A) For Resident Shareholders:*

No tax would be deducted on payment of dividend to resident individual shareholder, if total dividend to be paid for FY 2021 - 22 does not exceed ₹ 5000/-.

The applicable tax rate for resident individual shareholder with PAN is 10%.

In case PAN is not registered/ not provided / not available, TDS would be at a higher rate of 20%.

A resident individual shareholder with PAN who is not liable to pay income tax can submit declaration in Form 15G/15H (as applicable) along with the self- attested copy of PAN (linked to Aadhar), to avail the benefit of non deduction of TDS.

Lower / Nil withholding tax order obtained from tax authority, documentary evidence stating that any of the provision are applicable or covered as per the Act can be submitted to avail the benefit.

*B) For Non Resident Shareholders:*

The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.

Lower/ Nil withholding tax rates shall be considered, on submission of self- attested copy of the certificate issued under Section 195/197 of the Act.

The tax treaty rate shall be applied for tax deduction at source on submission of the following documents:

- i. Self-attested copy of PAN card allotted by the Indian Income tax authorities.

**ANNEXURE - 2 TO BOARD'S REPORT**

- 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. Self declaration in Form 10F.
- iv. Self declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement.

Shareholders who are exempted from TDS provision through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

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

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

Shareholders are requested to inform us well in advance and submit the required documents to our Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited before the book closure date ie. Friday, the 17<sup>th</sup> June, 2022 through email to investor@cameoindia.com.

Form 15G/15H should be scanned and uploaded at its dedicated link of our RTA-<https://investors.cameoindia.com> in order to enable the company to determine and deduct appropriate TDS/withholding tax rate.

Shareholders are requested to complete and/or update their residential status, PAN and other details with (i) their Depository Participants (DPs) in the case of Demat holding; and (ii) with the RTA in the case of Physical holding.

**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.

Individual communication had been sent to the shareholders whose shares are liable to be transferred to IEPF Suspense Account. Public Notice in respect of the same was published in Business Standard and Makkal Kural as required under the Rules.

Details of shares transferred to IEPF

For FY	2012 -2013
No of Holders	180
No of Shares	35396
Date of transfer to IEPF	25.09.2020
Amount transferred to IEPF	₹ 0.43 lakhs.

**Claim from IEPF**

Shareholders may however note that both the unclaimed dividend and the shares transferred to IEPF Authority / Demat Account including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority after following the due process prescribed by the Rules. Shareholders may contact the Registrar and Transfer Agent or the Company at its registered office for necessary guidance in this regard.

(For Board of Directors)

Chennai  
7<sup>th</sup> May 2022

**N GOPALARATNAM**  
Chairman

**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 2021 – 2022.

Chennai  
7<sup>th</sup> May 2022

**G A Pathanjali**  
Managing Director

**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)

1. We have examined the relevant registers, records, forms, returns and disclosures received during the financial year 2021-2022 from the Directors of M/s. High Energy Batteries (India) Limited having CIN: L36999TN1961PLC004606 and having registered office at "Esvin House", 13, Old Mahabalipuram Road, Perungudi, Chennai - 600 096 (hereinafter referred to as 'the Company'), produced to us by the Company electronically 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. In our opinion and to the best of our information and according to the verifications of documents (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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 have been debarred or disqualified from being appointed or continuing as Directors of the company, by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authorities under the Ministry of Corporate Affairs, New Delhi as on 31<sup>st</sup> March, 2022.

**ANNEXURE - 2 TO BOARD'S REPORT**

Sl No.	Name of the Director as per DIN	DIN	Date of appointment as Director in the company	Designation and remarks if any
1	SRI. GOPALARATNAM NATARAJAN	00001945	06-06-1991	Chairman
2	SRI. GNANA BHASKARA AGNEESWARA PATHANJALI	05297665	30-05-2012	Managing Director
3	SRI. MARIA JOSEPH IGNATIUS	08463140	01-06-2019	Whole-time Director. Designated as Director (operations)
4	SRI.LAKSHMINARASIMHA AYYALU SOMAYAJI	00049772	23-03-2002	Independent Director
5	SRI.PALANIANDY PREMKUMAR RAJAH	00049513	08-06-2002	Independent Director
6	SRI. MANTHIRAM NATARAJAN	06954693	30-09-2014	Independent Director
7	SMT.LALITHA LAKSHMANAN	07140032	28-05-2016	Independent Woman Director
8	SRI.KUNJUKRISHNA PILLAI VIJAYAMOHANAN	07308120	22-03-2019	Independent Director
9	SMT. JAYASHREE AJIT SHANKAR	08397093	22-03-2019	Nominee Director

It is the responsibility of the management of the Company to ensure the eligibility for the appointments of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter and 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 B.K. SUNDARAM & ASSOCIATES  
Company Secretaries

**(B.Kalyanasundaram)**

Company Secretary  
ACS NO. A672. CP. NO. 2209  
UDIN: A000672D000283350

Peer Review Cert No.:1215/2021

ICSI Unique code: S1994TN013100

Place : Trichy

Date : 07-05-2022

**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, 2022, as stipulated in Regulations 34(3) and 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 hereof, adopted by the Company for ensuring the compliances 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 Agreement.

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: 22021661AIZJBL2957

Place : Chennai  
Date : 07.05.2022

**ANNEXURE - 3 TO BOARD'S REPORT**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March 2022

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

**I. Registration and other details:**

i)	CIN	L36999TN1961PLC004606
ii)	Registration Date	27.09.1961
iii)	Name of the Company	HIGH ENERGY BATTERIES (INDIA) LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company – Limited by shares
v)	Address of the Registered office and contact details	“Esvin House”, 13, Old Mahabalipuram Road, Perungudi, Chennai 600 096 Tamil Nadu Phone: 044 24960335/43063545 Fax: 044-24961785 Email: hebcnn@highenergy.co.in Web: www.highenergy.co.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited, “Subramanian Building”, 5 <sup>th</sup> Floor No.1, Club House Road, Chennai 600 002. Phone: 044-28460390 Fax: 044-28460129 Email: investor@cameoindia.com Web: www.cameoindia.com

**II. Principal Business Activities of the Company**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated;

Sl. No.	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1	Aerospace, Naval and Power System Batteries Silver Zinc, Silver Chloride Magnesium and Nickel Cadmium Batteries	27201	100.00
2	Lead Acid Storage Batteries	27201	-

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl. No.	Name and Address of the company	CIN	Holding /Subsidiary/ Associate	% of shares held	Applicable-Section
NIL					



## ANNEXURE - 3 TO BOARD'S REPORT

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year - 01.04.2021			No. of shares held at the end of the year - 31.03.2022			% change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
<b>A.</b>	<b>Promoters</b>								
<b>(1)</b>	<b>Indian</b>								
(a)	Individual / HUF	14932	-	14932	0.83	14932	-	14932	0.83
(b)	Central Govt / State Govt(s)	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	639595	-	639595	35.68	639595	-	639595	35.68
(d)	Banks / FI	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>654527</b>	-	<b>654527</b>	<b>36.51</b>	<b>654527</b>	-	<b>654527</b>	<b>36.51</b>
<b>(2)</b>	<b>Foreign</b>								
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	80000	-	80000	4.46	80000	-	80000	4.46
(c)	Institutions	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	<b>80000</b>	-	<b>80000</b>	<b>4.46</b>	<b>80000</b>	-	<b>80000</b>	<b>4.46</b>
	<b>Total shareholding of Promoters (A)= (A)(1)+(A)(2)</b>	<b>734527</b>	-	<b>734527</b>	<b>40.97</b>	<b>734527</b>	-	<b>734527</b>	<b>40.97</b>
<b>B.</b>	<b>Public Shareholding</b>								
<b>(1)</b>	<b>Institutions</b>								
(a)	Mutual Funds	-	-	-	-	-	-	-	-
(b)	Banks / FI	127055	-	127055	7.09	127055	-	127055	7.09
(c)	Central Govt / State Govt(s)	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-

## ANNEXURE - 3 TO BOARD'S REPORT

Sl. No.	Category of Shareholders	No. of shares held at the beginning of the year - 01.04.2021				No. of shares held at the end of the year - 31.03.2022				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(1)</b>	<b>127055</b>	-	<b>127055</b>	<b>7.09</b>	<b>127055</b>	-	<b>127055</b>	<b>7.09</b>	<b>-2.60</b>
<b>2.</b>	<b>Non- Institutions</b>									
(a)	Bodies Corporate	36557	691	37248	2.08	39693	691	40384	2.25	0.17
(b)	Individuals									
i	Individual shareholders holding nominal share capital up to ₹ 1 lakh	430390	28590	458980	25.60	518837	26485	545322	30.42	4.82
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	341196	-	341196	19.03	263157	-	263157	14.68	-4.35
(c)	Any other (specify)									
	Non-Resident Indians	18281	200	18481	1.03	22412	200	22612	1.26	0.23
	Hindu Undivided Family	37450	-	37450	2.09	21400	-	21400	1.19	-0.90
	Clearing Members	2435	-	2435	0.14	2935	-	2935	0.16	0.02
	Investor Education and Protection Fund (IEPF)	35396	-	35396	1.97	35376	-	35376	1.97	0.00
	Trusts	-	-	-	-	-	-	-	-	-
	<b>Sub- Total (B)(2)</b>	<b>901705</b>	<b>29481</b>	<b>931186</b>	<b>51.94</b>	<b>903810</b>	<b>27376</b>	<b>931186</b>	<b>51.94</b>	<b>0.00</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>1028760</b>	<b>29481</b>	<b>1058241</b>	<b>59.03</b>	<b>1030865</b>	<b>27376</b>	<b>1058241</b>	<b>59.03</b>	<b>0.00</b>
<b>C</b>	<b>Shares held by Custodian for GDRs and ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1763287</b>	<b>29481</b>	<b>1792768</b>	<b>100.00</b>	<b>1765392</b>	<b>27376</b>	<b>1792768</b>	<b>100.00</b>	<b>0.00</b>

## ANNEXURE - 3 TO BOARD'S REPORT

### (ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2021			Shareholding at the end of the year 31.03.2022			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Seshasayee Paper and Boards Limited	282911	15.78	-	282911	15.78	-	0.00
2	Time Square Investments Private Limited	165463	9.23	-	165463	9.23	-	0.00
3	Ponni Sugars (Erode) Limited	100000	5.58	-	100000	5.58	-	0.00
4	Synergy Investments Pte Ltd	80000	4.46	-	80000	4.46	-	0.00
5	Ultra Investments and Leasing Company Private Limited	70200	3.91	-	70200	3.91	-	0.00
6	Dhanashree Investments Private Limited	21021	1.17	-	21021	1.17	-	0.00
7	N Gopalaratnam	10200	0.57	-	10200	0.57	-	0.00
8a	R Vaidyanathan [Deceased] (*)	2500	0.14	-	-	-	-	-0.14
8b	V Shyamala (*)	-	-	-	2500	0.14	-	0.14
9	S Sridharan	1932	0.11	-	1932	0.11	-	0.00
10	D Jayaraman	200	0.01	-	200	0.01	-	0.00
11	G A Pathanjali	100	0.01	-	100	0.01	-	0.00
	<b>Total</b>	<b>734527</b>	<b>40.97</b>	<b>-</b>	<b>734527</b>	<b>40.97</b>	<b>-</b>	<b>0.00</b>

(\*) On transmission of 2500 Equity Shares of Mr R Vaidyanathan, Promoter (Deceased), his wife Mrs V Shyamala has been classified as Promoter of the Company in accordance with Regulation 31A(6)(a) of SEBI (LODR) Regulations, 2015 and as per Regulation 31A of SEBI(LODR), the Company sought approval from the shareholders of the Company at the AGM held on 07.08.2021. Based on the approval, an application was submitted with the Stock Exchange (BSE Ltd) for reclassification of the above said 2500 Equity shares from Promoter Category to Public Category, which is under process with Listing Operation team.

**ANNEXURE - 3 TO BOARD'S REPORT**

**III. Change in Promoters' Shareholding**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2021		Cumulative Shareholding during the year 31.03.2022	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Promoters' total holding				
	At the beginning of the year 01-April-2021	734527	40.97	-	-
	Sale 18-March-2022	-2500	0.14	732027	40.83
	Purchase 18-March-2022	2500	0.14	734527	40.97
	At the end of the year 31-March-2022	-	-	734527	40.97

*There is no change in the total Shareholding of Promoters during the year 2021-2022.*

**IV. Shareholding Pattern of top ten Shareholders (other than Promoters and Directors):**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2021		Cumulative Shareholding during the year 31.03.2022	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year 01-Apr-2021	126955	7.08		
	Sale 13-Aug-2021	-126955	7.08	0	0.00
	At the end of the Year 31-Mar-2022			0	0.00
	HAVING SAME PAN				
	LICI ASM NON PAR				
	At the beginning of the year 01-Apr-2021	0	0.00		
	Purchase 04-Feb-2022	126955	7.08	126955	7.08
	At the end of the Year 31-Mar-2022			126955	7.08
2	MINAL BHARAT PATEL				
	At the beginning of the year 01-Apr-2021	97943	5.46		
	Purchase 11-Jun-2021	5422	0.30	103365	5.77
	Sale 16-Jul-2021	-1000	0.06	102365	5.71
	Sale 23-Jul-2021	-14632	0.82	87733	4.89
	Sale 28-Jul-2021	-5000	0.28	82733	4.61
	Sale 17-Sep-2021	-1000	0.06	81733	4.55
	Sale 24-Sep-2021	-155	0.01	81578	4.55
	Sale 30-Sep-2021	-845	0.05	80733	4.50
	Sale 22-Oct-2021	-80733	4.50	0	0.00
	Purchase 26-Nov-2021	80733	4.50	80733	4.50
	Sale 10-Dec-2021	-4879	0.27	75854	4.23
	At the end of the Year 31-Mar-2022			75854	4.23
	HAVING SAME PAN				

**ANNEXURE - 3 TO BOARD'S REPORT**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2021		Cumulative Shareholding during the year 31.03.2022	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	MINAL BHARAT PATEL At the beginning of the year 01-Apr-2021 Purchase 10-Dec-2021 At the end of the Year 31-Mar-2022	0 2169	0.00 0.12	2169 2169	0.12 0.12
3	SATHYAMOORTHY DEVARAJULU At the beginning of the year 01-Apr-2021 At the end of the year 31-Mar-2022	50000	2.79	50000	2.79
4	SRIKANTH C At the beginning of the year 01-Apr-2021 At the end of the year 31-Mar-2022	49754	2.78	49754	2.78
5	BALRAM THAKURDAS BHARWANI JT1 : POONAM BALRAM BHARWANI At the beginning of the year 01-Apr-2021 Sale 04-Jun-2021 Sale 09-Jul-2021 Sale 16-Jul-2021 Sale 23-Jul-2021 Sale 28-Jul-2021 At the end of the Year 31-Mar-2022	38650 -50 -35 -20 -25 -20	2.16 0.01 0.00 0.00 0.00 0.00	38600 38565 38545 38520 38500 38500	2.15 2.15 2.15 2.15 2.15 2.15
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS At the beginning of the year 01-Apr-2021 Sale 18-Feb-2022 At the end of the year 31-Mar-2022	35396 -20	1.97 0.00	35376 35376	1.97 1.97
7	RUCHIT BHARAT PATEL JT1 : HARDIK BHARAT PATEL At the beginning of the year 01-Apr-2021 At the end of the year 31-Mar-2022	35329	1.97	35329	1.97
8	HARDIK B PATEL At the beginning of the year 01-Apr-2021 Sale 09-Jul-2021 Sale 16-Jul-2021 Sale 23-Jul-2021 At the end of the Year 31-Mar-2022	27081 -9000 -17713 -368	1.51 0.50 0.99 0.02	18081 368 0 0	1.01 0.02 0.00 0.00

**ANNEXURE - 3 TO BOARD'S REPORT**

Sl. No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2021		Cumulative Shareholding during the year 31.03.2022	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
	HAVING SAME PAN HARDIK BHARAT PATEL At the beginning of the year 01-Apr-2021 Purchase 10-Dec-2021 At the end of the Year 31-Mar-2022	0 1084	0.00 0.06	1084	0.06 0.06
9	F L DADABHOY JT1 : P F DADABHOY At the beginning of the year 01-Apr-2021 Sale 09-Apr-2021 Sale 16-Apr-2021 Sale 23-Apr-2021 Sale 30-Apr-2021 Sale 14-May-2021 Sale 21-May-2021 Sale 28-May-2021 Sale 04-Jun-2021 Sale 11-Jun-2021 At the end of the Year 31-Mar-2022	15450 -150 -450 -1950 -3000 -4200 -600 -2700 -2100 -300	0.86 0.01 0.02 0.11 0.17 0.23 0.03 0.15 0.11 0.02	15300 14850 12900 9900 5700 5100 2400 300 0 0	0.85 0.83 0.72 0.55 0.32 0.28 0.13 0.02 0.00 0.00
10	SITHARAMAN G JT1 : JANAKI S At the beginning of the year 01-Apr-2021 At the end of the Year 31-Mar-2022	13720	0.77	13720	0.77

**ANNEXURE - 3 TO BOARD'S REPORT**

**V. Shareholding of Directors and Key Managerial Personnel:**

Sl. No	Name	Shareholding at the beginning of the year 01.04.2021		Cumulative Shareholding during the year 31.03.2022	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	N GOPALARATNAM				
	At the beginning of the year 01-Apr 2021	10200	0.57		
	At the end of the Year 31-Mar 2022			10200	0.57
2	G A PATHANJALI				
	At the beginning of the year 01-Apr 2021	100	0.01		
	At the end of the Year 31-Mar 2022			100	0.01

**VI. Indebtedness:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3012.13	330.00	-	3342.13
ii) Interest due but not paid	-	128.46	-	128.46
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3012.13</b>	<b>458.46</b>	<b>-</b>	<b>3470.59</b>
Change in Indebtedness during the financial year				
A. Principal				
- Addition	-	-	-	-
- Reduction	559.47	330.00	-	889.47
Change in Indebtedness during the financial year				
B. Interest				
- Addition	-	-	-	-
- Reduction	-	128.46	-	128.46
<b>Net Change</b>	<b>(559.47)</b>	<b>458.46</b>	<b>-</b>	<b>1017.93</b>
Indebtedness at the end of the financial year				
i) Principal Amount	2452.65	-	-	2452.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2452.65</b>	<b>-</b>	<b>-</b>	<b>2452.65</b>

**ANNEXURE - 3 TO BOARD'S REPORT**

**VII. Remuneration Of Directors And Key Managerial Personnel:**

**A. Remuneration to Managing Director, Whole-time Director(s) and/or Manager**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹ in lakhs)
		Dr G A Pathanjali Managing Director	Mr M Ignatius Director (Operations)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.52	20.04	46.56
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	36.00	-	36.00
	- others, specify - Special Allowance	-	21.00	21.00
5	Others – Retirement benefits	6.48	-	6.48
	<b>Total</b>	<b>69.00</b>	<b>41.04</b>	<b>110.04</b>
	Ceiling as per the Act	84.00	84.00	



**ANNEXURE - 3 TO BOARD'S REPORT**

**B. Remuneration to other directors**

Sl. No	Particulars of Remuneration	Name of Directors			Total Amount (in ₹ )
		Mr. A L Somayaji	Cmdr. R P Prem Kumar	Mr. M Natarajan	
1	- Fee for attending Board Committee Meetings	155000	155000	135000	445000
	- Commission (*)	200000	200000	200000	600000
	- Others Please specify	200000	200000	200000	600000
	<b>Total (1)</b>	<b>555000</b>	<b>555000</b>	<b>535000</b>	<b>1645000</b>
2		<b>Mrs. Lalitha Lakshamanan</b>			
		<b>Dr. Vijayamohanan K Pillai</b>			
	- Fee for attending Board Committee Meetings	215000		75000	290000
	- Commission (*)	200000		200000	400000
	- Others Please specify	200000		200000	400000
	<b>Total (2)</b>	<b>615000</b>		<b>475000</b>	<b>1090000</b>
3		<b>Mr N Gopalaratnam</b>			
		<b>Mrs. Jayashree Ajit Shankar</b>			
	- Fee for attending Board Committee Meetings	135000		60000	195000
	- Commission (*)	200000		200000	400000
	- Others Please specify (#)	200000		200000	400000
	<b>Total (3)</b>	<b>535000</b>		<b>460000</b>	<b>995000</b>
	<b>Total (B) = (1+2+3)</b>				<b>3730000</b>

(\*) Commission paid to Non Executive directors for the FY 2021 - 2022.

(#) Remuneration paid to Non Executive directors as per Schedule V of the Companies Act, 2013 for the FY 2020 – 2021.

**ANNEXURE - 3 TO BOARD'S REPORT**

**C. Remuneration to Key Managerial Personnel Other than MD / WTD / Manager**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount (₹ in lakhs)
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	10.28	20.62	30.90
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify - Incentive	6.50	13.00	19.50
5	Others, specify - Bonus	-	0.52	0.52
	<b>Total</b>	<b>16.78</b>	<b>34.14</b>	<b>50.92</b>

**VIII. Penalties/Punishment/Compounding Offences**

There were no penalties, punishments, compounding of offences against the Company, its Directors or other Officers in Default for Non-compliance / violation by the Company of any provisions of the Companies Act, 2013 during the year.

Chennai  
7<sup>th</sup> May 2022

(For Board of Directors)

**N GOPALARATNAM**  
Chairman

**ANNEXURE - 4 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.
- Reduction in heat loss in melting furnace by modifying internal structure.
- Modification in chiller plant (from water cooler to Air Cooler system).
- Switching over to CFL instead of Sodium Lamp for street 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 and Production of PAFC & PEM Fuel Cells.
- Research work on Ternary Electro – catalyst with low Pt, for Fuel Cells.
- Design, development and Demonstration of 1kW/ 10kWh of Vanadium based Flow Battery (VFB).
- Development work on 2<sup>nd</sup> Life Lithium Ion Battery (LIB).

**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.
- Upgradation of technology to match the change in requirements.
- Indigenization, Upgradation and self reliance in the critical field of batteries for strategic defense applications.
- “Make in India” and “Atmanirbhar” concepts fully implemented over four decades (Since 1979).

**3 Future Plan of Action**

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

**4 Expenditure on R & D during the year**

(₹ in lakhs)

	As At 31.03.2022	As At 31.03.2021
Capital	-	-
Recurring	80.39	61.28
<b>Total</b>	<b>80.39</b>	<b>61.28</b>

**5 Technology Absorption and Adoption**

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

**6 Foreign Exchange Earnings and Outgo**

(₹ in lakhs)

	As At 31.03.2022	As At 31.03.2021
Earnings	159.14	33.26
Outgo	793.96	454.23

(For Board of Directors)

Chennai  
7<sup>th</sup> May 2022

**N GOPALARATNAM**  
Chairman

**ANNEXURE - 5 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 became applicable to the Company from the FY 2020 – 2021.

The Company is pursuing social objectives in the interest of rural welfare in nearby area of Mathur, Pudukkottai District, Tamil Nadu and also provides assistance to a health centre in the nearby village. In future, the Company will focus on areas in the field of community development, education, health and sanitation.

2. The Composition of CSR Committee

The Company is not required to constitute a Committee for CSR as the amount to be spent for CSR activities is less than ₹ 50 Lakhs.

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.

The Company is pursuing regular activities like healthcare, education and development in rural areas. A comprehensive CSR policy is being drawn taking into account the Company's vision and the need in the vicinity.

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).

Not Applicable

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.

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)
Nil			

6. Average net profit of the Company as per Section 135(5): ₹ 96 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs.1.92 lakhs  
 (b) Surplus arising out of the CSR Projects or Programmes or Activities of the previous financial years: Nil  
 (c) Amount required to be set – off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1.92 lakhs

**ANNEXURE - 5 TO BOARD'S REPORT**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount spent for the FY 2021 - 22 (₹ 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
8.55	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:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No).	(5) Location of the Project		(6) Amount spent for the project (₹ in Lakhs)	(7) Mode of Implementation Direct (Yes/No)	(8) Mode of implementation – Through Implementing agency	
				State	District			Name	CSR Registration Number
Nil									

(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 (8b+8c+8d+8e): ₹ 8.55 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)	1.92
(ii)	Total amount spent for the Financial Year	8.55
(iii)	Excess amount spent for the Financial Year [ (ii) – (i) ]	6.63
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set – off in succeeding financial years [ (iii) – (iv) ]	6.63

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable.

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): Not Applicable.

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.

Sd/-

**G A Pathanjali**  
Managing Director

Chennai  
7<sup>th</sup> May 2022

**ANNEXURE - 6 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)	2.97:1	Note 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	21%	Note 1 & 2
		Director (Operations)	17%	
		Company Secretary	11%	
		CFO	10%	
3	The percentage increase in the median remuneration of employees in the financial year	22.5%		
4	The number of permanent employees on the rolls of company	103		
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:**

1. Non-Executive Directors were paid Sitting fee, Remuneration and Commission. Ratio of Remuneration and percentage increase are provided only for Executive Directors, since such data would not be meaningful in the case of non-executive directors.
2. Remuneration is as per the remuneration policy of the company. MD / Director (Operations) remunerations are normally re-determined on reappointment once in 3 years, while the special allowance or commission payable is determined annually.

Chennai  
7<sup>th</sup> May 2022

(For Board of Directors)

**N GOPALARATNAM**  
Chairman

**ANNEXURE - 7 TO BOARD'S REPORT**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022**

[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**

**(CIN:L36999TN1961PLC004606)**

**"Esvin House", 13, Old Mahabalipuram**

**Road, Perungudi,**

**Chennai - 600 096.**

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), Chennai - 600 096 (hereinafter called 'the Company').

The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances for expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by 'the Company' and also the information provided electronically by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 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 "the Company" for the financial year ended on 31<sup>st</sup> March 2022, 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) 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;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. 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;

(v) Other Laws applicable specifically to the Company:

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

b. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

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

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

(i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and

**ANNEXURE - 7 TO BOARD'S REPORT**

General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under report, the Company did not attract the provisions of:

- (i) 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;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

**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.

**We further report** that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above.

**FOR B.K. SUNDARAM & ASSOCIATES**  
COMPANY SECRETARIES

**(B.KALYANASUNDARAM)**  
COMPANY SECRETARY

ACS NO. A672. CP. NO. 2209

UDIN: A000672D000283427

Peer Review Cert No.:1215/2021

ICSI Unique code: S1994TN013100

Place : Trichy

Date : 07-05-2022

**Note:** This report has to be read along with the Annexure which forms an integral part of this report.



**ANNEXURE - 7 TO BOARD'S REPORT**

**ANNEXURE TO SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022  
OF  
M/S. HIGH ENERGY BATTERIES (INDIA) LIMITED**

1. Maintenance of secretarial records with reference to the provisions of the Companies Act, 2013 & the Rules thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our audit.
2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. We have sought and obtained all the information electronically and explanations which to the best of our knowledge and belief were necessary for the purposes of our Secretarial Audit. The verifications were done on a random test basis to ensure that correctness of the facts reflected in the records.
3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and occurrence of events

**FOR B.K. SUNDARAM & ASSOCIATES**  
COMPANY SECRETARIES

**(B.KALYANASUNDARAM)**

COMPANY SECRETARY

ACS NO. A672. CP. NO. 2209

UDIN: A000672D000283427

Peer Review Cert No.:1215/2021

ICSI Unique code: S1994TN013100

Place : Trichy

Date : 07-05-2022

**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 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, 2022 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 Significant Accounting Policies 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, 2022, 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 of the financial statements 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 judgement, 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 2022, the Inventories (Note no 6 carrying value ₹ 3542.81 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 controls with respect to receipt, issues, year end physical verification, and valuation of inventories.</p> <p>We applied standard audit procedures during physical verification including recheck of the physical stock of selected items.</p> <p>We have verified the cost calculation with the relevant record and also the orders from the customers for comparison of the selling prices with the cost.</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 12 - Other current Assets - Material receivable from Customers as on 31.03.2022 ₹ 376.45 Lakhs being a significant account balance we have considered this as a key audit matter</p>	<p>We have verified the Contract with Customers.</p> <p>We have tested the internal control procedures for usage of materials on customer account and receipt of Materials from Customers.</p> <p>Based on the test checks and audit procedures applied by us we are satisfied on the Balance of Material Receivable from the customers.</p> <p>We have also verified the evidences for subsequent receipt of the materials.</p>
<p>3. Trade Receivable as on 31.03.2022 is ₹ 1969.76 Lakhs, is considered as a Key Audit Matter, being a significant account balance in the financial statements.</p>	<p>We have tested the internal control procedures in the area of sales, dispatches.</p> <p>We have verified the sales amounts with the orders from customers, and documents relating to transfer of control to customers.</p> <p>We have also applied our alternate audit procedures such as verification of the internal and external evidence for dispatch of the goods for major items and subsequent bank receipts.</p> <p>Based on the audit procedures performed we are satisfied that the amount stated in the financial statements is in line with accepted accounting procedures and applicable accounting standards.</p>

**Information Other Than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information in the Annual Report, comprising of the Director's report and its annexures, but does not include the standalone financial statements and our auditor's 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that 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 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.

The Board of Directors is 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 (Auditors' 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 paragraphs 3 and 4 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 purpose 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 prescribed 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, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2022 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 Auditors' 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 Auditors' 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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer notes to 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 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 division 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 36 (D) (i) (a) & (b) to financial statements no funds have been received by the division from any persons or entities, including foreign entities (“funding Parties”), with the understanding, whether recorded in writing or otherwise, that the division 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 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 misstatement.
- v) (a) The final 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 Companies Act 2013 to the extent it applies to payment of dividend.
- (b) As stated in note 13 to the financial statements, the Board of Directors of the Company have proposed final 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 to the extent it applies to declaration of dividend.

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:22021661AIPHY07866

Place : Chennai  
Date : May 07, 2022

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S 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, 2022 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 Auditors’ 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 authorisations of Management and Directors of the Company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over Financial Reporting**

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, 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 over Financial Reporting to future periods are

subject to the risk that the Internal Financial Control over Financial Reporting 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 System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2022, 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.

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: 22021661AIPHY07866

Place : Chennai  
Date : May 07, 2022

**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 2 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date:

- (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.
  - (e) 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 ; discrepancies of 10% or more were not 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 institutions are in agreement with the books of account of the Company/the differences are not material.
- (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.
  - (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of loans, investments, provided 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) According to the information and explanations given to us in respect of Statutory dues :
- (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 2022 for a period of more than six months from the date they became payable.
  - (b) There are no dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, Cess and Goods and Service Tax that have not been deposited as on 31st March 2022 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 wilful defaulter by any bank or financial institution or other lender;
  - (c) The term loans were applied for the purpose for which the loans were obtained;
  - (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 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) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (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 realisation 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) The company has spent the minimum amount required to be spent as stipulated in section 135 of the Companies Act and hence the 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) of the said Act.
- (xxi) The company has no subsidiaries and therefore this clause is not applicable.

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: 22021661AIPHY07866

Place : Chennai  
Date : May 07, 2022

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2022

₹ in lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I ASSETS</b>			
<b>1 Non Current Assets</b>			
a) Property Plant and Equipment	2	3013.10	3073.76
b) Intangible Assets	2(a)	6.89	8.88
c) Intangible Assets under Development	2(b)	3.60	3.60
d) Financial Assets			
(i) Investments	3	95.72	88.35
(ii) Other Financial Assets	4	124.39	127.65
e) Other Non Current Assets	5	32.33	56.60
		<b>3276.03</b>	<b>3358.84</b>
<b>2 Current Assets</b>			
a) Inventories	6	3542.81	2883.12
b) Financial Assets			
(i) Trade Receivables	7	1969.76	1823.23
(ii) Cash and Cash Equivalents	8	440.76	553.30
(iii) Bank Balances	9	33.30	4.63
(iv) Others	10	12.33	17.34
c) Current Tax Assets (Net)	11	6.50	-
d) Other Current Assets	12	558.72	720.04
		<b>6564.18</b>	<b>6001.66</b>
<b>Total</b>		<b>9840.21</b>	<b>9360.50</b>
<b>EQUITY AND LIABILITIES</b>			
<b>II EQUITY</b>			
a) Equity Share Capital	13	179.28	179.28
b) Other Equity	14	5389.97	4014.35
		<b>5569.25</b>	<b>4193.63</b>
<b>III LIABILITIES</b>			
<b>Non Current liabilities</b>			
a) Financial Liabilities			
Borrowings	15	-	279.02
b) Deferred Tax Liabilities (Net)	16	397.55	466.09
c) Provisions	17	42.74	38.50
d) Other Non Current Liabilities	18	57.07	65.43
		<b>497.36</b>	<b>849.04</b>
<b>Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	19	2452.65	3183.82
ii) Trade Payables			
(A) Total outstanding dues of Small Enterprises and Micro enterprises	20	181.67	91.35
(B) Total outstanding dues of creditors other than Small Enterprises and Micro enterprises	20	229.90	379.64
iii) Other Current Liabilities	21	406.13	241.40
b) Other Current Liabilities	22	209.85	213.85
c) Provisions	23	272.13	199.77
d) Current Tax Liabilities (Net)	24	21.27	8.00
		<b>3773.60</b>	<b>4317.83</b>
<b>Total</b>		<b>9840.21</b>	<b>9360.50</b>

Notes to Financial Statements 1 to 44

Vide our Report of even date  
For M/s. Maharaj N R Suresh and Co. LLP  
Chartered Accountants  
Firm Reg No: 001931S/S000020

**N.R. SURESH**  
Partner  
M.No: 021661  
UDIN: 22021661AIPHY07866

Chennai  
07-05-2022

**N. GOPALARATNAM**  
Chairman  
**Dr. G.A. PATHANJALI**  
Managing Director

**M. IGNATIUS**  
Director (Operations)

**A. L. SOMAYAJI**  
**Cmde. R.P. PREM KUMAR, VSM (Retd.)**  
**M. NATARAJAN**

**R. SWAMINATHAN**  
Chief Financial Officer

**LALITHA LAKSHMANAN**  
**Dr. VIJAYAMOHANAN K PILLAI**  
**H. NANDA**

Directors

**S.V. RAJU**  
Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

₹ in lakhs

S No	Particulars	Note No	Year ended 31.03.2022	Year ended 31.03.2021
<b>I</b>	<b>Revenue from Operations</b>			
	Revenue from Sale of Products	25a	7925.74	7752.75
	Other Operating Revenues	25b	29.52	30.72
<b>II</b>	<b>Other Income</b>	26	17.90	11.94
<b>III</b>	<b>Total Revenue (I+II)</b>		<b>7973.16</b>	<b>7795.41</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials and components consumed	27	2692.86	2780.80
	Changes in Inventories	28	(48.24)	(136.87)
	Employee Benefits Expense	29	1463.95	1215.27
	Finance Cost	30	378.09	512.49
	Depreciation and Amortisation	2 & 2(a)	113.45	112.43
	Other Expenses	31	899.15	912.47
	<b>Total Expenses (IV)</b>		<b>5499.26</b>	<b>5396.59</b>
<b>V</b>	<b>Profit / (Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>2473.90</b>	<b>2398.82</b>
<b>VI</b>	<b>Exceptional Items</b>		-	-
<b>VII</b>	<b>Profit Before Tax</b>		<b>2473.90</b>	<b>2398.82</b>
<b>VIII</b>	<b>Tax Expenses</b>	32		
	Current Tax		694.39	133.52
	Deferred Tax		(15.47)	432.37
	<b>Total Tax Expenses (VIII)</b>		<b>678.92</b>	<b>565.89</b>
<b>IX</b>	<b>Profit / (Loss) After Tax and Exceptional Item (VII-VIII)</b>		<b>1794.98</b>	<b>1832.93</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified to Statement of Profit and Loss			
	(i) Remeasurement benefit of the defined benefit plans		(210.88)	(59.59)
	(ii) Income tax expense on remeasurement benefit of the defined benefit plans		53.07	14.96
	(iii) Net fair value gain/(loss) on investment in equity instruments through OCI		7.37	29.64
	(iv) Income Tax Expenses on gain on Fair valuation of investment in equity instruments through OCI		-	-
	<b>Other Comprehensive Income for the year</b>		<b>(150.44)</b>	<b>(14.99)</b>
	B. Items that will be reclassified to Statement of Profit and loss		-	-
	<b>Total Comprehensive income for the period (IX + X)</b>		<b>1644.54</b>	<b>1817.94</b>
	<b>Earning per Equity Share (of Face Value ₹ 10 each)</b>			
	Basic	39	100.12	102.24
	Diluted	39	100.12	102.24
	<b>Notes to Financial Statements 1 to 44</b>			

Vide our Report of even date  
For M/s. Maharaj N R Suresh and Co. LLP  
Chartered Accountants  
Firm Reg No: 001931S/S000020

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Chairman  
**Dr. G.A. PATHANJALI**  
Managing Director

**A. L. SOMAYAJI**  
Cmde. R.P. PREM KUMAR, VSM (Retd.)  
**M. NATARAJAN**  
Directors

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**Dr. VIJAYAMOHANAN K PILLAI**  
**H. NANDA**

**N.R. SURESH**  
Partner  
M.No: 021661  
UDIN: 22021661AIPHY07866

**M. IGNATIUS**  
Director (Operations)

**R. SWAMINATHAN**  
Chief Financial Officer

**S.V. RAJU**  
Secretary

Chennai  
07-05-2022

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022**

**A) Equity Share Capital**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
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 Account	General Reserve	Retained Earnings		
<b>Balance as on 1st April, 2020</b>	<b>3.00</b>	<b>783.35</b>	<b>200.00</b>	<b>1157.26</b>	<b>52.79</b>	<b>2196.40</b>
Add:						
Profit for the year 2020-21	-	-	-	1832.94	-	1832.94
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(44.63)	-	(44.63)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	29.64	29.64
<b>Balance as on 1st April, 2021</b>	<b>3.00</b>	<b>783.35</b>	<b>200.00</b>	<b>2945.57</b>	<b>82.43</b>	<b>4014.35</b>
Add:						
Profit/(Loss) for the year 2021-22	-	-	-	1794.98	-	1794.98
Net gain/(loss) on remeasurement of defined benefit plans	-	-	-	(157.81)	-	(157.81)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	7.37	7.37
Income Tax Expenses on Fair valuation of investment in equity instruments through OCI	-	-	-	-	-	-
Less:						
Dividend for FY 2020-21	-	-	-	268.92	-	268.92
Transfer to Reserves	-	-	-	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>3.00</b>	<b>783.35</b>	<b>200.00</b>	<b>4313.82</b>	<b>89.80</b>	<b>5389.97</b>

**Notes to Financial Statements 1 to 44**

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Chief Financial Officer

**S.V. RAJU**  
Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

₹ in lakhs

Description	Refer Note No.	Year Ended 31.03.2022		Year Ended 31.03.2021	
<b>A. Cash flow from Operating Activities:</b>					
Profit before tax			2473.90		2398.82
<b>Adjustments for:</b>					
Depreciation	2 & 2(a)	113.45		112.43	
Interest Paid	30	378.09		512.49	
Interest received	26	(12.60)		(9.03)	
Dividend	26	(1.31)		(2.08)	
Profit on sale of Assets	26	(2.00)	475.63	(0.08)	613.73
<b>Operating Profit before working capital changes</b>			<b>2949.53</b>		<b>3012.55</b>
<b>Adjustments for:</b>					
Trade and Other Receivables	7	(146.53)		(904.88)	
Inventories	6	(659.69)		(85.18)	
Other current assets	4,5,10 & 12	164.75		(607.08)	
Provisions	17 & 23	(134.28)		101.75	
Other liabilities	18	(8.36)		(83.73)	
Trade and other payables	20 to 22	101.32	(682.79)	(395.21)	(1974.33)
Cash generated from operations			<b>2266.74</b>		<b>1038.22</b>
Direct Tax paid net of refund			(658.75)		(113.76)
<b>Net cash from operating activities (A)</b>			<b>1607.99</b>		<b>924.46</b>
<b>B. Cash flow from Investing Activities:</b>					
Purchase / Acquisition of fixed assets	2 & 2(a)	(51.88)		(91.62)	
Change in CWIP	2(b)	-		10.60	
Sale of Fixed Assets		3.09		0.59	
Interest received	26	12.60		9.03	
Dividend received	26	1.31		2.08	
<b>Net cash used in investing activities (B)</b>			<b>(34.88)</b>		<b>(69.32)</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2022**

₹ in lakhs

Description	Refer Note No.	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>C. Cash flow from Financing Activities:</b>			
Long term bank deposit	9	(29.27)	(9.96)
Unsecured loan repaid during the year	15 & 19	(450.71)	(600.86)
Working Capital Loan	19	(372.25)	592.00
Term loan from Banks received during the year	15 & 19	-	262.49
Term loan from banks Repaid during the year	15 & 19	(187.22)	(41.04)
Dividend paid		(268.32)	
Interest Paid			
Interest as per Statement of Profit & Loss	30	(343.90)	(415.42)
Interest on Unsecured loan paid	30	(26.73)	(91.87)
Interest on Current Tax	30	(7.46)	(5.20)
Interest on Current Tax not paid		0.21	5.20
		(377.88)	(507.29)
<b>Net cash used in financing activities ( C )</b>		<b>(1685.65)</b>	<b>(304.66)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(112.54)</b>	<b>550.48</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>553.30</b>	<b>2.82</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>440.76</b>	<b>553.30</b>

**Note:**

₹ 8.55 lakhs has been spent for Social Responsibility Expenses during the year (Previous year Nil)

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**N.R. SURESH**  
Partner  
M.No: 021661  
UDIN: 22021661AIPHY07866

Chennai  
May 7, 2022

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Secretary



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**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 and also manufactures commercial batteries for auto and standby VRLA Applications. The company's shares are listed in BSE Ltd. The Company is classified under "Small" category since 01st July, 2020 vide MSME UDYAM RegistrationNo.UDYAM-TN-02-0000445.

**A. Significant Accounting Policies and Key Accounting Estimates and Judgements**

**1. Significant Accounting Policies**

**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. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS-2 inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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**

An asset or liability is classified as current if it satisfies any of the following conditions

- (i) the asset / liability is expected to be realized / settled in the Company's normal operating cycle;
- (ii) the asset is intended for sale or consumption;
- (iii) the asset / liability is held primarily for the purpose of trading;
- (iv) the asset / liability is expected to be realized / settled within twelve months after the reporting period;
- (v) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (vi) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

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 Recent Accounting Pronouncements**

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

**Ind AS 16—Property Plant and equipment** - The amendment clarifies treatment of revenue earned during trial runs. The company has not undertaken any major additions to PPE during the year.

**Amendment to Division II to Schedule III:**

MCA vide notification dated 24.03.2021 made minor modifications to the existing disclosure requirements and further additional disclosures to be made in the Financial statements are introduced under Division II Schedule III. This is applicable for the financial statements prepared for the period from 01.04.2021. The company has examined these amendments and has made necessary disclosures that are applicable. The comparatives have also been presented in line with the amendments made to Division II Schedule III.

**1.5 Property, Plant and Equipment (PPE)**

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

(b) are expected to be used during more than one period.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

(i) An item of PPE that qualifies for recognition as an asset is measured on initial recognition at cost. Following initial recognition, PPEs are carried at its cost less accumulated depreciation and accumulated impairment losses.

(i)(a) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as of April 1, 2016 (transition date) measured as per the previous IGAAP as its deemed cost as on the transition date except land, which has been measured at fair value as deemed cost on the transition date.

(ii) The cost of an item of PPE comprises purchase price, taxes and duties net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of PPE if the recognition criteria are met.

(iii) The Company identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.

(iv) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalized at cost. Costs in nature of repairs and maintenance are recognized in the statement of Profit and Loss as and when incurred. All upgradation / enhancements are charged off as revenue expenditure unless they bring significant additional benefits. Borrowing Costs (net of interest earned on temporary investments of those borrowings) directly attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost of the assets till the asset is ready for its intended use.

(v) Capital advances and capital work-in-progress

Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work-in-progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation on these assets commence when the assets are ready for their intended use.

(vi) 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 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

(vii) Estimated useful lives of the assets are as follows:

<b>Asset</b>	<b>Years</b>
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 & Air Conditioners	10
Others	20
Computers	3
Servers	6
Furniture and Fixtures	10
Vehicles (Secondhand vehicles Based on Kilometers run maximum 12 years)	12
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.

**1.6 Intangible assets**

**a. Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

**b. Useful lives of intangible assets**

Intangible assets are amortized equally over the estimated useful life not exceeding five years.

Estimated useful life of Computer Software is five years.

**1.7 De-recognition of tangible and intangible assets**

An item of tangible and intangible asset is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of tangible and intangible assets is determined as the difference between the sales proceeds if any and the carrying amount of the asset and is recognized in the statement of profit or loss.

### **1.8 Impairment of tangible and intangible assets**

The Company annually reviews the carrying amounts of its tangible and intangible 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.

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.

### **1.9 Revenue Recognition**

#### **Revenue from contract with customers**

Effective from 1st April 2018, the company has applied **IND AS-115-Revenue from contracts with customers**. Application of the standard does not have any significant impact with revenue recognition and measurements.

#### **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.

#### **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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**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 Defense 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.

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:**

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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**b. Dividend and interest income**

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate method.

**c. 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.

**1.10 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 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' or deducted in reporting the related expense. Receivables of such grants are disclosed under "Other Financial Assets".

**1.11 Inventories**

Inventories are valued at lower of cost and net realizable value. Materials and other items intended for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost includes taxes and duties, net of input tax credit entitlement. Cost of raw materials and components, stores and spares is determined on weighted average basis and includes inward freight and other direct expenses and 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,



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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. Net realizable value is the estimated selling price less estimated costs for completion and sale.

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

**1.12 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Statement of profit or loss in the period in which they are incurred.

**1.13 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 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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.

**1.14 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**1.15 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.

**1.16 Financial assets**

All regular purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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.

**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.

- 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. Effective interest method (EIR)**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of profit or loss.

**c. 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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.

**d. 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 receivable, Company applies 'simplified approach' which requires expected lifetime losses to be recognized from initial recognition of the receivables.

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.

**e. De-recognition of Financial Assets:**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is de-recognised when the obligation specified in the contract is discharged or cancelled or expires.

Concomitantly, if the asset is one that is measured at

- (a) Amortised cost, the gain or loss is recognized in the Statement of Profit and Loss.
- (b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**1.17 Financial liabilities and equity instruments**

**a. Classification as debt or equity**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**c. Financial liabilities**

All financial liabilities are initially recognized at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

**d. Derecognition of financial liabilities**

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability modified, such an exchange or modification is treated as the De-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid is recognised in the Statement of Profit and Loss.

**1.18 Foreign Currency Transactions**

**a. Initial Recognition**

On initial recognition, transactions in foreign currencies are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

**b. Measurement of foreign currency items at reporting date**

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

**c. Recognition of exchange difference**

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

**1.19 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.

**1.20 Taxes on Income**

Taxes on income comprise of current tax and deferred tax.

**a. Current tax**

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to tax in payable in respect of previous years.

**b. Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the accounting profit nor the taxable profit, deferred tax liabilities are not recognized.

Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that future taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

Deferred Tax Assets in respect of tax carry forward of unused tax losses and unused tax credits are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

**c. Current and deferred tax for the year**

Current and deferred tax are recognised in the Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**1.21 Events after reporting period**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size of nature are only disclosed.

**1.22 Segment Reporting**

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.

**1.23 Earnings Per Share (EPS)**

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**Key Accounting estimates and judgments**

**1.1 Use of Estimates**

The preparation of financial statements in conformity with IndAS 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 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. Fair value measurement and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the mode.

### **b. Useful life of Property, Plant and Equipments**

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.

### **c. 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.

### **d. Claims, Provisions and Contingent Liabilities**

The Company has ongoing litigations with various tax and regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### Note No.2 Property Plant and Equipment

₹ in lakhs

Description	Gross Carrying Value			Depreciation			Net Carrying Value		
	As at 01.04.2021	Additions during the year	Deletions/ Adjustment	As at 31.03.2022	As at 01.04.2021	Additions during the year	Deletions/ Adjustment	As at 31.03.2022	As at 31.03.2021
Land	1987.82	-	-	1987.82	-	-	-	1987.82	1987.82
Building	368.09	4.46	-	372.55	76.31	16.29	-	279.95	291.78
Plant & Equipment	1222.29	23.41	4.16	1241.54	477.79	81.46	3.45	685.73	744.49
Electrical Installation	26.93	0.01	-	26.94	20.62	0.02	-	6.30	6.31
Office Equipment	25.91	4.52	-	30.43	10.37	3.60	-	16.46	15.54
Computers	28.02	6.59	-	34.61	7.94	7.94	-	18.73	20.08
Furniture & Fixtures	2.27	2.59	-	4.86	0.83	0.32	-	3.71	1.44
Vehicles	23.11	10.29	2.48	30.92	16.81	1.83	2.12	14.40	6.30
<b>TOTAL</b>	<b>3684.44</b>	<b>51.87</b>	<b>6.64</b>	<b>3729.67</b>	<b>610.67</b>	<b>111.46</b>	<b>5.57</b>	<b>3013.10</b>	<b>3073.76</b>

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

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

₹ in lakhs

Description	Gross Carrying Value			Depreciation			Net Carrying Value		
	As at 01.04.2020	Additions during the year	Deletions/ Adjustment	As at 31.03.2021	As at 01.04.2020	Additions during the year	Deletions/ Adjustment	As at 31.03.2021	As at 31.03.2020
Land	1987.82	-	-	1987.82	-	-	-	1987.82	1987.82
Building	359.56	8.53	-	368.09	60.18	16.13	-	291.78	299.38
Plant & Equipment	1172.54	49.82	0.07	1222.29	393.61	84.23	0.04	744.48	778.92
Electrical Installation	26.93	-	-	26.93	20.59	0.03	-	6.31	6.34
Office Equipment	20.39	6.08	0.56	25.91	8.34	2.29	0.26	15.54	12.05
Computers	11.81	16.21	-	28.02	2.48	5.46	-	20.08	9.33
Furniture & Fixtures	1.89	0.38	-	2.27	0.62	0.20	-	1.45	1.27
Vehicles	23.28	-	0.17	23.11	14.44	2.37	-	6.30	8.84
<b>TOTAL</b>	<b>3604.22</b>	<b>81.02</b>	<b>0.80</b>	<b>3684.44</b>	<b>500.26</b>	<b>110.71</b>	<b>0.30</b>	<b>3073.76</b>	<b>3103.95</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

### Note No.2 (a) Intangible Assets

₹ in lakhs

Description	Gross Carrying Value			Amortisation			Net Carrying Value	
	As at 01.04.2021	Additions during the year	Deletions/Adjustment	As at 31.03.2022	Additions during the year	Deletions/Adjustment	As at 31.03.2022	As at 31.03.2021
Computer Software	10.60	-	-	10.60	1.99	-	3.71	6.89
<b>TOTAL</b>	<b>10.60</b>	<b>-</b>	<b>-</b>	<b>10.60</b>	<b>1.99</b>	<b>-</b>	<b>3.71</b>	<b>6.89</b>

Description	Gross Carrying Value			Amortisation			Net Carrying Value	
	As at 01-04-2020	Additions during the year	Deletions/Adjustment	As at 01-04-2020	Additions during the year	Deletions/Adjustment	As at 31/03/2021	As at 31.03.2020
Computer Software	-	10.60	-	-	1.72	-	1.72	8.88
<b>TOTAL</b>	<b>-</b>	<b>10.60</b>	<b>-</b>	<b>-</b>	<b>1.72</b>	<b>-</b>	<b>1.72</b>	<b>8.88</b>

### Note No.2 (b) Intangible Assets under Development

₹ in lakhs

Description	Gross Carrying Value			Amortisation			Net Carrying Value	
	As at 01.04.2021	Additions during the year	Deletions/Adjustment	As at 31.03.2022	Additions during the year	Deletions/Adjustment	As at 31.03.2022	As at 31.03.2021
Intangible Assets under Development	3.60	-	-	3.60	-	-	3.60	3.60
<b>TOTAL</b>	<b>3.60</b>	<b>-</b>	<b>-</b>	<b>3.60</b>	<b>-</b>	<b>-</b>	<b>3.60</b>	<b>3.60</b>

Description	Gross Carrying Value			Depreciation			Net Carrying Value	
	As at 01.04.2020	Additions during the year	Deletions/Adjustment	As at 31.03.2021	Additions during the year	Deletions/Adjustment	As at 31.03.2021	As at 31.03.2020
Intangible Assets under Development	14.20	-	10.60	3.60	-	-	3.60	14.20
<b>TOTAL</b>	<b>14.20</b>	<b>-</b>	<b>10.60</b>	<b>3.60</b>	<b>-</b>	<b>-</b>	<b>3.60</b>	<b>14.20</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**3 Investments**

₹ in lakhs

Particulars	No. of Shares	Face Value	As at 31.03.2022	As at 31.03.2021
<b>Non Current Investments</b>				
<b>A. Investments in Equity Instruments - at Fair Value through Other Comprehensive Income</b>				
<b>Quoted Equity Shares:</b>				
Ponni Sugars (Erode) Limited	382	10	0.88	0.56
Seshasayee Paper and Boards Limited	51645	2	90.33	83.28
<b>Unquoted Equity Shares:</b>				
SPB Projects and Consultancy Limited	45000	10	4.51	4.51
GPC Technologies Limited	1500	10	-	-
Esvin Advanced Technologies Limited	830	10	-	-
<b>Total</b>			<b>95.72</b>	<b>88.35</b>
Aggregate amount of Quoted investments - at Cost			1.33	1.33
Aggregate amount of Quoted Investments - at Market Value			91.21	83.84
Aggregate amount of Unquoted Investments - at Cost			4.74	4.74
Aggregate amount of Impairment in Value of Investments			0.23	0.23

**4 Other Financial Assets**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Fixed Deposits with original maturity for more than 12 months *	101.42	96.48
Deposit - Export Credit Guarantee Corporation	1.76	1.98
Security Deposit	16.82	16.24
VAT Receivable	-	7.90
Telephone Deposits	0.25	0.28
Deposit - Others	4.14	4.77
	<b>124.39</b>	<b>127.65</b>

\*Deposits with banks held as a security by banks - ₹ 101.42 Lakhs (Previous year ₹ 96.48 Lakhs) ;  
Principal ₹ 50.00 Lakhs

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**5 Other Non Current Assets**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Income Tax (Net of provision)	27.51	56.60
Prepaid Expenses	4.82	-
<b>Total</b>	<b>32.33</b>	<b>56.60</b>

**6 Inventories**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Raw Materials and Components	1792.80	1188.90
Less: Provision for Impairment	34.87	37.18
	<b>1757.93</b>	<b>1151.72</b>
Work-in-progress	1726.65	1568.20
Less: Provision for Impairment	19.51	6.32
	<b>1707.14</b>	<b>1561.88</b>
Finished Goods	-	110.21
Less: Provision for Impairment	-	5.89
	-	<b>104.32</b>
Stores and Spares	66.73	52.13
Less: Provision for Impairment	9.03	9.03
	<b>57.70</b>	<b>43.10</b>
Loose Tools	20.04	22.10
Less: Provision for Impairment	-	-
	<b>20.04</b>	<b>22.10</b>
<b>Total</b>	<b>3542.81</b>	<b>2883.12</b>
<b>Details of Finished goods</b>		
Aero Space, Naval and Power System Batteries	-	101.07
Lead Acid Storage Batteries	-	3.25
<b>Total</b>	-	<b>104.32</b>

\* See Note : For method of valuation

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**7 Trade Receivables**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured</b>		
a) Considered good	1969.76	1823.23
b) With significant increase in Credit risk but considered good	-	-
c) Doubtful	1.77	1.80
	<b>1971.53</b>	<b>1825.03</b>
Allowance for doubtful receivables	1.77	1.80
<b>Total</b>	<b>1969.76</b>	<b>1823.23</b>

**Trade Receivables ageing schedule**

Particulars	Not Due	As at 31-03-2022					₹ in lakhs
		Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>UNDISPUTED</b>							
(i) Considered good	1756.42	181.84	31.50	-	-	-	1969.76
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	1.77	-	1.77
<b>DISPUTED</b>	-	-	-	-	-	-	-
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	<b>1756.42</b>	<b>181.84</b>	<b>31.50</b>	-	-	<b>1.77</b>	<b>1971.53</b>
Less : Allowance for bad and doubtful debts							1.77
<b>Total</b>							<b>1969.76</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

Particulars	Not Due	As at 31-03-2021					₹ in lakhs
		Outstanding from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>UNDISPUTED</b>							
(i) Considered good	1496.33	264.50	58.98	2.90	0.52	-	1823.23
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	1.80	1.80
<b>DISPUTED</b>	-	-	-	-	-	-	-
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	<b>1496.33</b>	<b>264.50</b>	<b>58.98</b>	<b>2.90</b>	<b>0.52</b>	<b>1.80</b>	<b>1825.03</b>
Less : Allowance for bad and doubtful debts							1.80
<b>Total</b>							<b>1823.23</b>

**8 Cash and Cash Equivalents**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Cash and Cash Equivalents</b>		
Balance with Banks	39.79	3.40
Cash in hand	1.97	1.90
In Deposit accounts with original maturity of less than 3 months	399.00	548.00
<b>Cash and Cash Equivalents</b>	<b>440.76</b>	<b>553.30</b>

**9 Bank Balances other than cash and cash equivalents**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Financial Assets - Bank Balances other than Cash and cash Equivalents</b>		
Margin money for Bank Guarantee for less than 12 months	32.70	4.63
Unpaid Dividend	0.60	-
<b>Other Bank Balances</b>	<b>33.30</b>	<b>4.63</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**10. Current Financial Assets - Others**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Interest Receivable	0.04	0.04
Duty Draw Back Receivable from Customs	-	0.58
Rental Deposit	11.54	11.36
Security Deposit - Electricity	-	5.36
Deposit - Others	0.75	-
<b>Total</b>	<b>12.33</b>	<b>17.34</b>

**11. Advance Income Tax (Net of provision)**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured Considered Good</b>		
Advance Income Tax (Net of provision)	6.50	-
<b>Total</b>	<b>6.50</b>	<b>-</b>

**12. Non Financial Assets - Other Current Assets**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Unsecured Considered Good</b>		
Advances to Vendors	112.00	148.51
Prepaid Expenses and Insurance	55.24	113.19
Balance with GST	-	-
GST receivable	15.03	1.36
Material Receivable from Customers	376.45	456.98
<b>Total</b>	<b>558.72</b>	<b>720.04</b>

**13. Share Capital**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised Capital</b>		
7500000 (31.03.2021 - 7500000) Equity Shares of ₹ 10 each	750.00	750.00
<b>Issued, Subscribed and Fully paid up shares</b>		
1792768 (31.03.2021 - 1792768) Equity shares of ₹ 10 each	179.28	179.28
<b>Total</b>	<b>179.28</b>	<b>179.28</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting period**  
**Equity shares** ₹ in lakhs

Particulars	As at 31.03.2022		As at 31.03.2021	
	Nos.	Value (₹)	Nos.	Value (₹)
At the beginning of the year	1792768	179.28	1792768	179.28
Issued during the year	-	-	-	-
Outstanding at the end of the year	1792768	179.28	1792768	179.28

**b Terms / rights attached to Equity Shares:**

The Equity shares of the company having par value of ₹10/- 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 31.03.2022		As at 31.03.2021	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Seshasayee Paper and Boards Limited	282911	15.78	282911	15.78
Time Square Investments (P) Limited	165463	9.23	165463	9.23
Life Insurance Corporation of India (LICI ASM NON PAR)	126955	7.08	126955	7.08
Ponni Sugars (Erode) Limited	100000	5.58	100000	5.58
Minal Bharat Patel	78023	4.35	97943	5.46

**d. Shares held by promoters at the end of the year 31.03.2022**

Promoter Name	Number of Shares	Percentage of total shares	Percentage Change during the year
Seshasayee Paper and Boards Limited	2,82,911	15.78	Nil
Time Square Investments (P) Limited	1,65,463	9.23	Nil
Ponni Sugars (Erode) Limited	1,00,000	5.58	Nil
Synergy Investments PTE Ltd	80,000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	70,200	3.91	Nil
Dhansree Investments Private Limited	21,021	1.17	Nil
N Gopalaratnam	10,200	0.57	Nil
V Shyamala W/o. R Vaidyanathan*	2,500	0.14	Nil
S Sridharan	1,932	0.11	Nil
D Jayaraman	200	0.01	Nil
G A Pathanjali	100	0.01	Nil
<b>Total</b>	<b>7,34,527</b>	<b>40.97</b>	

\* Approval from stock exchange for reclassification to public category is awaited.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**Shares held by promoters at the end of the year 31.03.2021**

Promoter Name	Number of Shares	Percentage of total shares	Percentage Change during the year
Seshasayee Paper and Boards Limited	2,82,911	15.78	Nil
Time Square Investments (P) Limited	1,65,463	9.23	Nil
Ponni Sugars (Erode) Limited	1,00,000	5.58	Nil
Synergy Investments PTE Ltd	80,000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	70,200	3.91	Nil
Dhansree Investments Private Limited	21,021	1.17	Nil
N Gopalaratnam	10,200	0.57	Nil
R Vaidyanathan (Deceased)	2,500	0.14	Nil
S Sridharan	1,932	0.11	Nil
D Jayaraman	200	0.01	Nil
G A Pathanjali	100	0.01	Nil
<b>Total</b>	<b>7,34,527</b>	<b>40.97</b>	

**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 share holders 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 31.03.2022	As at 31.03.2021
Equity	5569.25	4193.63
Debt	2452.65	3462.84
Cash and Cash Equivalents	474.07	557.93
Net debt	1978.58	2904.91
Total Capital (Equity+ Net debt)	7547.83	7098.54
<b>Net debt to Capital Ratio</b>	<b>0.26</b>	<b>0.41</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**f Dividend**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Dividend on equity shares paid during the year	268.92	-
<b>Total</b>	<b>268.92</b>	<b>-</b>

**Proposed Dividend**

The Board of Directors at its meeting held on 07<sup>th</sup> May 2022 have recommended a payment of a dividend of ₹ 15/- (Rupees Fifteen only) per Equity Share of face value of ₹ 10/- each for the Financial Year ended 31.03.2022. The same amounts to ₹ 268.92 Lakhs.

**14. Other Equity**

₹ in lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained Earnings		
<b>Balance as on 1st April, 2020</b>	<b>3.00</b>	<b>783.35</b>	<b>200.00</b>	<b>1157.26</b>	<b>52.79</b>	<b>2196.40</b>
<b>Add:</b>						
Profit for the year 2020-21	-	-	-	1832.94	-	1832.94
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(44.63)	-	(44.63)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	29.64	29.64
<b>Balance as on 1st April, 2021</b>	<b>3.00</b>	<b>783.35</b>	<b>200.00</b>	<b>2945.57</b>	<b>82.43</b>	<b>4014.35</b>
<b>Add:</b>						
Profit for the year 2021-22	-	-	-	1794.98	-	1794.98
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(157.81)	-	(157.81)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	7.37	7.37
Income Tax Expenses on Fair valuation of investment in equity instruments through OCI	-	-	-	-	-	-
<b>Less:</b>						
Dividend for FY 2020-21	-	-	-	268.92	-	268.92
Transfer to Reserves	-	-	-	-	-	-
<b>Balance as on 31st March, 2022</b>	<b>3.00</b>	<b>783.35</b>	<b>200.00</b>	<b>4313.82</b>	<b>89.80</b>	<b>5389.97</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**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 Company's 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.

**15. Borrowings**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Secured:</b>		
Covid Emergency Long Term Loan - from Banks	-	49.37
	-	<b>49.37</b>
<b>Unsecured:</b>		
Loans from Others	-	-
Loans from Related Parties *	-	229.65
	-	<b>229.65</b>
<b>Total</b>	-	<b>279.02</b>

**Covid Emergency Long Term Loan from Banks - Terms of Repayment**

The Loan including current maturities thereof (Note 19) is secured by first charge on Inventories, book debts and immovable properties ranking pari passu with working capital loans. The Loan carries interest at 7.90% for both UCO Bank and Indian Bank .

UCO Bank loan is repayable 24 months ( 18 Equated Monthly Installments) with a moratorium of 6 months and the loan matures in June 2022, while Indian bank loan is repayable 24 months (18 Equated Monthly Installments) with a moratorium of 6 months and loan maturing in July 2022. However Termloan from Indian Bank is preclosed during the year.

Default in Repayment of Borrowings and Payment of Interest are **Nil**.

**Installments to be served in subsequent years**

Bank	Amount Due (₹ in Lakhs)	No.of Installments
UCO Bank	34.86	3

\* Loan from Related parties are paid in full during year



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**16. Deferred Tax Liabilities/(Asset)**

₹ in lakhs

Particulars	Balance as on 01.04.2021	Recognised in P&L during the year	OCI 2021-22	Balance as on 31.03.2022
<b>Deferred Tax Liability on account of:</b>				
Differences in WDV of PPE as per Books and Income Tax	131.20	7.03	-	124.17
Loans from Companies measured at amortised cost	1.94	1.95	-	(0.01)
Fair Value of Land adopted as deemed cost	426.68	-	-	426.68
DTL on gain on fair valuation of Investments	-	-	-	-
<b>Total Deferred Tax Liability</b>	<b>559.82</b>	<b>8.98</b>	<b>-</b>	<b>550.84</b>
<b>Deferred Tax Asset on account of:</b>				
Disallowances under Sec. 43B and Other Disallowances	15.85	5.74	-	21.59
Unabsorbed Losses and allowances under Income tax Act 1961	-	-	-	-
Provision for Impairment of Inventories/Trade Receivables & others	57.17	0.75	-	57.92
Reversal of DTA on losses setoff during the year	-	-	-	-
Initial depreciation Forfeited	-	-	-	-
Remeasurement of defined benefit plans	20.71	-	53.07	73.78
MAT Credit Entitlement	-	-	-	-
<b>Total Deferred Tax Asset</b>	<b>93.73</b>	<b>6.49</b>	<b>53.07</b>	<b>153.29</b>
<b>Net Deferred Tax Liability</b>	<b>466.09</b>	<b>15.47</b>	<b>53.07</b>	<b>397.55</b>

**17. Provisions**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Warranty	-	19.74
Provision for Leave Benefits	42.74	18.76
<b>Total</b>	<b>42.74</b>	<b>38.50</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**18. Other Non Current Liabilities**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Advances from Customers #	57.07	65.43
<b>Total</b>	<b>57.07</b>	<b>65.43</b>

# Revenue recognised during the year from the opening advances - Refer Note No.25 a

**19. Short Term Borrowings**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Secured Loans</b>		
<b>Working Capital Borrowings from Banks</b>		
Loan Repayable on Demand from Banks	2418.43	2790.68
<b>Other Loans</b>		
Current Maturities of Covid Emergency Term Loan from Banks	34.22	172.08
Current Maturities of Long term borrowings - ICD	-	221.06
<b>Total</b>	<b>2452.65</b>	<b>3183.82</b>

Working Capital Borrowings from Banks are secured by :

- a) Paripassu first charge on all stocks of Raw Materials, Finished Goods, Stock in Process, Stores, Spares and Movable assets of the Company including Book Debts.
- b) Paripassu first charge on all Immovable Fixed Assets of the Company.
- c) Lien on Fixed Deposits (including interest) aggregating to ₹ 101.42 Lakhs (Previous year ₹ 96.48 Lakhs).

**20. Trade Payables**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
a) Total Outstanding dues of micro enterprise and Small enterprise	181.67	91.35
b) Total Outstanding dues of creditors other than micro enterprise and small enterprise	229.90	379.64
<b>Total</b>	<b>411.57</b>	<b>470.99</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
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	156.23	67.59
b) Interest due on above	25.44	23.76
ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006	8.66	0.40
iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	0.58	7.29
iv) Interest accrued and remaining unpaid as at year end	25.44	30.66
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 31-03-2022				₹ in lakhs
		Outstanding from due date of payment				Total
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years	
<b>UNDISPUTED</b>						
(i) MSME	155.18	1.11	0.52	-	-	156.81
(ii) Others	139.49	68.50	-	1.17	19.72	228.88
(iii) Disputed dues - MSME	-	-	-	-	24.86	24.86
(iv) Disputed dues - Others	-	-	-	-	1.02	1.02
<b>Total</b>	<b>294.67</b>	<b>69.61</b>	<b>0.52</b>	<b>1.17</b>	<b>45.60</b>	<b>411.57</b>

Particulars	Not Due	As at 31-03-2021				₹ in lakhs
		Outstanding from due date of payment				Total
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years	
<b>UNDISPUTED</b>						
(i) MSME	59.33	8.14	-	0.08	-	67.55
(ii) Others	281.45	72.97	2.66	2.80	17.84	377.72
(iii) Disputed dues - MSME	-	-	-	-	23.80	23.80
(iv) Disputed dues - Others	-	-	-	0.10	1.82	1.92
<b>Total</b>	<b>340.78</b>	<b>81.11</b>	<b>2.66</b>	<b>2.98</b>	<b>43.46</b>	<b>470.99</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**21. Other Current Liabilities**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Employee benefits payable	381.96	201.77
Directors Remuneration Payable	12.60	-
Unpaid Dividends *	0.60	-
Others	10.97	39.63
<b>Total</b>	<b>406.13</b>	<b>241.40</b>

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

**22. Non Financial Liability - Other Current Liabilities**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Advance received from customers #	42.69	102.13
GST Payable	153.53	100.39
Tax Deducted at Source	12.65	10.23
Others	0.98	1.10
<b>Total</b>	<b>209.85</b>	<b>213.85</b>

# Revenue recognised during the year from the opening advances - Refer Note No.25 a

**23. Short Term Provisions**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Provision for Leave Benefits	42.93	32.77
Provision for Gratuity	64.20	-
Provision for Warranty *	165.00	165.00
Provision for Liquidated Damages	-	2.00
<b>Total</b>	<b>272.13</b>	<b>199.77</b>

\* Provision for warranty made for development order

**24. Current Tax Liabilities (Net)**

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Current Tax Liabilities	21.27	8.00
<b>Total</b>	<b>21.27</b>	<b>8.00</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**25a. Revenue from Sale of Products**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>Aerospace, Naval and Power System Batteries</b>		
Silver Zinc Batteries & Cells	7429.23	7548.49
Nickel Cadmium Cells	496.51	204.26
<b>Total</b>	<b>7925.74</b>	<b>7752.75</b>
<b>Disclosures relating to Revenue from Contract with Customers</b>		
Gross Revenue from Customers	7926.04	7752.75
Less: Liquidated Damages	0.30	-
<b>Revenue as per Statement of Profit and Loss</b>	<b>7925.74</b>	<b>7752.75</b>
a) Geographical Region		
Domestic	7740.05	7720.39
Export	185.69	32.36
<b>Total</b>	<b>7925.74</b>	<b>7752.75</b>
b) Type of Customers		
Government / Government Undertaking	6043.48	6499.08
Others	1882.26	1253.67
<b>Total</b>	<b>7925.74</b>	<b>7752.75</b>

Revenue recognised during the year from opening advances - ₹ 67.75 Lakhs (Previous year - ₹ 655.56 Lakhs)

**25b. Other Operating Revenues**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Other Operating Revenues	29.52	30.72
<b>Total</b>	<b>29.52</b>	<b>30.72</b>

**26. Other Income**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Interest Income		
- Bank Deposits	7.04	7.15
- Others	5.56	1.88
Dividend Income from Equity Investments measured at FVTOCI	1.31	2.08
Profit on sale of Assets	2.00	0.08
Exchange Difference (Net)	1.91	0.67
Miscellaneous Income	0.08	0.08
<b>Total</b>	<b>17.90</b>	<b>11.94</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**27. Cost of Materials consumed**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Silver	720.77	1382.43
Copper	47.06	47.26
Others	752.26	363.42
Components of Various Descriptions	1172.77	987.69
<b>Total</b>	<b>2692.86</b>	<b>2780.80</b>

**28. Changes in Inventories of Finished Goods and Work in Progress**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Inventory at the end of the year		
- Work in progress	1726.65	1568.20
- Finished Goods	-	110.21
	<b>1726.65</b>	<b>1678.41</b>
Inventory at the beginning of the year		
- Work in progress	1568.20	1398.56
- Finished Goods	110.21	142.98
	<b>1678.41</b>	<b>1541.54</b>
<b>(Increase) / Decrease in Inventory</b>	<b>(48.24)</b>	<b>(136.87)</b>

**29. Employee Benefits**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Salaries, wages and Bonus	1299.84	1095.09
Contribution to Provident and Other Funds (Refer Note 1.13)	57.76	39.07
Staff welfare Expenses	106.35	81.11
<b>Total</b>	<b>1463.95</b>	<b>1215.27</b>

**30. Finance cost**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Interest on Borrowings	247.28	415.88
Other Borrowing cost - BG,LC Commission and Other Bank Charges	123.29	91.31
Interest on Deferment of Advance Tax	7.46	5.28
Interest on delayed payment of Statutory dues	0.06	0.02
<b>Total</b>	<b>378.09</b>	<b>512.49</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**31. Other Expenses**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Consumption of Stores and Spares	50.33	46.55
Power and Fuel	104.46	95.96
Repairs and Maintenance		
- Plant and Machinery	17.72	12.32
- Buildings	30.44	13.46
- Others	50.61	38.73
Selling expenses	83.32	80.53
Provision for warranty	(19.74)	165.00
Expenditure on Scientific Research	80.39	61.28
Travelling and Conveyance	76.16	48.04
Payment to Auditors (Refer Note: 33)	17.21	18.29
Professional and Legal Charges	139.49	127.46
Testing Charges	42.93	29.65
Remuneration to Non-executive Directors	28.00	-
Miscellaneous Expenses	180.24	168.93
Corporate Social Responsibility expenses	8.55	-
Claims	-	3.70
Liquidated Damages	-	13.20
Reversal of Provision for Bad/Doubtful Debts	-	(2.15)
Reversal of Provision for Liquidated Damages	-	(13.20)
Provision		
- Non Moving Inventories	5.80	-
- Impairment of Inventories	7.30	4.72
Reversal of Provision for Non Moving Inventory	(4.06)	-
<b>Total</b>	<b>899.15</b>	<b>912.47</b>

**32. Tax Expense**

**(A) The Major components of Income tax Expense for the year as under:**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>Deferred Tax comprises:</b>		
Liability on account of depreciation	(7.03)	(22.01)
Asset - Sec 43B Disallowances and other Temporary differences	(5.74)	(3.51)
Deferred Tax Asset write off - Lossess brought forward adjusted	-	470.94
Liability - Relating to earlier years	-	-
Others	(2.70)	(13.05)
<b>Total Tax Expense</b>	<b>(15.47)</b>	<b>432.37</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**(B) Reconciliation of Tax expense and the accounting profit for the year is as under:**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Applicable income tax rate in India applicable to the Company	25.17%	25.17%
Profit Before Tax	2473.90	2398.82
Tax expenses on Profit Before Tax at the Applicable income tax rate	622.63	603.73
<b>Tax effect of the amounts which are not deductible / (not taxable) in calculating taxable income</b>		
Tax on difference in Depreciation between Books and Income Tax	5.97	3.96
Tax on Disallowance u/s 43B (Net of earlier year disallowances allowed during the year) and other temporary Differences	62.07	46.13
Tax on Permanent Differences	3.72	5.94
Tax on Brought forward Losses Set off	-	(526.24)
<b>Current Tax for the Year</b>	<b>694.39</b>	<b>133.52</b>

**(C) Taxes on items of OCI**

₹ in lakhs

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
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	53.07	14.96
(ii) Income Tax Expenses on Net Fair Value Gain/(Loss) on investment in equity instruments	-	-
B Items that will be reclassified to Statement of Profit and loss	-	-
<b>Taxes on items of OCI:</b>	<b>53.07</b>	<b>14.96</b>

**(D) Applicable Tax Rate**

The company has exercised the option under Section 115BAA of the Income tax Act and the applicable tax rate is 25.17%.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**33. Payment to Auditors**

₹ in lakhs

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Statutory Audit Fees	10.00	10.00
Tax Representation	2.00	2.00
Certification Charges	4.60	5.50
Reimbursement of Expenses	0.61	0.79
<b>Total</b>	<b>17.21</b>	<b>18.29</b>

**34. Contingent Liabilities and Commitments**

₹ in lakhs

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>(a) Contingent Liabilities</b>		
Counter Guarantees and Commitments on Letters of Credit *	-	-
<b>(b) Commitments</b>		
(i) Estimated amount of contracts remaining to be executed on capital accounts not provided for	22.33	10.37
(ii) Silver supplied by Government secured by Bank Guarante and is not included in Inventories	239.20	634.26
(iii) Assets owned by customers in possession of the Company	368.88	318.00

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

**35. Government Grant**

₹ in lakhs

<b>Particulars</b>	<b>Treatment in Accounts</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
(a) Duty Draw back from Customs	Included in other operating revenue (Note 25 b)	6.08	1.88
(b) Government Grant for PF Contribution During Covid-19 Period	Deducted from Employees cost (Note 29)	-	1.12
<b>Total</b>		<b>6.08</b>	<b>3.00</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**36 (A) : Category - wise classification of Financial Instruments**

₹ in lakhs

Particulars	Refer Note	Non Current		Current	
		As on 31.03.2022	As on 31.03.2021	As on 31.03.2022	As on 31.03.2021
<b>Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)</b>					
Investments in Quoted Equity Shares	3	91.21	83.84	-	-
Investments in Unquoted Equity Shares	3	4.51	4.51	-	-
		<b>95.72</b>	<b>88.35</b>	-	-
<b>Financial Assets measured at amortised cost</b>					
Others	4 & 10	124.39	127.65	12.33	17.34
Trade Receivables	7	-	-	1969.76	1823.23
Cash and Cash Equivalents	8	-	-	440.76	553.30
Other Balances with Banks	9	-	-	33.30	4.63
		<b>124.39</b>	<b>127.65</b>	<b>2456.15</b>	<b>2398.50</b>
<b>Financial Liabilities measured at amortised cost</b>					
Long term Borrowings	15	-	279.02	34.22	393.14
Loans repayable on demand - Cash Credit	19	-	-	2418.43	2790.68
Trade Payables	20	-	-	411.57	470.99
Unpaid/Unclaimed Dividend	21	-	-	0.60	-
Others	21	-	-	405.53	241.39
		-	<b>279.02</b>	<b>3270.35</b>	<b>3896.20</b>

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 31<sup>ST</sup> MARCH 2022**

**36 (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, 2022**

₹ in lakhs

Financial Assets / Financial Liabilities	Fair value as at 31.03.2022	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in quoted equity shares (Refer Note 3)	91.21	91.21	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

**As at 31st March, 2021**

₹ in lakhs

Financial Assets / Financial Liabilities	Fair value as at 31.03.2021	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through other comprehensive income</b>				
Investments in quoted equity shares (Refer Note 3)	83.84	83.84	-	-
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.

**36 C Financial Risk Management- Objectives and Policies**

The company's financial liabilities comprise mainly of Long Term Loan from Banks, working capital borrowings from banks, bills payable, inter corporate loans from companies, trade payables and other payables. The company's financial asset comprises mainly cash equivalents, other balances with banks, trade receivables, other receivables and investments.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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 has availed Long Term Loans from Banks and the outstanding as on 31.03.2022 is ₹ 34.86 Lakhs. UCO Bank Loan has floating rate of 7.85% p.a. depending up on the change in MCLR Rate.

The Company is having Working Capital facility limit of ₹ 3000 lakhs with Banks. The company also discounts its receivables to meet its short term fund requirements. The interest rate is @ 8.45% UCO Bank & 8.20% 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 interest rates for the Company are floating rate and hence the analysis in the case of Long Term Loan from Banks is prepared by re-computing the Repayment schedule for the rest of the repayment period and in the case of working capital Limit is prepared assuming the amount of the borrowings outstanding at the end of the reporting period 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

<b>Sensitivity Basis</b>	<b>Impact on Profit before tax</b>
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 trade payables in foreign currency have a maturity of 30 to 60 days the company does not perceive major risk and accordingly they are not hedged.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

In respect of batteries, exports are made against advances received or against confirmed LCs of usance period not exceeding 90 days. The company is having Receivable of USD 37,950 equal to ₹ 28.68 Lakhs as on 31.03.2022.

**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 late 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 31<sup>ST</sup> MARCH 2022**

**36. (D) Additional Regulatory Information:**

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

<b>S I . No.</b>	<b>Disclosure requirement as per amended Schedule III</b>	<b>Reason for non-disclosure</b>
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	Refer Note (v) below.
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 31<sup>ST</sup> MARCH 2022**

**(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 or financial statements are in agreement with the books of accounts except the following:

**For the year ended 31.03.2022**

₹ in lakhs

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**
Sep-21	UCO Bank	Work in Progress	1920.68	1941.25	(20.57)	
Dec-21	UCO Bank	Rawmaterial & Components	1635.01	1744.79	(109.78)	
Dec-21	UCO Bank	Work in Progress	1991.37	1995.20	(3.83)	

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

\*\* The amount of difference between books and quarterly statements being less than 10% of each class of inventory, reasons are not given. However, there is no quantity difference.

**For the year ended 31.03.2021**

₹ in lakhs

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-20	UCO Bank	Work in Progress	1301.85	1332.61	(30.76)	Book Stock includes Material in Transit
Sep-20	UCO Bank	Work in Progress	1609.37	1648.55	(39.18)	
Dec-20	UCO Bank	Stores & Spares	113.18	79.87	33.31	
Mar-21	UCO Bank	Finished Goods	110.21	128.20	(17.99)	
Mar-21	UCO Bank	Direct Creditors ABPs outstanding under L/C	196.12	234.26	(38.14)	

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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

\*\* The amount of difference between books and quarterly statements being less than 10% of each class of inventory reasons are not given. However, there is no quantity difference.

**(iii) Analytical Ratios**

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2022		Year ended 31.03.2021		Explanation for the change in Ratios by more than 25% from previous year
(a)	Current ratio (times)  $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{6564.18}{3773.60}$	1.74	$\frac{6001.66}{4317.83}$	1.39	Increased working capital buildup to protect against the volatility in prices and lead time for certain key input materials so as to meet timely delivery schedule and ensure profitability .
(b)	Debt-equity ratio (times)  $\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$ (Note : Debt includes current and non-current borrowings)	$\frac{2452.65}{5479.45}$	0.45	$\frac{3183.82}{4111.20}$	0.77	Achieving debt reduction out of internal generations and substitution of high cost debts with low cost bank borrowings.
(c)	Debt service coverage ratio (times)  $\frac{\text{Earnings available for debt service}}{\text{Debt Service}}$	$\frac{2297.62}{844.99}$	2.72	$\frac{2462.49}{1130.49}$	2.18	Reduction in debt and consequent increase in EBITDA helped achieving a better DSCR.
(d)	Return on equity ratio  $\frac{\text{Net Profits after taxes – Preference Dividend}}{\text{Average Shareholder's Equity}}$	$\frac{1794.98}{4795.33}$	37.43%	$\frac{1832.93}{3217.05}$	56.98%	Profit after tax remains almost the same but average shareholders equity has increased due to retained earnings of the previous year. This resulted in decrease of return on Equity Ratio.
(e)	Inventory turnover ratio (times)  $\frac{\text{Cost of goods sold or sales}}{\text{Average Inventory}}$	$\frac{5037.85}{3212.97}$	1.57	$\frac{4803.57}{2840.53}$	1.69	Decrease due to Work in progress build up based on pending order.
(f)	Trade receivables turnover ratio (times)  $\frac{\text{Net Credit Sales}}{\text{Avg. Accounts Receivable}}$	$\frac{7925.74}{1896.50}$	4.18	$\frac{7752.75}{1370.79}$	5.66	Average accounts receivable increased, but the turnover remained almost the same as compared to the previous year. This resulted in decrease of this ratio.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

Sl. No.	Particulars	Year ended 31.03.2022		Year ended 31.03.2021		Explanation for the change in Ratios by more than 25% from previous year
(g)	Trade payables turnover ratio (times)		12.91		13.60	
	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	$\frac{5697.54}{441.28}$		$\frac{4888.75}{359.50}$		
(h)	Net capital turnover ratio (times)		2.84		4.60	Increased working capital buildup to protect against the volatility in prices and lead time for certain key input materials so as to meet timely delivery schedule and ensure profitability. Sales remains the same, increased working capital resulted in lower Net Capital turnover ratio.
	$\frac{\text{Net Sales}}{\text{Working Capital}}$	$\frac{7925.74}{2790.58}$		$\frac{7752.75}{1683.83}$		
(i)	Net profit ratio		22.65%		23.64%	
	$\frac{\text{Net Profit}}{\text{Net Sales}}$	$\frac{1794.98}{7925.74}$		$\frac{1832.93}{7752.75}$		
(j)	Return on capital employed		34.24%		36.21%	
	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	$\frac{2851.99}{8329.65}$		$\frac{2911.31}{8040.13}$		
(k)	Return on investment Since most of the investments of the company is in Core activities, investments in shares is materially insignificant, ROI is represented through ROCE.					

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**(iv) CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2022	Year ended 31.03.2021
(a)	Disclosure with regard to CSR activities		
(i)	Gross amount required to be spent by the Company during the year	1.92	-
(ii)	Amount of expenditure incurred	-	-
	(a) Construction/acquisition of any asset	-	-
	(b) On purposes other than (i) above	8.55	-
(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		
	Covid-19 relief activities	8.55	
(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

**(v) Intangible Assets under Development ageing Schedule as on 31.03.2022**

₹ in lakhs

Sl. No.	Intangible Assets under Development	Amount in Intangible Assets for a period of				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
1	Projects in Progress	-	-	-	3.60	3.60
2	Projects temporarily suspended	-	-	-	-	-
	<b>Total</b>	-	-	-	<b>3.60</b>	<b>3.60</b>

There is no project whose cost exceeded the budget or there is no time over run. Hence, the relevant schedule is not given

**Intangible Assets under Development ageing Schedule as on 31.03.2021**

₹ in lakhs

Sl. No.	Intangible Assets under Development	Amount in Intangible Assets for a period of				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
1	Projects in Progress	-	-	-	3.60	3.60
2	Projects temporarily suspended	-	-	-	-	-
	<b>Total</b>	-	-	-	<b>3.60</b>	<b>3.60</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**37 Impairment Assessment of PPE**

The LAB facility was not operated during the year also due to unremunerative prices and volatility in the price of key materials. However, Various options are being evaluated to restart the operations. Consequently, impairment provision for Current Year ₹ 7.30 Lakhs (Previous Year - ₹ 0.67 Lakhs) is recognized in respect of inventories. However, no impairment provision is considered necessary in respect of PPE as the carrying value as per books is less than the recoverable value of ₹ 765 Lakhs as assessed by an Independent Chartered Engineer.

**38. Information on Related party transactions as required by Ind AS 24-Related Party Disclosure for the year ended 31st March 2022**

**A. Related Party as per Companies Act, 2013**

Name	Relationship
Time Square Investments Private Limited	As per Sec.2(76) of Companies Act, 2013

**B. Key Managerial Personnel**

	Name	Relationship
i.	Dr. G A Pathanjali	Managing Director
ii.	Mr. M Ignatius	Director (Operations)
iii.	Mr. R Swaminathan	Chief Financial Officer
iv.	Mr. S V Raju	Company Secretary
v.	<b>Board of Directors</b>	
	<b>Name</b>	<b>Designation</b>
	Mr. N Gopalaratnam	Chairman
	Mr. A L Somayaji	Director
	Mr. R P Prem Kumar	Director
	Mr. M Natarajan	Director
	Mrs. Lalitha Lakshmanan	Director
	Dr. Vijayamohanan K Pillai	Director
	Mrs. Jayashree Ajit Shankar	Director (Nominee of LIC)

**Terms and Conditions of transactions with related parties:**

The company has obtained Term loan of ₹ 330 Lakhs from Time Square Investments Pvt.Ltd. which is repayable at the end of 5 years in 2023 along with Interest at the rate of 12%. However, the loan has been repaid in full in this financial year.

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Loan outstanding beginning of the year	330.00	337.00
Loan Received during the year	-	-
Loan Settled during the year	330.00	7.00
Loan Outstanding	-	330.00
Interest for the year	-	39.85
Interest Payable on Inter Corporate Loans	-	120.71

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**(a) Remuneration to Managing Director and Key Managerial Personnel :**

₹ in lakhs

<b>Current Year 2021-22</b>	<b>Dr. G A Pathanjali</b>	<b>Mr. M Ignatius</b>	<b>Mr.R Swaminathan</b>	<b>Mr. S V Raju</b>
Short term employee benefits	62.52	41.04	33.38	16.78
Post Employee benefits (Gratuity) & Long term benefits (Superannuation fund)	3.60	-	-	-
Contribution to provident Fund	2.88	-	0.76	-
<b>Total</b>	<b>69.00</b>	<b>41.04</b>	<b>34.14</b>	<b>16.78</b>
<b>Previous Year 2020-21</b>	<b>Dr. G A Pathanjali</b>	<b>Mr. M Ignatius</b>	<b>Mr.R Swaminathan</b>	<b>Mr. S V Raju</b>
Short term employee benefits	50.52	35.04	30.52	15.08
Post Employee benefits (Gratuity) & Long term benefits (Superannuation fund)	3.60	-	-	-
Contribution to provident Fund	2.88	-	0.47	-
<b>Total</b>	<b>57.00</b>	<b>35.04</b>	<b>30.99</b>	<b>15.08</b>

**(b) Sitting Fees to Directors:**

₹ in lakhs

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Sitting fees	9.30	3.55
Remuneration to Non-Executive Directors *	28.00	-
<b>Total</b>	<b>37.30</b>	<b>3.55</b>

\* Non-Executive Directors remuneration includes ₹ 14 Lakhs for the previous financial year 2020-21 as approved in the Company's 60<sup>th</sup> Annual General Meeting held on 07<sup>th</sup> August 2021.

**39. Earnings per Share**

₹ in lakhs

<b>Particulars</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
Profit after Tax	1794.97	1832.93
Weighted average no of Shares	1792800	1792800
Basic earnings per share (₹)	100.12	102.24
Diluted earnings per Share (₹)	100.12	102.24

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**40. Offsetting of Financial Assets and Financial Liabilities**

₹ in lakhs

Particulars	Year ended 2021-22	Year ended 2020-21
Trade Payable to MSMED Vendor	62.09	59.23
Deposits in lien to MSMED Vendor	37.23	35.86
<b>Net Liability in Sundry Creditors - MSMED</b>	<b>24.86</b>	<b>23.37</b>

**41. Disclosures relating to Provisions**

₹ in lakhs

Particulars	Provisions for Warranties		Provision for Liquidated Damages	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening Balance	184.74	19.74	2.00	15.20
Additions	-	165.00	-	1.68
Utilisations	-	-	-	-
Reversals	19.74	-	2.00	14.88
<b>Closing Balance</b>	<b>165.00</b>	<b>184.74</b>	<b>-</b>	<b>2.00</b>

**42. 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 ₹ 39.20 Lakhs (Year ended March 31, 2021 ₹ 26.16 Lakhs) for Provident Fund contributions and ₹ 3.60 Lakhs (Year ended March 31, 2021 ₹ 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.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

**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.

₹ in lakhs

Particulars	Post Employment Benefit - Funded plan	
	As at 31.03.2022	As at 31.03.2021
<b>(i) Changes in Defined Benefit Obligation</b>		
Present Value of Opening Balance	186.78	163.13
Current Service Cost	14.73	7.31
Interest Cost	10.64	9.00
Actuarial (Gain)/Loss	210.88	59.17
Benefits paid	(49.67)	(51.83)
Present Value - Closing Balance	373.36	186.78
<b>(ii) Changes in the Fair Value of Plan Assets</b>		
Opening Balance	207.77	212.66
Expected Return	16.46	13.79
Actuarial (gain) / loss	(16.02)	(0.43)
Contributions by employer	134.61	33.58
Benefits paid	(49.67)	(51.83)
Closing Balance	293.15	207.77
<b>(iii) Amounts recognised in the Balance Sheet (as at year end)</b>		
Present Value of Obligations	357.35	186.78
Fair Value of Plan Assets	293.15	207.77
Net Asset / (Liability) recognised	(64.20)	20.99
<b>(iv) Expenses recognised in the Profit and Loss account statement</b>		
Current Service Cost	14.73	7.31
Interest on obligation	(5.82)	(4.79)
Actuarial (Gain)/Loss recognised during the period	-	-
Total included in Employee benefit expense	8.91	2.52
<b>(v) Expenses recognized in Other Comprehensive Income</b>		
Remeasurement on the net defined benefit liability		
- Actuarial Gain and Losses arising from changes in demographic adjustment	(2.69)	0.54
- Actuarial Gain and Losses arising from changes in financial Assumption	12.68	19.21

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

₹ in lakhs

Particulars	Post Employment Benefit - Funded plan	
	As at 31.03.2022	As at 31.03.2021
- Actuarial Gain and Losses arising from changes in experience adjustment	184.88	39.43
Return on plan assets	(16.02)	(0.43)
Net cost in Other Comprehensive Income	210.88	59.59
Asset information		
- Insurer managed	100%	100%
<b>Principal actuarial assumptions</b>		
Mortality	Indian assured Lives Mortality (2012-2014)	
Discount rate (%)	6.84%	6.57%
Future Salary increase (%)	8%	7%
Expected Rate of return of plan assets (%)	6.57%	6.56%
Expected average remaining working lives of employees (years)	9.00	9.00
Expected contribution	85.00	0.74

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	31.03.2022	31.03.2021
Discount Rate		
- 0.5% Increase	18.67	4.88
- 0.5% Decrease	(20.53)	(5.35)
Salary Growth Rate		
- 0.5% Increase	17.97	4.82
- 0.5% Decrease	(16.67)	(4.49)



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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 ₹ 85.00 Lakhs ( Previous year ₹ 1.00 Lakh).

**43. 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.

<b>Reportable Segment</b>	<b>Products offered</b>
Aerospace, Naval and Power System Batteries	Silver Zinc 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 Significant Accounting Policies.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

There is no Inter-Segment transfer.

₹ in lakhs

	Particulars	Year 2021-22			Year 2020-21		
		Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
A.	<b>Segment Revenue</b>	7955.26	-	7955.26	7781.93	1.54	7783.47
B.	<b>Segment Results</b>	2970.29	(108.80)	2861.49	3026.08	(102.64)	2923.44
C.	<b>Specified Amounts included in Segment Results</b>						
D.	(i) Depreciation	34.33	79.12	113.45	32.86	79.57	112.43
	<b>Reconciliation of Segment Result with Profit After Tax Segment Results</b>	2970.29	(108.80)	2861.49	3026.08	(102.64)	2923.44
	Add/(Less):						
	Interest Income			12.60			8.13
	Finance Cost			(378.09)			(512.49)
	Dividend Received			1.31			2.08
	Income Tax Expenses			(678.92)			(565.89)
	Other Unallocable Expenses net of Unallocable Income			(23.41)			(22.34)
	<b>Total of Unallocable Items</b>			<b>(1066.51)</b>			<b>(1090.51)</b>
	<b>Profit after tax as per Statement of Profit and Loss</b>			<b>1794.98</b>			<b>1832.93</b>

	Particulars	As at 31.03.2022			As at 31.03.2021		
		Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
E.	Other Information						
	Segment Assets	8957.92	759.06	9716.98	8367.74	847.81	9215.55
	Unallocable Assets			123.23			144.95
	<b>Total Assets</b>			<b>9840.21</b>			<b>9360.50</b>
	Segment Liabilities	3831.04	3.85	3834.89	4660.91	9.23	4670.14
	Unallocable Liabilities			436.07			496.73
	<b>Total Liabilities</b>			<b>4270.96</b>			<b>5166.87</b>
	Provision for impairment - Inventories	1.74	63.41	65.15	4.06	54.36	58.42

**F. Revenue from External Customers:**

Three customers contribute to more than 10% of the revenue of Aerospace, Naval and Power Systems (ANPS) Segment.

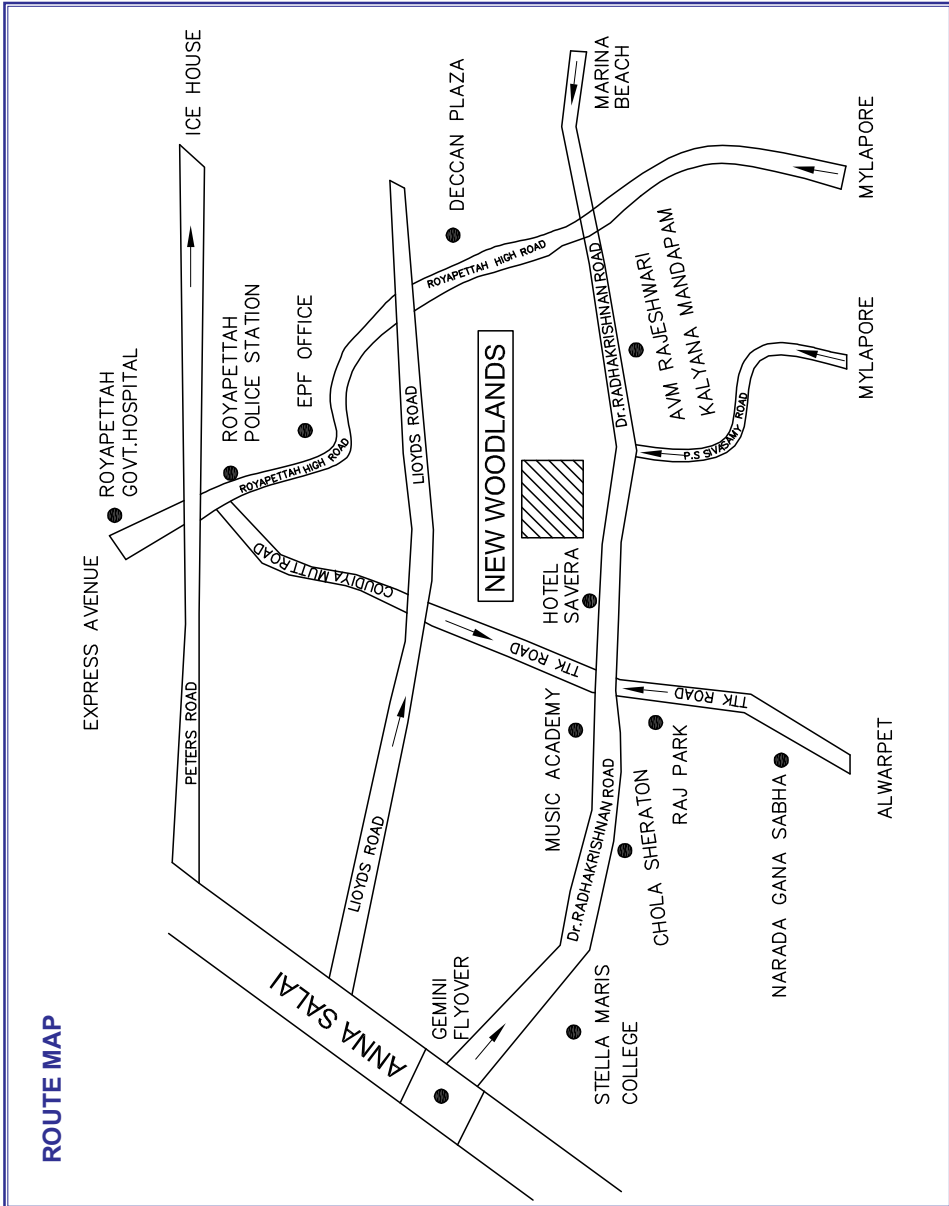
Due to temporary suspension of Lead Acid Battery (LAB) operations during the year, the previous year figures are not comparable.

**44. Authorisation for issue of Financials**

The financial statements have been authorised for issue by the Board of Directors at the Board Meeting held on 07<sup>th</sup> May, 2022.

## Financial Highlights – Ten Years at a Glance

For the Year	₹ in Lakhs									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Total Income	6674.73	3164.77	3281.88	2294.71	4817.86	5983.13	4675.03	6166.02	7795.41	7973.16
Total Expenditure	6021.40	3409.67	3580.24	2927.36	4154.17	4801.19	3942.26	4602.60	4771.67	5007.72
PBIDT	653.33	(244.89)	(298.36)	(632.65)	663.69	1181.94	732.77	1563.42	3023.74	2965.44
Finance Cost	441.24	582.38	616.91	547.85	417.40	590.27	552.58	566.35	512.49	378.09
Depreciation	160.98	150.49	153.69	122.23	132.01	128.64	123.63	115.98	112.43	113.45
Profit before exceptional items	-	-	(1068.96)	(1302.74)	114.28	463.03	56.56	881.09	2398.82	2473.90
Exceptional items	-	-	639.69	242.59	-	-	-	-	-	-
PBT	51.11	(977.77)	(429.27)	(1060.15)	114.28	463.03	56.56	881.09	2398.82	2473.90
Tax	(14.51)	(355.23)	(148.13)	(403.85)	(200.32)	134.57	12.93	320.90	565.89	678.92
PAT	36.60	(622.54)	(281.14)	(687.98)	(86.05)	328.46	43.63	560.19	1832.93	1794.98
Other Comprehensive Income	-	-	-	-	52.90	12.69	(7.04)	(46.49)	(14.99)	(150.44)
Total Comprehensive Income	-	-	-	-	(33.15)	341.16	36.59	513.70	1817.94	1644.54
EPS (₹)	2.04	(34.73)	(15.68)	(38.38)	(4.80)	18.32	2.43	31.25	102.24	100.12
Cash EPS (₹)	11.02	(26.32)	(7.11)	(31.56)	5.51	25.50	9.33	37.72	108.51	106.45
Dividend %	10	-	-	-	-	-	-	-	150	150
<b>As at year end</b>										
Gross Block	3600.08	3638.12	3591.81	3596.08	5572.15	5601.24	5617.39	5663.12	5742.24	5779.37
Net Block	1954.96	1842.51	1655.12	1537.16	3381.23	3281.67	3174.20	3103.95	3073.76	3013.10
Loan Funds	3040.49	3744.34	3719.48	2775.20	2704.95	2592.14	2858.01	2198.68	2790.68	2452.65
Net Worth	1835.28	1212.75	915.03	227.06	1484.23	1825.39	1861.98	2375.68	4193.63	5569.25
Book Value per Share	102.37	67.65	51.04	12.67	14.56	101.82	103.86	132.51	233.92	310.65







# HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN : L36999TN1961PLC004606

Regd. Office: "ESVIN HOUSE", 13, Old Mahabalipuram Road, Perungudi, Chennai - 600 096.

## ATTENDANCE SLIP

### 61st Annual General Meeting on 29th June 2022

Folio No	DPID*	Client ID*	No of Shares

\*Applicable to Members holding shares in Electronic Form

I, \_\_\_\_\_ (Name of the Shareholder /Proxy) hereby record my presence at the 61<sup>st</sup> Annual General Meeting of the Company held on Wednesday, the 29<sup>th</sup> June 2022 at 11.00 A.M. at New Woodlands Hotel Pvt Ltd., 72-75 Dr. Radhakrishnan Road, Mylapore, Chennai 600 004.

Signature of Shareholder / Proxy

Note:

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Only shareholders of the Company or their Proxies will be allowed to attend the meeting on production of the attendance slip duly completed and signed.



# HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN : L36999TN1961PLC004606

Regd. Office: "ESVIN HOUSE", 13, Old Mahabalipuram Road, Perungudi, Chennai - 600 096.

## PROXY FORM (Form No.MGT-11)

[Pursuant to Section 105(6) of the Companies Act. 2013 and Rule 19 (3) of the Companies (Management and Administration Rules, 2014)]

### 61st Annual General Meeting on 29th June 2022

Name of the member(s)	Email ID
Registered Address	Folio
	DP ID / Client ID

I / We, being the member (s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name :

Address:

Email id:

Signature:

(, or failing him)

2. Name :

Address:

Email id:

Signature:

(, or failing him)

3. Name :

Address:

Email id:

Signature:

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 61st Annual General Meeting of the Company, to be held on Wednesday, the 29th June 2022 at 11.00 A.M at New Woodlands Hotel Pvt Ltd., 72-75 Dr. Radhakrishnan Road, Mylapore, Chennai 600004 and at any adjournment thereof in respect of such resolutions as are indicated overleaf



✂

Resolution No	Resolution Proposed	Please tick (✓)		
		For	Against	Abstain
1	Adoption of Financial Statements for the FY 2021-2022			
2	Declaration of Dividend for the FY 2021-2022			
3	Reappointment of Mr. N Gopalaratnam, who retires by rotation			
4	Appointment of M/s N R Suresh and Co LLP, Chartered Accountants as Statutory Auditors of the Company for a second term of five years.			
5	Reappointment of Mr M Ignatius as Whole time Director			
6	Adoption of Articles of Association (AOA) of the Company			
7	Alteration of Main Object Clause of Memorandum of Association (MOA) of the Company			
8	Subdivision of existing Equity Share of face value of ₹10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up			
9	Alteration of Capital Clause V of Memorandum of Association (MOA) of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature of Shareholder

Signature of Proxy holder(s)

Affix ₹ 1  
Revenue  
Stamp

**Notes:**

- 1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a Member of the company.**
2. This form of Proxy in order to be effective should be duly filled, stamped, signed and must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. A person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such persons shall not act as a proxy for any other person or member.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. Voting is optional to indicate your preference. Shareholder may vote either for or against each resolution. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



Flow Battery - Energy Storage System