



HIGH ENERGY BATTERIES (INDIA) LIMITED

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



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

To
All Shareholders

April 12, 2014

Re: Information Memorandum.

1. Retirement of Sri S. Sridharan as Managing Director on 31st March 2014 and Appointment of Dr. G.A. Pathanjali as Managing Director with effect from 1st April, 2014 by short closing his present term of appointment as Executive Director.

Sri S. Sridharan, Managing Director relinquished his position from the close of business hours of 31st March 2014. Sri S. Sridharan joined Company in 1979. During his tenure in HEB, he held various positions. He was promoted as General Manager (Operations) in 1996 and elevated to Executive Director in 2002. Subsequently, in 2005, he was appointed as Managing Director and his term was extended twice during 2008 and 2011. Sri S. Sridharan has desired to step down from the position of Managing Director on expiry of his present term on 31st March 2014.

The Board of Directors of the Company at the Meeting held on 15th March 2014 have appointed Dr. G.A. Pathanjali as Managing Director of the Company for a period of 3 years from 1st April, 2014 by short closing his present term of appointment as "Executive Director" and approved the remuneration package based on the recommendations of the Nomination-cum-Remuneration Committee Meeting held on the same day. These are subject to the approval of the Members of the Company in the General Meeting.

Dr. G. A. Pathanjali, aged 54 is a Chemical Engineer from Annamalai University and did his M Tech (Chemical Engineering) from Indian Institute of Technology (IIT), Kanpur. Dr. G. A. Pathanjali received his Doctorate (Ph D) in the year 1995 from IIT, Mumbai for his successful Thesis "Studies on the Electro Chemical Oxidation of Methanol and Development of Direct Feed Methanol-Air-Fuel Cell". He was inducted in the R&D Wing of our Company in 1983. He completed his first assignment successfully in establishing the Nickel Cadmium process.

He took over as Head R&D in 1996 and guided number of design cum development activities involving Silver Chloride Magnesium, Silver Oxide Zinc, Nickel Cadmium, Cuprous Chloride and Fuel Cells, for Defence, Rail Road and Industrial applications. He was promoted as Head (Operations) during 2002 and looked after Production, Maintenance, Procurement and R&D successfully. In recognition of his services, he was elevated as Executive Director on 30th May 2012.

The terms of present appointment of Dr. G.A. Pathanjali have been determined by the Board in deference to Sections 198, 269, 309, 310 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 as may be amended or re-enacted from time to time. The details are furnished overleaf.

No Director other than Dr. G.A. Pathanjali is interested in this item of business.

Relevant resolutions passed by the Board and the Nomination-cum-Remuneration Committee are available for inspection by members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day.



Phone : 91-44-24960335, 39279318, Fax : 91-44-24961785 E-mail : hebcnn@md4.vsnl.net.in

Works : Pakkudi Road, Mathur - 622 515, Pudukotai District, Ph : 91-431-2660323, 2660324 Fax : 04339-250516 E-mail : info@highenergyltd.com
Delhi Office : B-213, Phase 1, Naraina Indl. Estate, New Delhi-110 028, Phone: 011-2579 2559 Fax : 011-25792560

Website : www.highenergy.co.in



HIGH ENERGY BATTERIES (INDIA) LIMITED



TERMS AND CONDITIONS:

1	Period	From 01.04.2014 to 31.03.2017
2	Remuneration	
	a) Salary	₹ 1,20,000/- (Rupees One Lakh Twenty Thousand only) per month including Dearness Allowance and all other allowances.
	b) Commission	Equivalent to 1% percent of the net profits of the Company subject to a ceiling of an amount equal to the annual salary.
3	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	₹ 16,000/- (Rupees Sixteen Thousand only) per month.
	b) Gas, Electricity, Water and Furnishings	The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary of the Managing Director.
	c) Medical Reimbursement	Reimbursement of expenses incurred for self and family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
	d) Club Fees	Fees of Clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
	e) 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.
	f) Contribution to Provident fund and Superannuation Fund	a) Company's contribution towards Provident Fund as per the Rules of the Company. b) Company's contribution towards Superannuation Fund as per the Rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
	g) Gratuity	As per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.
	h) Leave Salary	As per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
	i) Use of Car and Telephone	Car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
4	Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid a special allowance of ₹ 7,20,000/- (Rupees Seven Lakhs Twenty Thousand Only) per year in addition to salary and perquisites as specified above. In any event, the total of salary, perquisites and special allowance will be within the overall ceiling as specified in Section II of Part II of Schedule – XIII of the Companies Act, 1956. No commission is payable in such year.

Note: Net Profits for this purpose shall be as per computation of Net Profits under Section 349 and 350 of the Companies Act, 1956.



HIGH ENERGY BATTERIES (INDIA) LIMITED



2. Appointment of Sri T. R. Sivaraman, as an additional Director, designated as Director (Finance) with effect from 1st April, 2014.

Sri T. R. Sivaraman, aged 54, is a Commerce Graduate with Professional Qualifications as Chartered Accountant and Cost Accountant. He joined HEB, in 1984 as Assistant Accounts Officer. He was promoted as Deputy Manager (Accounts) in 1986 and later as Manager (Finance) in 1990. Subsequent to the retirement of the then General Manager (Finance), he took over Head of Accounts and Finance, reporting to Managing Director. In 2004, he was promoted as General Manager (Finance) and then as Vice President (Finance).

During the past 30 years, he has been managing admirably various functional areas i.e. accounts, finance, taxation etc. His contribution in arranging funding requirement for setting up Lead Acid Battery Project is commendable. His managing the short term requirements of the Company during various stages, including the critical periods, post LAB Division creation, needs special mention.

In addition, he was given the task of concluding wage revision with the employees in 2002, 2007 and 2011 which was accomplished by him as per guidelines of the Management ensuring cordial atmosphere throughout.

After the retirement of the then General Manager (Marketing), he was entrusted with additional charge of managing Delhi Office and also to take care of marketing activities, which gave him good exposure in marketing including export activities of the company.

He was able to establish good rapport with all our customers. With his experience, he was able to establish good export marketing, which resulted in flow of export orders. Specific mention should be made about his successful efforts in getting orders from Malaysia, Dastan and Algeria.

In due recognition of his committed services, the Board of Directors at the Meeting held on 15th March 2014, have co-opted Sri T. R. Sivaraman, as an Additional Director under Section 260 of the Companies Act, 1956 and designated as Director (Finance) from 1st April 2014 for a period of 3 years.

The terms of appointment of Sri T. R. Sivaraman have been determined by the Board in deference to Sections 198, 269, 309, 310 and other applicable provisions read with Schedule XIII of the Companies Act, 1956 as may be amended or re-enacted from time to time. The details are furnished overleaf.

No Director other than Sri T. R. Sivaraman is interested in this item of business.

Relevant resolutions passed by the Board and the Nomination-cum-Remuneration Committee are available for inspection by members at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day.



HIGH ENERGY BATTERIES (INDIA) LIMITED



TERMS AND CONDITIONS:

1	Period	From 01.04.2014 to 31.03.2017
2	Remuneration	
	a) Salary	₹ 1,00,000/- (Rupees One Lakh only) per month including Dearness Allowance and all other allowances.
	b) Commission	Equivalent to 1% percent of the net profits of the Company subject to a ceiling of an amount equal to the annual salary.
3	Perquisites	Perquisites will be in addition to salary and commission shall be restricted to an amount equal to the annual salary.
	a) House Rent Allowance	₹ 12,000/- (Rupees Twelve Thousand only) per month.
	b) Gas, Electricity, Water and Furnishings	The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary of the Director (Finance).
	c) Medical Reimbursement	Reimbursement of expenses incurred for self and family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
	d) Club Fees	Fees of Clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
	e) 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.
	f) Contribution to Provident Fund and Superannuation Fund	a) Company's contribution towards Provident Fund as per the Rules of the Company. b) Company's contribution towards Superannuation Fund as per the Rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
	g) Gratuity	As per the Rules of the Company and will not be included in the computation of the ceiling on perquisites.
	h) Leave Salary	As per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
	i) Use of Car and Telephone	Car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
4	Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, the Director (Finance) shall be paid a special allowance of ₹ 6,00,000/- (Rupees Six Lakhs Only) per year in addition to salary and perquisites as specified above. In any event, the total of salary, perquisites and special allowance will be within the overall ceiling as specified in Section II of Part II of Schedule - XIII of the Companies Act, 1956. No commission is payable in such year.

Note: Net Profits for this purpose shall be as per computation of Net Profits under Section 349 and 350 of the Companies Act, 1956.

By Order of the Board
for **HIGH ENERGY BATTERIES (INDIA) LIMITED**

S.V. RAJU
Company Secretary